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**Palestinian Diaspora Contribution to Investment and Philanthropy in Palestine:  
An Economic Model**

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***Dr. Sari Hanafi, UNDP Consultant-TOKTEN***

With the on-going peace process, local and international economic links could possibly be re-established after a long period of conflict. Already partially tied to their native community, diasporas could contribute to the reshaping and to the emergence of new economic networks. Focusing on recent history and medium-term prospects, the research program "The Palestinian Economy of the Diaspora" organized by the French Center of Economic, Juridical and Sociological Studies and Documentation (CEDEJ) represents an attempt to describe and analyze the pattern of the contribution of the Palestinian Diaspora in the construction of the Palestinian entity.

The Palestinian economy and economic development are now so uneven that generalizations based on central data are extremely hazardous. Starting at the bottom, tracing investments from the host countries into the homeland, 600 interviews with Palestinian business people (mainly from Jordan, the UAE, Egypt, Syria, Israel, Lebanon, Saudi Arabia, the US, Canada, Chile, the UK and Australia) were conducted during last three years. But at the same time a strategy of working upwards and outwards was carried out from the Diaspora and from the Palestinian Territories.

The financial support of Palestinian society by its diaspora community is examined in this presentation, between investment and the tradition of familial support, and charity. However it will point to the investment showing the obstacles and motives underlying the Diaspora's support. An economic model will be proposed to assess this contribution. Despite being helpful, it remains an estimate. I will demonstrate that although the investments are not great, they constitute one of the most important sources of Palestinian economy. The mobilization of the Palestinian Diaspora is not only necessary for its money but also for its expertise and its knowledge in science and technology acquired in the developed host country. Already programs such as TOKTEN, sponsored by donor countries, and the Palestinian Expatriate Professional Fund sponsored by the World Bank are underway.

Finally some questions will be raised regarding the similarities and differences between the Palestinian Diaspora and other diasporas such as the Jewish, Armenian and Chinese.

Among the numerous studies of the Palestinians abroad (identified as refugees, expatriates or diaspora), there are very few studies which point to the economic

relationship between them and the Palestinian Territories. The contribution of the Diaspora remains at a more general level, based either on wishful thinking, sentiment or ideology.

### **Financial Support of the Diaspora for Palestine: a Global View**

I will consider separately the donations and the investments. However one has to keep in mind that the distinction between the two may become blurred. As an example, philanthropic actions contribute to the creation of economic activities.

### **The Investments of the Diaspora**

It is difficult to assess the volume of Palestinian Diaspora investment using the findings of my survey. However the viability and eligibility of the statistics coming from within Palestine are questionable. There are two sources: the Ministry of Economy and Trade, and the Palestinian Central Bureau of Statistics (PCBS). This data is not appropriate to my type of analysis due to the following aspects:

The data concerns only companies that apply for tax holidays according to the Investment Law. Companies that have not applied are not accounted for.

The data defines a local investor as a Palestinian who holds a Palestinian/Israeli identity card even if s/he resides abroad.

According to international standards, any subsidiary of a foreign company in Palestine is considered a domestic company. In other words, an enterprise is considered resident wherever its center of economic interest lies. For example, although the PADICO is registered in Liberia, its subsidiaries in Palestine are considered local.

According to my surveys, the declared capital of some companies is less than in reality and sometimes stems from non-declared transfers from abroad.

There is no distinction between a foreigner and a foreign national. However it is probable that the overwhelming majority, if not all, of the investment comes from people of Palestinian origin.

For all of these considerations, it is not possible to fully rely on this data. It underestimates the reality. Moreover it is hard to distinguish between local and international investment. Thus, I came to the following conclusions:

### ***The Investments Due to the Big Projects***

The direct capital investments in new business firms and for the purchase or expansion of existing ones is very small in comparison to the estimations that were made at the outset of the Madrid agreement. There were US\$48.6 million in 1994, US\$62.5 million in 1995, US\$120.7 million in 1996 and US\$81.7 million in 1997, which constitute

respectively a small ratio to the GDP: 1.6 percent, 1.7 percent, 3.1 percent and 2 percent, while in most Arab countries, this ratio is not less than 15 percent. (Table 1) However the ratio of gross fixed capital formation (i.e., all kinds of investment, including the extraordinary activity in building, a large share of which is in the residential sector) to the GDP amounts to 11 percent of the GDP, which is quite high, as I will show below.

### ***Distribution Between Palestinian Diaspora and Local Investment***

Available only in the West Bank, the statistics of the Ministry of Economy and Trade report that there were 74 projects registered in 1997 in the West Bank: 20 foreign investment projects, 44 local investment projects, and ten mixed investment projects. Concerning the foreign direct investment (FDI), almost all of the FDI is coming from the Diaspora. The distribution available concerns only the West Bank. From US\$199.874, there are US\$14.490 (7 percent) from the Diaspora, US\$74.376 (37 percent) mixed. But according to the General Secretary of the High Committee of Investment in Gaza, Jamil Harara, more than 90 percent of the investment comes from the Diaspora. It is reasonable to assume that 70 percent of all investments come from foreign nationals. Upon calculation, the contribution of the Diaspora to big project investment is estimated at US\$116.83 million in 1996 and US\$154.87 million in 1997.

These figures need to be modified by taking into account that which was omitted by the statistics.

I will add the investment of the largest three companies coming from the Diaspora: Palestine Development and Investment Company (PADICO), Arab Palestinian Investment Company (APIC), and Salam International Investment Company, as shown in Table 5. With the exception of the Palestinian communication Co. (PALTEL), a subsidiary of PADICO, these companies did not apply for exemption of taxes according to the Investment Law. These investments amount to US\$49.826 million in 1996 and US\$56.826 million in 1997. If we add these figures to the official data we get US\$134.3 million in 1996 and US\$114 million in 1997.

### ***Small Diaspora Investment Especially in the Residential Sector***

To gain a foothold in Palestine, some of the Palestinians abroad buy or build an apartment or a house to be used for vacationing. Others build for the family remaining in Palestine. The PCBS carried out an "Existing Building Survey" and a study of "Expenditure and Consumption Levels," which allowed it to assess the small investment in the private residential sector. One has to take into consideration that the figures of these surveys are independent from the previous statistics concerning the commercial construction projects. The PCBS estimated individual transfers from the Diaspora to private construction in Palestine to be approximately US\$169.5 million in 1996 and US\$197.1 million in 1997.

To summarize, the total of the Palestinian Diaspora contribution to investment amounts to US\$303.8 million in 1996 and US\$311.1 million in 1997.

