

Imprisoned Ideas

A Discussion of Palestinian, Arab, Israeli
and International Issues

Adel Samara

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*Al-Mashriq/ALA'mil for Cultural and Development Studies
Ramallah, P.O.Box 1010 West Bank*

Globalization, the Palestinian Economy, and the 'Peace' Process

1. Introduction

The so-called 'peace settlement' of the Israeli-Arab conflict took place during a period in which globalization (especially its economic aspect) was dominating international relations. Despite all the arguments that globalization is an international phenomenon, its effects and benefits are different in central and peripheral formations. While Western capitalist countries benefit from liberalization of trade, access to increased world markets, free movement of capital and goods (though not labor power), it means, for the periphery, a termination of the nation state's power, restriction of its markets, and further blockades on its development.¹

The effects of globalization on developing countries are already well known: in May 1996, at the ninth session of the UN Conference on Trade and Development (UNCTAD) "several leaders from developing countries described how globalization and liberalization had forced their local companies out of business and marginalized their economies".² Similarly, Tanzania's President Benjamin Mkapa told UNCTAD that countries undergoing liberalization and privatization under World Bank/IMF-style policies had suffered heavy social costs, including job losses, cuts in health care and education, and instability.³

Despite these negative effects, some critics have argued that developing countries should seek to take advantage of changes in the world economy, *"but they have to be discriminating in the way that engage with the world economy. They must liberalize their trade regime, but this does not mean they should not leave room for protecting their domestic economy ... They*

¹ "Globalization has increased the power of the big corporations, but has eroded the authority of political masters, Swiss Finance Minister Kaspar Villiger, in *The Third World Network*, July 4 1996

² 'Backlash Grows Against Globalization', in *Third World Network*, Aug 19 1996

³ *ibid.* See also, 'New-Liberalization in Action', in *Third World Economics*, May 16 1997, no. 161, p.5, "The privatization of Argentina's state-held oil company-YPF- eliminated jobs that not long ago seemed so abundant that they could support any one who wanted work...Argentina is the country with the highest unemployment rate (17.4%) in the region"

must go for export-led growth, but this does not mean that there is no space for producing for their own markets. They need foreign direct investment, but this does not mean they should not build up their indigenous capability. There is need to modify the policy prescriptions for developing countries.”⁴

What is important here for the Palestinian context is that despite the experiences of many developing countries, the Palestinian Authority (PA) is categorically accepting and adopting the waves of globalization, with seemingly little awareness of any alternatives, nor of the experiences of other developing countries who have already gone down this road.

2. The Legacy of Direct Occupation

The aim of briefly summarizing the policies imposed under Israeli occupation, and their effects, is not to make a historical survey. Rather it is to show that the main components of occupation policies are continued through the Oslo Accords, both in theory and practice.

A few days after the Israeli occupation of the West Bank and Gaza Strip (WBGs) in 1967, the Israeli military governor, which was later called the Civil Administration (a change in name, but not in nature or role) started issuing military orders which would re-shape the lives of the Palestinians living in these two parts of Palestine, in accordance with Israel's Zionist ideology and its economic interests. Throughout the occupation, Israeli military orders on economic affairs have constituted 50 percent of all military orders which were implemented towards Palestinians.⁵ It was, and still is, the aim of the Israeli occupation to ‘adjust’ the economy of the Occupied Territories to fit in with the interests, needs and structure of the Israeli economy. This has been effected through military force. Accordingly, the relationship between the two economies was, in fact, a relationship of ‘armed’ and unequal exchange.

The military orders started by cutting all relationships between the Occupied Territories and the world, making their economy captive to the Israeli economy. Israel became the source of export and import for the

⁴ Gamani Corea, *Third World Network*, July 4 1997:2

⁵ Adel Samara, *Israeli Obstacles to Economic Development in the Occupied Palestinian Territories* (JMCC: Jerusalem, 1992); *Israeli-issued Military Orders 1967-1992* (JMCC: Jerusalem, 1993)

Occupied Territories. This process enforced on all social classes the necessity of dealing with the Israeli economy, a policy which has, as intended, created a Palestinian social dependency on the Israeli economy.