### ***Distribution of the Official Investment Data by Sector***

The arrival of Netanyahu on the scene caused Palestinian investment in existing industrial projects to decline from 55.4 percent and 44.3 percent in 1995 and 1996 to 28.7 percent in 1997. This is due to the fears that arose concerning the future of the peace process. (Table 2)

Table 3 shows that the majority of investment went to consumer product industries and industries related to construction activities, which create intensive employment. In 1997 there were 1,434 employees who constituted 45 percent of all employees involved in economic activities due to investment. (Table 4)

The trend in the service sector (which includes banking, insurance, education and health) has gone the opposite way of the trend in industry and grown. The general percentages have increased from 19.2 percent in 1994 (17.0 percent in 1995 and 16.3 percent in 1996) to 44.5 percent in 1997.

In the tourism sector, the year 1996 was very important because 26.4 percent of all existing project investment were spent to establish hotel projects. However this trend declined in 1997 to 19.2 percent.

Regarding the construction sector, it is important to note that it reached its peak in 1994 (44.6 percent) with the idea of the massive return of the Palestinian refugees. After 1994 the ratio of investment started to decline steadily. As an indicator, there are 3,242 vacant buildings in Palestine and another 19,311 under construction. (PCBS, 1998b) In Ramallah there are 3,166 apartments that are vacant and/or unfinished, according to the Director of PEC DAR, Mohammed Shetiyyeh. In my opinion, the portion of construction remains huge because of the small building projects not included in the ministry's statistics.

Investment in the agricultural sector is minimal due to the scarcity of land and water in Palestine.

### ***New Pattern of Economic Activities***

The impact of these contributions of the Diaspora is not only quantitative but also qualitative. The idea of a holding company allows the establishment of strategic and long-term investment and heavy projects that are beyond the capacity of one person. It is a new model infused in a country dominated by the family-based small or medium firms. Infusing vitality into the Palestinian economy at this early stage of its development is crucial to any future prospect of stability and sustainable development. Vitality not only relieves the economic, social and political tensions that are now a fact of daily life; it also initiated a catalytic process of capital accumulation in a low-resource based economy that consumes a very high rate of imports.

The leader of such companies is PADICO. Founded by 140 prominent Palestinian businessmen in the Diaspora with a capital of US\$350 million, its plan is to invest US\$1 billion by the end of the decade. One of its objectives is to help channel new capital, either directly or through affiliated or subsidiary companies, towards projects that can create jobs while providing competitive financial returns to investors; in short, to attract and use investment to help rebuild the economic infrastructure in the Palestinian Territories.

Even in the service sector, the private sector becomes a leader; examples include the phone company (PALTEL) and the electricity generators (The Palestine Electricity Company, incorporated with a capital of US\$100 million). In the industry sector, incorporated in January 1995 with a capital of US\$22 million, of which PADICO's share is 70 percent, the Palestine Industrial Investment Company (PIIC) aims to strengthen the Palestinian economy by investing in new light, medium and heavy industries and by bolstering and expanding qualified existing industries. We have some relevant examples: The Tannery Project (expected cost around US\$10 million), Home Appliances Project (expected cost around US\$3 million), Thermal Pipes Project (expected cost around US\$1.3 million), The Poultry Project (expected cost around US\$9 million), The Carpet Project (expected cost around US\$5 million), The Poly Ethylene Teraphtalate (PET.) Project (expected cost around US\$4.5 million), and The Steel Pipes Project (expected cost around US\$6 million). At present, and despite initial trials and errors, numerous projects drafted by these companies are already at the implementation stage.

A collective mobilization of resources has also taken place. A number of stockholding companies have been founded, chief among them the Arab Palestinian Investment company (APIC), whose activities include the joint efforts of Palestinian business people from both sides of the Green Line. The Arab Palestinian Financial Foundation (Beit Al-Mal Al-Arabi Al-Falestini), the Palestine Bank for Investment, and the Arab Islamic Bank constitute other examples. The impact of such societies has been limited when compared with that of PADICO.

However the new pattern of big companies is not necessarily the best. Within developed countries it is clear that some challengers to corporate hegemony have appeared. Small businesses, in decline, and universally stereotyped as dependent, backward and low-skilled until the 1970s, have begun to increase in number again. Some of these, at least, have been highly successful and innovative self-starters, using and developing the latest technology and designing for the newest markets. Silicon Valley and Third Italy have become a model to imitate, denoting mutually supportive communities of such firms. Few, however, have thought of these small firms as actual or potential actors on a global stage or as nascent rivals to the international operations of the multinationals. (Lever- Tracy, Ip & Tracy, 1996)

## **Philanthropic Palestinian Activities**

These contributions were analyzed on the basis of the following sources:

Donations and expenses on the occasion of visits from Palestinians abroad to the Palestinian Territories. According to the PCBS these donations and expenses amounted to US\$96.4 million in 1996 and US\$90.9 million in 1997.

Individual transfers to support the family in Palestine. It is rather difficult to give an estimation of the dimensions of these transfers because most of them do not pass through banks. Anyway, parts of these transfers overlap with the donations and expenses related to Palestinian visitors from abroad.

Institutional unilateral transfers from abroad, such as from Islamic or Christian charities or simply pro-Palestinian solidarity groups/organizations. Here also it is difficult to obtain precise data. However some indicators will be useful. The Welfare Association could be considered without hesitation as the most important association in this field. Gathering prominent Palestinian business people and intellectuals, the association is a philanthropic and independent voluntary foundation. Established in 1983, it has certainly earned its solid reputation as a serious organization helping to lead Palestinian development. From the start, it adopted the principle of self-sustainability. To guarantee financial durability, the association trustees set up an endowment, supervised by an investment committee and looked after by professional portfolio managers. The revenue is utilized to cover the association's recurring costs. This ensures that annual dues and donations are wholly appropriated to fund grants related to Welfare Association programs and projects.

Apart from such large funding, Palestinian development also involves many individuals in and outside Palestine. The Welfare Association works with a wide range of them. These include private donors, some of whom enhance their investments in Palestine due to its activities. Several of these donors have also entrusted the association with managing grants. The Welfare has been acting as an intermediary NGO since 1984. Between 1983 and 1996, it disbursed 1,200 grants to over 300 NGOs in Palestine and abroad. (Tanmiya, 1997:1,2)

The association has funded - since 1983, the date of its foundation to 1996 – 1,307 projects, totaling US\$90 million (US\$43 million from its own sources and US\$47 million from external ones), which gives an average of approximately US\$6.42 million per year, of which US\$3.071 million are from its own sources. The yearly total average for 1997 – US\$4.211 million - showed a decrease from the previous year, although it should be noted that the association is now totally reliant on its own sources, external funding having come to an end. (Welfare A, 1997:7)

The association has the following characteristics:

Because of their financial and intellectual capacities, the members of the Welfare Association have the potential to influence the decision-making processes concerning national affairs.

It is a very important pole of philanthropic Palestinian activities with the ability to help beyond the first small-aid plans.

A good international reputation turned the Welfare Association into a counterpart for the donor institutions willing to help the Palestinian NGOs. Funds under management from donors such as The European Union and Arab Fund for Social and Economic Development (AFSED) are used for projects in the Palestinian Territories, Israel and Lebanon. The Welfare Association, heading a consortium including the British Council (BC) and Charities Aid Foundation (CAF), has presented to the World Bank a successful proposal for the establishment of a Project Management Organization (PMO) to manage World Bank assistance to Palestinian NGOs. This project is a major breakthrough when it comes to NGO activity in Palestine. (Tanmiya, 1997:1,2)

There are other associations working in different countries but their impact is really small in comparison with that of the Welfare Association. The most important associations of this kind are probably the Islamic charities raising their funds from Arabs and Moslems from the US, Europe and Arab countries. According to a survey conducted by Jamil Hilal and Majdi Malki, 40.9 percent of the funding of the Zakat Committees comes from abroad. (1997: 21)

Other solidarity organizations such as the United Palestinian Appeal (allocated US\$492.964 in 1995), the United Holy Land Fund and the Arab Palestinian Fund, which are based in the Europe and US do not have religious motivations for their activities.

I would estimate that the contribution of all these organizations, except the Welfare Association, amounts to approximately US\$4.0 million.

### **Total Financial Contribution**

In summary, as Table 7 shows, the financial support from the Diaspora amounted to US\$408.006 million in 1996 (from which 74 percent came from investment) and US\$410.211 million in 1997, from which 76 percent came from investment.

It seems to me that these estimations are reasonable if one takes into consideration the net transfers from abroad (current transfers received by residents from non-residents, minus current transfers paid by residents to non-residents). The net transfers amounted to US\$437.53 million in 1997. (PCBS, 1998a)

Furthermore, the Diaspora contribution constituted 74 percent of the total foreign aid (US\$549.414 million) in 1996, and 95 percent of the total foreign aid in 1997 (US\$432.259 million). (MOPIC, 1998) (See Table 7)

These facts show us that the aid of the Palestinian diaspora is very important in spite of the political instability. However, it does not cover the amount of aid which theoretically

would be needed for the (re)construction of the young Palestinian entity, which would require much larger financial support from the Diaspora. The capacity is far greater than the aid which is actually given. This is linked mainly to the fact that the majority of the members of the diaspora are still unable to live in Palestine or at least to come as visitors. It is important to note that a special Israeli military law, which allows Palestinian investors to have a residence permit, in practice, has never been applied.

It is also worthy to note that it is not possible to consider this contribution as a peace dividend because it started a long time before the Oslo Agreement, although some investors were encouraged by it. Thus there is no direct correlation with the peace process.

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## 8 September 1998

### The Palestinian Issue: From the Interim Period & Where To?

*Speaker:* Mr. Hani Al-Hassan, Head of the PLO Foreign Relations Department

*Participants:* Mr. Hani Al-Hassan, PLO Central Committee & Responsible of the External Affairs Department; Mr. Gabi Baramki, Advisor, Ministry of Higher Education; Mr. Hasan Abu Libdeh, Palestinian Central Bureau of Statistics; Mr. Ahmad-Hashem Az-Zughayar, PLC Member; Mr. Adnan Hussein, Director, Awqaf; Mr. Hatem Abdel Qader Eid, PLC Member; Mr. Waleed Assali, Advocate; Mr. Ziad Abu Ziad, Minister; Mr. Ahmad Al-Batsh, PLC Member; Mr. Hasan Al-Khateeb, Ministry of Youth & Sports; Ms. Samia Khoury, Rawdat Al-Zouhour School; Dr. Mohammed Jadallah, Physician; Dr. Mustafa Abu Sway, Professor, Al-Quds University; Mr. Yousef Al-Herimi; Mr. Zakaria Al-Qaq, IPCRI; Dr. Mahdi Abdul Hadi, Head of PASSIA; Ms. Sawsan Baghdadi, Project Assistant, PASSIA.

**Dr. Mahdi Abdul Hadi:** PASSIA is holding a series of meetings on the interim period. As you are all well aware, Jerusalem has become isolated from the West Bank and Gaza Strip. Nevertheless, we are determined to conserve the continuity of our city, Jerusalem, and its institutions as well as our role as an academic organization that regroups the elite in the Palestinian house in order to enable them to work in the name of the Palestinian national cause.

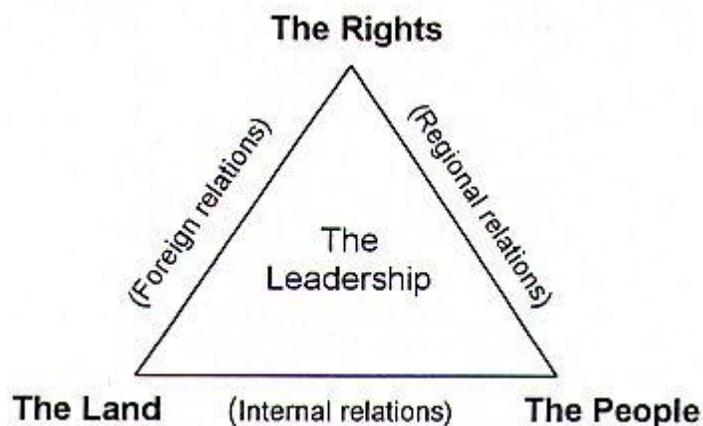
PASSIA as an academic institution participates in the following networks:

1. The Palestinian NGO (PNGO) Network, which regroups all the NGOs working in the West Bank and Gaza Strip. The minimum of networking is realized through periodical meetings and the exchange of publications, but there is no exchange or interaction when it comes to programs or viewpoints, and only the minimum of interaction takes place at the end of the year when the elections take place.
2. The Association of Palestinian Policy and Research Institutions (APPRI), which is a specialized association made up of five organizations interested in Palestinian policy and research: PASSIA, the Jerusalem Media and Communication Center (JMCC), the Institute of Palestinian Studies (IPS), Muwatin – the Palestinian Institute for the Study of Democracy, and the Center for Palestine Research and Studies (CPRS). These five institutions formed an association in order to regroup the *crème de la crème* of researchers and academics and allow them to work together on Palestinian issues, help decision-makers, and influence society. The minimum coordination between these institutions takes the form of regular meetings and the exchange of publications, but there is no common work as each organization is busy with its own programs.
3. The Arab Social Science Research Network (ASSR), which is made up of two Lebanese, two Jordanian, two Egyptian and two Palestinian organizations. These organizations meet in order to discuss ways in which they can study the society in the Arab World. Once again, only the minimum of coordination exists.
4. The fourth organization is EuroMeSCo, 'The Euro Mediterranean Studies Commission', which consists of 40 institutions from the European Union and the Middle East. EuroMeSCo holds one conference every year and many workshops on different subjects in various capitals every fourth month.