For the Palestinian working class, laborers became dependent on the Israeli labor market since Israel prohibited the Palestinians from building their own infrastructure. Accordingly, Israel became the main place of work for the growing labor force from the Occupied Territories, especially for the surplus labor power from the refugee camps and rural areas. Before *Intifada* started in 1987, there were nearly 165,000 such laborers working inside Israel.

For the capitalist class, the only route open to them was to become agents, marketing Israeli products in the Occupied Territories. This was the main factor behind the evolution of a new comprador Palestinian class/faction, which replaced the factions who had been privileged under Jordanian rule. When some Israeli capitalists realized the profitability of investing in some sectors in the Occupied Territories' economy, they did so jointly with Palestinians. This led to the evolution of the sub-contracted Palestinian capitalist class/faction, which dominated and even replaced the weak nationalist bourgeoisie.

In doing so, Israel in fact annexed to its economy two of the three main classes of Palestinian society, the workers and the capitalists. Accordingly, the natural equation of labor to capital, which is found in most societies, has been deformed for the Palestinians in the Occupied Territories, since both working class and capitalist sectors became integrated separately to the Israeli center.

The situation of the peasants was no different, considering that most of the laborers from the West Bank who worked in Israel were from rural areas (see below). Israel's policy towards the Palestinian peasants in the Occupied Territories was as follows:

- Confiscating as much of their land as possible (more than 60% of the land, mainly the most fertile land has been confiscated or is under Israeli control)
- Prohibiting agricultural exports

- Encouraging the peasants from the Occupied Territories to produce what is required by the Israeli market⁶

This policy led to more deterioration of the peasantry. Part of the surplus labor power emigrated to the oil-rich Arab regions. In the rural areas those harmed most were the independent and small producers many of whom lost land through land confiscation, or were unable to compete with crops produced by Israel or at least imported through it. The rest of the surplus rural labor power, who failed to find jobs in the local towns and cities, finally looked for work inside Israel. Fundamentally, the colonial Israeli occupation targeted the capture of land and had a clear policy for land confiscation, unlike the Palestinians.⁷

This policy works in harmony with the Israeli sub-policy of not giving Palestinians licenses to start productive projects in the Occupied Territories. The policy, which continued until 1990, reflected some changes in the Israeli conception of the mechanisms of dependency of the Occupied Territories' economy on that of Israel. The new Israeli conception was that the economy in the Occupied Territories, after continuous shaping and re-shaping throughout the years of occupation, had reached a point at which it was unable to compete or de-link from the Israeli economy. So now by simple exchanges, such as requesting building licenses, Palestinians are automatically perpetuating dependency and integration with the Israeli economy. But what is at issue here is not just that industry is still weak, but that the PA's industrial policy is still pointing in the direction of further entrenching dependency.

To elaborate, the following is a summary of the main features of the Occupied Territories' economy during the Israeli occupation:

- **An Economy Without a Center:** All of the Occupied Territories became a periphery for the Israeli economy. Every city and its district became related and directly dependent on the Israeli economic center. The city itself was no longer a commercial or industrial center for its surrounding villages. A direct relationship was even created between

⁶ Adel Samara, *Iktisad Taht Al-talab. An Economy of Stand-By* (Al-Zahra Publications: Jerusalem, 1989).

⁷ Adel Samara, 'The Palestinian National Movement: No Land Strategy', *News From Within*, vol XIII no. 2, Feb 1997, pp.26-8

villages and the Israeli centers. Every economic sector and social class became related to the Israeli economy. The same is still true after the so-called 'peace agreement'.