My point is as follows: What is the Palestinian role in all these activities? How can we raise our voice and expose our viewpoints? We need to hold meetings, to prepare position papers and to recruit specialized researchers, bearing in mind that the problems facing the Palestinian civil society dominate every attempt to think about and deal with our everyday problems. Every single day new problems arise in the Palestinian civil society between relatives and tribes, etc, and it is virtually impossible to even think about plans for the next few months, let alone the next five years.

In a meeting that took place in the early 1990s in London - during the Gulf Crisis and when the PLO leadership was weak, isolated, rejected and exiled in Tunis – a group of Palestinians came out with a working paper and some of them left for Tunis later on to discuss certain points with the leadership. Others, as you know, chose not to go. The famous Arab writer Hassanein Haykal says in his book that Abu Ammar was lost between two trends: one group was inclined to recognize Israel, while another shared the views expressed during the Stockholm meeting. Abu Ammar in his famous document declared the Palestinians' recognition of 242 and their readiness to negotiate with Israel and to renounce terrorism in all its forms.

What is the Palestinian issue now? It has three components: land, people and rights, all of which are connected to the soul and legitimate representative of the Palestinian issue, the PLO.



With regard to the land, we are talking about the lines of 1967, which divide the land into Jerusalem, the West Bank and the Gaza Strip. There is a new melting pot in Ramallah, which used to be a small Christian city where one could only live or set up a business if one had roots and relations there. Nowadays, whoever has the funds can move to Ramallah and open an office or shop there, thereby melting into this huge pot. Is this the society that we are looking for? Or do we want our society to remain one in which people 'belong' and remain loyal to their towns and villages?

Concerning the rights, what are our rights now, between the Interim Agreement period and the Final Status Agreement period? The most important issue is our internal relations, which govern our foreign and regional relations. Our society is disintegrating due to our frustration and desperation. The latest poll that was conducted by the Center for Palestine Research and Studies (CPRS) in Nablus showed that 36 percent of the population - and the figure is higher amongst educated and cultured Palestinians - is ready to leave the country now because of its dissatisfaction with the current situation. Anyone who has a diploma, the necessary contacts, and a reasonable amount of money is saying that this is not the type of society in which they wish to live. Therefore, I ask you, in the name of your love for your country, your commitment to your people and your aspirations for a better future for all Palestinians to work together in order to come up with a number of ideas concerning what issues we should be concentrating upon in the next few months, taking into account that most people agree on the need to declare statehood in May 1999. Another fact that must be taken into consideration is that we do not have an official Israeli partner

who is committed to the signed agreements, while the Palestinian-American relations are devoid of any substance. I invite all of you to think together in order to help us as an academic institution to develop a position paper and thank you all for finding the time to attend this preliminary meeting.

Let me start by asking: Where are we today and to where are we going, taking into account that some members in the four forums that I mentioned say that it is essential to declare statehood despite the fact that the leadership is weak and facing internal problems, while others say that there should either be a binational state or a confederacy with Jordan? Those who favor the Jordanian option are not very vocal at the moment, but are waiting for the post-Arafat era to expose their views.

What is our role as academics and national institutions, realizing that our internal problems have led to the decay of our society and the absence of law or real authority, etc?

**Dr. Gabi Baramki:** In order to reach a conclusion, we must be fully aware of the fact that these are all interconnected issues. Our internal problems are extremely complicated and, quite obviously, they affect the way in which we deal with the outside. Whenever we want to lobby abroad, those with whom we speak always bring up what is happening here and the question of whether or not ours is a democratic society, and, if it is not, what we intend to do about it.

I think that it is very important that we start by solving our internal problems whilst forgetting about everything else, or alternatively, that we forget about our internal problems and concentrate on doing what each of us has to do and looking for new concepts. Concerning these concepts, are we heading towards a Palestinian state, a laic state in all of Palestine or a confederacy with Jordan? Maybe we should limit our discussion from now in order not to get lost later on.

**Dr. Hasan Abu Libdeh:** I think the real question that needs to be discussed is who are *we*? As individuals and as a society, we should always ask ourselves who we are. I believe that the Palestinian 'black box' disappeared during the last stage of the *Intifada* and the period of Oslo, and that without this black box, we can no longer have a national consensus on the issues of principles and social change or influence or change them. We ourselves are the source of the problem and we should rearrange the question of the Palestinian identity and redefine the specific essence of the Palestinian society. It was the weakening of the PLO that led to the weakening of Palestinian society and it is for this reason that we need to have a national consensus, either by reviving the role of the PLO or by finding an alternative.

Returning to the triangle, you speak about rights, but what are the rights in the absence of this black box? Are we talking about the rights of a part of the Palestinian people present in the West Bank and Gaza Strip or the rights of the Palestinian people as a whole? What people are we talking about? In the last four to five years, we have witnessed a process in which the roles and status of certain groups and individuals have undergone a significant change, and this must be taken into account.

As for the land, this issue is very clear.

It is my opinion that if there is no minimum on which all of us can agree, then there is no hope whatsoever. As a citizen, I am extremely concerned about the fact that there is no longer anything that warrants us sacrificing our lives; the thing that regrouped us in the past whatever our differences and regardless of our address is simply not there. The battle of 4<sup>th</sup> May 1999 should not be regarded as the battle of only the Palestinians who are here. We are all aware that there are disagreements concerning the definition of the 4<sup>th</sup> of May, especially as any declaration of a Palestinian state will ignore 60 percent of the Palestinian people and take into consideration only the rights of the Palestinians in the West Bank

and Gaza Strip, not those of 1948, nor those in Syria and Lebanon or other Arab or foreign countries. What I understand is that as of 4<sup>th</sup> May we will start a new page in our history: a page that will include a new society, a country with sovereignty, the end of the armed struggle, etc.

**Ziad Abu Ziad:** The truth is that it is difficult to discuss these issues separately from the reality in which we live and without asking the question: Will this lead to the dissolution of the Palestinian cause? As to what Hasan Abu Libdeh said, Abu Ammar is our black box, and if he declares a Palestinian state on the 4<sup>th</sup> of May on the Palestinian land of 1967, all of us, not only the President, will find ourselves committed to certain things.

**Dr. Abu Libdeh:** The 4<sup>th</sup> of May marks the end of the Oslo agreement and the beginning of a new stage.

**Dr. Abdul Hadi:** But where is the Palestinian land in all this? There is on one side the Gaza Strip and on the other the West Bank, which is divided into six main cities while the remainder remains under Israeli control. Jerusalem, meanwhile, is totally under siege and isolated by an organized continuous process that nobody can stop. This is our current situation and the geographic unity of the land of 1967 no longer exists. Can we - as a people or as a national Palestinian movement – now insist that it is essential to unite the Palestinian land in the West Bank, Gaza Strip and Jerusalem? I do not think that the current political equation would allow us to do this, no matter how hard we tried.

**Ziad Abu Ziad:** This is documented in the fourth article of the Oslo Agreement.

**Dr. Abdul Hadi:** But our political partner is not respecting this agreement. I ask you, therefore, could we do it?

**Hani Al-Hassan:** I believe that all of us need to be politically courageous, realizing that this issue is important not only to us, but to the entire Arab nation. We have to fully understand the new reality and that in order to reap, one needs to sow. In 1963 Chairman Mao told us that if we were ready to revolt, he hoped he would still be around to write about it; nobody at the time believed that the Palestinian people would be able to endure a continuous confrontation lasting 33 years. Anyone can survive a short-term confrontation, but to survive one lasting such a lengthy period of time is quite remarkable.

During the recent sowing process, i.e., Oslo, Baker promised that if we moved to the 'American ship' and make certain concessions, he would guarantee that a settlement would be reached – more than self-rule, but less than a Palestinian state. A series of meetings followed and we were all somewhat shocked when Baker and Bush got up and left the table.

Later on came the Oslo Agreement, which was established on the basis that Rabin and Peres had changed their political views and that Clinton, Rabin and Peres had agreed upon a new concept. Again, the belief amongst Palestinians was that the agreement would lead to the establishment of a Palestinian

state and that the declaration of statehood would most likely be made in November 1996. But then came the assassination of Rabin, and we found that the Israeli, as well as the American side, had deserted the table. Accordingly, we find ourselves heading for the 4<sup>th</sup> of May with the image of the land that was drawn at Oslo staring up at us from the table.

There are three things that should not be violated during the period leading up to May 1999, namely the land, the unity of the people and our national dignity, and anything that violates them cannot be accepted, even though all three have been violated in the past. I believe that it is impossible for the PNA, under the Oslo Agreement, to respect, for example, the issue of human rights as the agreement obliges the PNA to honor certain commitments that necessitate its turning a blind eye to the upholding of certain principles. I am not condemning its stand or putting blame, but the fact is that if I prevent those who want to continue the armed struggle from doing so, then I cannot say that I respect human rights. When I resort to drastic, unacceptable methods to gain access to information that will help me honor my commitments then I cannot claim to respect human rights. I have been at several meetings involving Abu Ammar and the leaders of various countries during which the latter have brought up the issue of human rights; after listening to Abu Ammar's explanations, they inevitably concede that he has no choice but to use certain unsavory methods in order to fulfill his commitments. Just imagine what would happen to these leaders if they used the same methods back home!

Now, how can we, in light of Oslo and under the umbrella of the Paris Economic Agreement, establish a national economy? I only have control over 23 percent of the water, which is clearly not sufficient, and one can only wonder how the ex-Minister of Agriculture was supposed to facilitate an agricultural revolution without access to water! The World Bank came with \$12 million for the creation of the industrial zone in Gaza, only to say, once the infrastructure was ready, that it could not sign the documents that the Americans had brought because of the fact that there is no freedom to transport the merchandise from the industrial zone to Al-Majdal or Al-Areesh. The Oslo Agreement is standing there like a barrier in the face of agriculture, industry, commerce, human rights and the land.

Unfortunately, the weak point in the Oslo Agreement is that it has dates but no mechanism for implementation. The Camp David Agreement became a law in the American Congress, so the American Government was obliged to implement it. When the ship Achille Lauro was hijacked, I was asked to solve the problem. The four kidnappers came down from the ship and we were able to solve the problem peacefully, but then they wanted to take us with them in a plane and I told the head of the Egyptian Intelligence that I refused to board with Abu Al-Abass and the others. He ignored my protests, the plane was hijacked, and Rabin announced that the plane had been hijacked with Hani Al-Hassan on board. When officials from the President's office called me to ask why I had not given the Americans all the details, I told them that according to Camp David, the question was US-Egyptian relations and we as a third party were not recognized - my only role, which I was asked to play by the Egyptians, was that of mediator - meaning that it was up to the Americans or Egyptians to take the initiative.

In the Oslo Agreements, as I said, all we have is dates, but even those, as Rabin pointed out, are not sacred. That is why the 4<sup>th</sup> of May will mark the beginning of a new stage that will follow one in which the unity of the land was not respected, the safe passage was not established, more and more of the land was used by the Israelis, and settlements were erected on any West Bank land in the immediate vicinity of water resources. There is no Palestinian city - except Nablus - whose inhabitants drink from a Palestinian well, and even then the well is polluted. Hebron relies on water from Kiryat Arba, Bethlehem on water from Kfar Etsion, and Ramallah on water from Givat Ze'ev.

I think it is important that we consider the positive things about our current situation. For one thing, the world is now standing by us for the first time ever. Europe is standing by us, and even Clinton's position is positive. Netanyahu, meanwhile, is taking advantage of our internal situation. I think we must agree that we can no longer continue to back the Oslo Agreements and that we must unite in our support for the establishment of a Palestinian state, meaning in the West Bank, Gaza Strip and Jerusalem, but not Jaffa and Haifa etc. This requires a lot of legal preparation and a lot of careful consideration. If we are controlling only 15, 30 or 35 percent of the land, can we actually establish a state? Israel and the US are

trying to make us accept the situation as a *fait accompli*, which brings us to the question: Is Arafat alone on this road or not?

In what direction should we go after the 4<sup>th</sup> of May? After Churchill, Chamberlain, Hitler, and Daladier signed the Munich Agreement, Chamberlain returned to England and told the 200,000 people who were in the streets to receive him that he had brought them the peace agreement of a lifetime. However, when he went to the Houses of Parliament, Churchill stood up and told him: "You had a choice between war or avoiding war and you chose to avoid war, but in reality, you took the war." Six months later Hitler invaded. I believe that we the Palestinians are trying to avoid the confrontation, and not only the armed confrontation; nowadays, the unarmed confrontation is much more effective than the armed one.

As I said previously, Netanyahu is relying on us accepting the situation as a *fait accompli* and he wants the Palestinians and Jordanians to remain in the Israeli orbit from the security, political and economic viewpoints. He appears to have the NAFTA example in mind, with Israel playing the role of the US, Jordan that of Canada and the Palestinians that of Mexico; in other words, that of a provider of workers. However, because he does not want to have political problems, he is keen to see Jordan and Palestine become one political body. King Hussein, on the other hand, does not want to be a part of the equation, so the plan requires a lot of changes. Moreover, Abu Ammar and King Hussein have their problems, as do Abu Ammar and Netanyahu, which confirms the need for changes to the plan.

Can we, the Palestinians, continue to ignore that fact that we are so divided? The Oslo stage was very difficult and it totally divided the entire Palestinian society to such an extent that today, there is no political party, refugee camp or community that is not divided. Can we make the 4<sup>th</sup> of May the day that marks the revival of our national unity? And will the situation within the PNA enable it to adapt to this revival? The PNA rules now because it has the power, not because it is a suitable model and this power divides rather than unifies the people. There is a famous saying that says that when a revolution is transformed into an authority, it kills its sons, but being a model is something that unifies the people. The PLO, the PLC and the government cannot unite the people, unlike the National Council, consisting of 250 people, not 700 or 800, half of whom are from the military. Were the people to be united, the 4<sup>th</sup> of May could be a glorious day in the history of the Palestinian cause.

**Dr. Mohammed Jadallah:** In our society, there are three main groups who are capable of making a difference: the politicians, the different political parties – or what is left of these parties - and the academics. For the time being it seems that the politicians will play the bigger role; many academics attempted to play a political role but did not succeed, and the same applies to certain politicians who wanted to try their hand at being academics. We should not forget the military – our young people are being prepared to become repressive tools, as was the case with different groups of fascists. Who is going to lead in the upcoming stage? Will the different political parties be restored, or are the academics going to take the lead?

**Hassan Al-Khateeb:** How can we talk about the 4<sup>th</sup> of May while our internal situation is so bad? Nothing is controlled and corruption is the name of the game whether on the inside or outside. The members of the PLC who were elected by the people and who have a mandate are not doing anything, nor are the members of the Central Committee. I hope that future meetings similar to the one being held today will lead to the reaching of a consensus concerning the role of the educated and academics in normalizing the Palestinian situation.

**Dr. Abdul Hadi:** We are agreed about the need to declare a state on 4<sup>th</sup> May, but are we ready for the 4<sup>th</sup> of May? The Arab and Islamic countries will support the declaration of a state, but the leadership is constantly complaining that it does not have an Israeli partner. We have all the elements necessary for an independent state, i.e. land, people, right, government and recognition, even if they have been violated, but we need to be sure that the Palestinian civil society is ready to support the decision. We are approaching the 4<sup>th</sup> of May as a Palestinian national movement without taking into consideration what is happening to the PLO and its institutions, whether there is a powerful national authority or not, whether there is corruption or not. We have to ask the question: Will the declaration that is made on the 4<sup>th</sup> May be merely another inapplicable declaration like the declaration made in Algiers?

**Samia Khoury:** There must be a real change in the performance of the PNA, the people, etc. before the state is declared. The people do not trust anybody anymore, especially the PNA, which does not seem to appreciate the fact that those same people who had to fight in order to be able to go and vote in the PLC elections and saw those elections as the first step on the path to democracy now feel that we are going backwards. It is unreasonable to expect people to back the declaration unless the performance of the PNA changes for the better. Even in the NGOs, which used to be so active, people no longer have the courage to say what is on their minds. The other day I saw someone who had written an article about the corruption in Russia and the US; I asked him why he is not writing about the corruption here and was not at all surprised when he said he cannot write anything because of the overall situation. There is nothing that really motivates us to continue the good work.

**Adnan Husseini:** We have put all our hopes in Oslo as if there is no alternative to it. I believe that after four and a half years, it is time that we find other mechanisms, but whilst continuing the negotiations with the Americans as mediators.

I believe that between now and the 4<sup>th</sup> of May, we should reinforce our institution building with the help of the PNA so that if the situation worsens, which seems likely, we will be able to survive. During the *Intifada* everybody executed the orders of the National Unified Leadership as it had credibility and the people were optimistic. Now, the institutions that we used to regard as sacred, including the religious ones, are being attacked, which is something that never happened in the past, even during the *Intifada*. That alone should tell us how bad things have become. How can we accept a religious judge being attacked in his office? The attack is a prime example of the way in which our principles, ethics and manners have declined as a result of the overall situation. Without improving relations amongst ourselves, we are lost. I am sure that if the Palestinian state is declared in May, Netanyahu will enter the Palestinian cities and there will be street fighting and much bloodshed, and in a way, I am rather hoping that this is what will happen as at least it would force us to develop our relations to the same level that existed in the past. We still have a lot of work to do and it is extremely important that we realize that without developing our institutions as a basic infrastructure, we will be unable to do anything.

**Ahmad Al-Batsh:** During the *Intifada*, the situation was quasi-controlled and the principles were the same for everybody; moreover, our dignity was not violated. Sure the land was violated, but it was not violated in the same way as it is now, which is why I am so concerned about the lack of unity. Since the arrival of the PNA, the voice of the cultured strata has not been heard and an increasing number of writers and journalists etc. have been and continue to be afraid to raise their voices, out of either fear or a sense of despair. As for the political parties, they are not seen on the political scene any more, in spite of the need for a national consensus. The military are dominating the society, and here lies a very serious problem. I told Abu Ammar that I am shocked to see those who once fought so bravely in the name of the national cause and who are now members of the preventive security acting so badly. Who should we hold

responsible for what they are doing? Look at the person who was led into believing that by assassinating Abu Iyad he was being loyal to the Palestinian cause: who is responsible for that? The message is clear, and it reads 'catastrophe'. If we do not have a national consensus on this issue, then everything is lost. There are, however, some signs that people have in fact understood the message: when Abu Ammar signed the first death sentence, for example, 30,000 people in Rafah went to the streets because they knew that they were implicated and felt obliged to try and get him to change the decision.

**Hatem Abdul Qader:** As I see it, the declaration of statehood is a challenge for which there is not a clear political agenda. From our own point of view, we have reached a stage where we feel that declaring statehood is important, but we have neither the financial capability nor the material assets that declaring statehood requires. The four years of PNA rule and the fact that the PNA did not encourage institution building or set a good example will reflect on the next 20 years in a very negative manner.

Another issue is that of the PLO, which is for me the main pillar and also the first and last defense line for the ambitions of the Palestinian people. The PNA, whether purposely or by accident, I would not like to say which, is minimizing the role of the PLO. This is extremely dangerous, and I believe that if the PNA fails, the PLO, upon which we have always relied, should be strong enough to serve as an alternative. We should rebuild the structures of the PLO using new mechanisms, a new policy, and new tools, but with the same principles and the same hopes. I am one of those who would like to see the PNA become a part of the PLO. We should create a body that is more powerful than the PNA and that represents every Palestinian, whether on the inside or the outside, in the form of the National Palestinian Council. When, in 1996, I participated for the first time in the National Palestinian Council meeting, which was held in Gaza, the members agreed on the nomination of 100 new members in little more than ten or 15 minutes, thereby proving their efficiency.

As to the role of the academia, their role has clearly changed. Most academics have been neutralized while the others are satisfied with merely being close to the authority. We should work on creating a new nucleus, but one with a national backing provided by all the population. As a son of Fatah, my orientation is Fatah, but sometimes in the PLC, I agree more on certain issues with a member from the Jabha Shabieh, for example. We should not lose hope

**Ziad Abu Ziad:** There is no doubt in my mind that dealing with the negative effects of the internal situation - the military, the corruption etc. – requires a large number of meetings as the different issues will all have an influence on the future of the state and its people.

The PLO is the lifeboat that we can use to survive this stage. The dissolution of its role by the PNA is a problem, and we should rebuild all our national institutions - the Palestinian National Council, the Central Committee, and the Committees of the National Council – and give them a role. We should show the Palestinian people and the entire world that the PLO is not finished and that if the PNA fails, we will still have a lifeboat – the PLO.

As to the issue of the 4<sup>th</sup> of May, we need to organize many, many meetings in order to discuss the possible consequences of the declaration. I am afraid that we have perhaps put ourselves in a trap by using the declaration to put pressure on Netanyahu, and in light of the current situation, I believe that we might have made a mistake by persisting in saying that we intend to declare statehood next year. The issue of the declaration was on the agenda at the last four cabinet meetings, yet it was only discussed during the last meeting. Abu Ammar was the first one to raise the issue and to speak about it during governmental discussions. Do we really want to declare statehood on the Palestinian land and therefore enter a struggle with the Israeli side? If I want to declare a Palestinian state on the 4<sup>th</sup> of May and apply my sovereignty, it means that I have to check the car of every settler before allowing him to enter the

areas under Palestinian control. The settlers will not accept this, and there is bound to be bloodshed. So I ask, are we really ready for this?

Due to the internal situation, the people have distanced themselves from the leadership and from now until the 4<sup>th</sup> of May the latter should work hard to regain the trust and support of the former. I am really afraid of the consequences of the current situation in which we are not even capable of conserving the institutions that already exist.

What are Palestinians supposed to think when they learn that some members of the PNA are the financial partners of certain Israelis? The Israelis are exaggerating, saying things like Yasser Arafat is preparing for a major confrontation on the 4<sup>th</sup> of May and that the 'March of the One Million' was a kind of preparation for this. They also say that he is mobilizing the supporters of Fatah because they will make up the main camp in this confrontation and that he is holding or planning to hold secret talks with members of Hamas in order to mobilize them too. That is why the 4<sup>th</sup> of May should be the subject of a series of frank discussions.

**Dr. Jadallah:** Is this a new stage in the national Palestinian struggle, or is it the continuation of the old one? Abu Ammar did not consult with anyone when he started speaking about the 4<sup>th</sup> of May. Moreover, there is a high degree of indifference in the Palestinian street nowadays as there is no discussion between the PNA and the peop, in spite of the fact that the declaration of statehood requires their backing.

**Hasan Abu Libdeh:** The 4<sup>th</sup> of May, whether we support the declaration of a state or not, will mark the end of one stage and the beginning of another, not only for the Palestinians, but also for the Israelis, the Arabs and the entire international community. There is a great need to identify our different strategic options. What would be the option if the declaration comes as the result of an agreement? Or as the result of what the Israelis want? Or of what the Palestinians want? Or of what the Palestinian society wants? Maybe we will end up with a state in Gaza and an agreement for the West Bank, resulting in the establishment of a sovereign state, meaning that we could practice our sovereignty in Gaza in a comprehensive manner while every Palestinian in the West Bank would be a citizen in that state.

**Dr. Abdul Hadi:** This idea was proposed by Shimon Peres.

**Hassan Abu Libdeh:** When we agree on a certain option, there should be no problem. Agreeing on a two to three-year program for the upcoming stage, for example, would give us time to realize the next stage of redeployment. On the Palestinian side, I think that there is a possibility that the 4<sup>th</sup> of May could represent the beginning of withdrawal from the Oslo Agreement; the leadership could withdraw, saying that it can no longer respond to the demands of the fulfillment of the Palestinian dream unless it does so. Of course, there is also the realistic option of confrontation, which is more likely to result in the minimum requirements of the continuity of the Palestinian people being met.

I believe that the main problem is that the 4<sup>th</sup> of May could turn out to be another example of the way in which a protest often starts, only for everything to get calmer and return to normal within a very short time, as was the case with the 'March of the One Million'. Personally I did not approve of the march and I do not believe that we got anywhere near one million people to take to the streets, but perhaps we should

look at it this way; since we proved that we are capable of bringing huge numbers of people to the street, then perhaps we should consider this as proof that we are capable of making the declaration of the 4<sup>th</sup> of May a reality.

We have to decide now: Are we dealing with the 4<sup>th</sup> of May as a decision, as a situation that will mark a turning point, as a negotiating position, or as a program? As far as I am concerned, it should be a comprehensive program with all its political and institutional aspects. Above everything else, the 4<sup>th</sup> of May should provide those from different political trends with an opportunity to retrieve the possibility of gaining the minimum possible under the current circumstances. We should not forget, however, that many things are necessary for the 4<sup>th</sup> of May to bear fruits, which is why we should transform this country into a 'workshop' starting immediately.

The PLC is going through a period of great changes and many problems. The coming period will be a very decisive one for the PLC, as it will determine the council's future after the declaration of statehood, and there are many legal preparations that need to be carried out to ensure that there is no legal void. It is clear from what has already been said that the people are not participating in what is being done, which means that mobilizing and organizing them is of great importance if we want to make the declaration in May a realistic choice, and here I refer not only to the one million Palestinians inside, but also to the 3.5 million Palestinians in the Diaspora. The 4<sup>th</sup> of May should mark a natural humanitarian and political change that benefits from international support, but this will not be the case unless we strengthen the various institutions of the PLO so that the organization's embassies, institutions and tools will once again be capable of organizing, preparing, and mobilizing for the future, and involving the marginalized people in the struggle as well as the national community. Anyone who is familiar with Eastern Europe will understand the problem that we are now facing without the PLO and its effective institutions and embassies.

It is vital that we realize the importance of proving to the people that there is still something worth fighting for, and in this respect, advocacy and mobilization play a major role. We should also understand the implications of not determining what kind of relationship we want to have with Israel, because regardless of whether or not we declare statehood or continue the negotiations, the unbalanced relationship that exists at present when it comes to issues such as employment and the economy, etc. appears destined to continue, and even though we might be independent in theory, we will remain occupied in practice. Therefore, one of the things that we should take into consideration is whether we are capable of organizing the local market in order to ensure that we have a capable and supervised workforce by May 1999. Can we take measures and make arrangements that will decrease the economic dependency from which we are currently suffering? Having said all this, I remain optimistic that the 4<sup>th</sup> of May could represent a hugely significant step in ridding the Palestinian society of the feeling of being an 'occupied people'.

**Dr. Zakaria Al-Qaq:** On the issue of mobilizing the inside, two weeks ago there was a meeting that was organized by the President's office and the two lectures were Palestinians from the inside – 1948 – who were asked to give us an idea about their position *vis-à-vis* what is happening. One of them had conducted a poll in the Um Al-Fahm area and discovered that upon the arrival of the PNA, people had developed a real desire to take part in what was happening. However, more recently, and especially in light of the absence of rule of law and an effective court system, etc., many have made a decision that they would be wiser to invest their faith in and try to improve their conditions through the Israeli, rather than Palestinian, framework. They no longer want to have anything to do with the PNA for a variety of reasons, such as the social and economic situation and because what has happened over the last four years has effectively removed them from the circle. If elections for the PLC were to take place in Jerusalem today, there is very little chance that the same number of Palestinian Jerusalemites who voted in the first elections would do so again because of the current situation; a situation that is characterized by fatigue and anger with the performance of the PNA, a damaged social fabric, and the absence of a feeling of solidarity, etc. When a 60-year-old vegetable seller from Bethlehem goes to see a high-ranking

policeman to protest against something but is hit and lapses into a six-hour coma, only to find when he wakes up that the hospital is refusing to give him a report stating the cause of his injury, can we blame him if he tells us that he doesn't want the current situation to continue?

To put it very bluntly, if some major changes are not made between now and the 4<sup>th</sup> of May, the declaration will not have the support of the people. Forget about reaching the Israeli society; it is the Palestinian people that we have to reach in this critical period. Look at our newspapers and ask yourselves, why do people like Ziad Abu Ziad and Haider Abdul Shafi whose articles people used to love to read no longer write? The position of the inside is unlikely to change, and as Ziad Abu Ziad said, the refugees are the missing number in this equation.

**Dr. Baramki:** I agree with a lot of things that Hassan has mentioned, and I believe that we need a leadership that is capable of putting pressure on the PNA. The PLC, which used to be a source of pride for all Palestinians due to the way in which it was elected in such a fair and representative manner, no longer represents the people. The whole population was not happy with the fiasco of the Cabinet change, and the fact that the PLC did the opposite of what the people wanted by lending the new cabinet its support is proof that it no longer represents the people.

In order to prepare ourselves for the 4<sup>th</sup> of May, there is clearly a need for us to have a strong leadership, which necessitates the election of a new PLC that truly represents the people. It is a fact that all new parliaments need time to gain experience, and I can only hope that the new PLC, if elected, will learn from the mistakes of the current one. Without a new sound leadership, there is the real possibility that something spontaneous could happen; most revolutions have been spontaneous and when we have tried to control them, we have failed, which is why they should be avoided at all costs. If we want to start preparing for a strategy, we should start by preparing a leadership, not only individuals, but also a group of people that is capable of preparing for this properly. I spoke with some members of the PLC and others in the PNA and they told me that they had not agreed with what happened concerning the Cabinet, but that they had gone ahead and voted anyway, which just goes to prove that we need a more courageous body to prepare for the future. One has to be prepared for any struggle into which one is about to enter, regardless of whether or not it is armed. When we entered the negotiations, we neglected the majority of those who were qualified to give us advice.

**Hani Al-Hassan:** I personally do not agree with the Oslo Agreements, and I believe that the 4<sup>th</sup> of May will witness one of two things; either Netanyahu will win, or the Palestinian people will rise. I have learned that there are periods of high tide and low tide for every revolution. We are now living in a period in which some leaders are rising and others are falling. If one wants to work with the authority, one should not combine one's title with trade; if the people participating in the negotiations have business affairs with the people they are negotiating with, then it is a major problem. How could the PLC members be attacked only for the issue to be ignored? Democracy and reform is not a fruit that you simply go and reap, but rather a seed that you grow.

If the 4<sup>th</sup> of May comes and we do not transform it into a day of struggle, then I assure you that we will be in a great trouble. Ross is on his way, and he wants results, which means that there is likely to be a breakthrough in the next few months. One of the reasons why this is likely is that we are thinking that when the dates mentioned in the Oslo Agreement have passed, then the agreement will have come to an end. If they come and tell us that they will give us 13 percent of the land in zones A, B and C in return for our not declaring statehood, will we agree to this? From my point of view, I would prefer to have only ten percent of the land but without promising not to declare a state. The English and the Germans are saying that if a referendum takes place amongst the Palestinians and they express their support for the

establishment of the state, then they would be happy to acknowledge the state. Clinton also said the same thing.

**Dr. Abdul Hadi:** What Clinton said was that he does not object to the idea in principle, but that he does not agree with it.

**Hani Al-Hassan:** While they were negotiating, Clinton left the room – he thought that the other two would continue to negotiate – and when he came back he said that the *final* solution lies in a Palestinian state. I do not consider that there are a lot of differences between the different political parties; sure they have different political views, but I sometimes find that some of my brothers from Hamas or other parties have personal views that are more similar to my own than those of people from Fatah. If the absence of unity continues, it will pose a major problem in the future.

In short, the message that I am trying to convey today is that trying to avoid confrontation means that we are practically accepting Netanyahu's concepts and that the decision to enter a confrontation might actually help stop it from taking place.

**Dr. Abdul Hadi:** Are the people here in this meeting ready to enter a confrontation?

**Hani Al-Hassan:** The people who are sitting here are those who are being tested; the people themselves are not being tested. We have all made mistakes, but if the situation continues, then any possibility of reform to fight the corruption will not succeed. Let's agree on the fact that we want to put pressure on the leadership. The people are put into a type of confrontation, as mentioned in the Qur'an: '*Kutiba alaykimou al-qital wa hou wa kourhon lakom*'. When the people went out to the streets in Deir Al-Balah, it was a message to the leadership that they are fed up. The reason why we took a decision on the issue of the tunnel is that at that time we only had two options: either to sit and watch the situation explode in the face of the PNA or explode it ourselves. Now, if we lose in this struggle then Netanyahu's concept will win and if we do not do anything, then we will lose the struggle. I believe that we will have a series of very generous offers in the upcoming months, and it is important that we keep asking ourselves this question: What will we gain from having control of more land if the building of settlements continues?

It is true that the PLC should be ashamed of itself - we told this to Abu Ala' yesterday; the PLC is going to be one of the most important institutions and it is very important that its members realize that none of them, without exception, have the right to 'bend the rules' or break the law. The PLC is viewed from the outside as being more important than the National Council. If we feel the need to form a new National Council, it implies that we need a new Executive Committee and a new Central Committee and that is why we should – along with our people outside – do our best to make sure that they are formed.

Finally, the people who are negotiating now should understand that we cannot negotiate on the television as we have done over the past two years, hoping that the Americans will take pity on us and displaying a willingness to do anything they tell us to do. Nothing can happen if people are afraid or unwilling to speak their mind. The academics should prepare their own vision of the 4<sup>th</sup> of May, displaying courage and creativity and appreciating that their plan does not have to match that of the PNA.