- **An Economy Which Was Unable to Decide its own Investment Priorities:** All forms of investment in the Occupied Territories are conditioned on approval from the Israeli authorities, especially industrial investment. Accordingly, the investor is obliged to think of a project which fits with criteria acceptable to the Israeli authorities. This naturally supports Israeli policies and interests. The result is further deformity of the local economy, and a strengthening of the sub-contracting capitalist social faction, which has now become one of the main supporters of the Oslo Accords. That is why most of the investments in the Occupied Territories were concentrated in the construction sector.
- **An Economy with an Externally Oriented Surplus:** The Israeli decision to close all local, Arab, and international banks in the Occupied Territories was taken in 1967. These banks were replaced by 36 branches of Israeli commercial banks which never dealt with development loans. The Palestinian public has little confidence in these banks which is why the savings of the population were oriented abroad, resulting in fewer internal investments. The more savings were drained abroad, the less the desire and ability there was for investment inside the country. The same orientation still taking place under the PA (see below).
- **An Economy of Captive Exports and Imports by Israel:** Israel monopolized the exports and imports of the Occupied Territories' economy which had two main side-effects:
 - (i) The producers and merchants redesigned production and consumption according to Israeli needs and products
 - (ii) The exporters and importers lost the benefits of exporting and importing freely and with countries which offered them the best conditions. This made the Occupied Territories' balance of trade indebted to the Israeli economy
- **The Consumer Does not Have Free Choice:** The consumer in the Occupied Territories is obliged to consume Israeli goods, and/or those imported through Israel. The same orientation still taking place after Oslo; goods imported through Israel are monopolized by Israeli agents, who act according to their own interests. Thus, the Israeli occupation has even designed the shape of the Palestinian consumption.

Clearly, Israel's economic policy for the Occupied Territories' economy was and still is the determining factor. This policy has resulted in more capitalization of market relationships and consumption, but not in a complete capitalization of agriculture, as the major sector of that economy. As an open area for Israeli products and all mechanisms of its developed capitalist economic system, the prices of goods and services in the Occupied Territories rose to nearly the same as those in Israel, but with a larger gap between the incomes in the two areas. The Israeli policy of unifying prices, but not incomes between the Occupied Territories and Israel made it difficult for the Palestinian masses to satisfy their basic needs. They were obliged to leave their small plots of infertile land, thus facilitating its confiscation. The Palestinians are now paying the price of this as confiscation has taken more than 60% of the Occupied Territories' land and is still expanding.

Dependence on Israel is nearly absolute, and any attempt at avoiding it is crushed. On the internal level, transportation from Jerusalem to the Gaza Strip costs Palestinian manufacturers more than transportation to Europe. This is due to the obstacles created by Israel to internal Palestinian marketing. For example, Gazan goods are routinely held up at the Gaza/Israel checkpoint for up to several weeks.⁸ Palestinian products are exported via Israeli companies, and large amounts of them are produced through sub-contracting companies. All transportation is via Israeli vehicles. The drivers of Palestinian trucks have raised several demonstrations demanding permits for their trucks to move between the West Bank and Gaza Strip.⁹

*“Thus, for example, according to a license from the Palestinian authorities, Gazan businessmen were contracted to buy watermelon seeds from Egypt at a price of US\$0.7 per kilogram. However, the Israeli authorities rejected this and obliged them to buy American seeds at US\$6.00 per kilogram,”*¹⁰

⁸ Interview Ali Taziz Chairman of Jerusalem Chamber of Commerce, April 30-1995

⁹ Interview Samir Hallis, car dealer from Gaza, Feb 20 1997.

¹⁰ Rabiee' Dajani, *Development of Employer Organizations in the Occupied Palestinian Territories: A report submitted to the International Labor Organization and Jerusalem Chamber of Commerce*, Oct 11 1997.

3. The Palestinian Authority's Economic Strategy

The PA is headed by a leadership which deeply admires and blindly applies neo-liberal economic policies. But these policies demand that it apply fully the prescriptions of the international institutions, which advocate a free market economy, privatization, and the liberalization of trade - all policies which are in direct contradiction to nation-building and development. If it follows World Bank prescriptions, the fate of the weak, fragile Palestinian economy, which lacks even sovereignty, will be no different from other Third World economies.

The PA, however, is still dreaming of a positive input from these institutions.¹¹ It should be noted that commitment to free-market style policies is to facilitate capital's exploitation of the working class, and surely not for the sake of the entire population.

The PA is stubborn enough to ignore the cries and experiences of other peoples and countries whose protests against globalization are increasing¹².

The PA sees development in very conventional terms; it is spending tax income and grants for either short term employment, or for infrastructures to entice foreign (including Palestinians in the Diaspora) investors who are practically not coming!. In all Palestinian cities the most obvious development is in the form of hotels, offices, and new buildings. The crucial question is how much the population really benefits from these investments, and to what extent the land and capital of the West Bank and Gaza are geared towards production that meets their own needs? The new buildings, supermarkets, and luxury restaurants in Ramallah and other West Bank towns are a reflection of the PA's real intentions, and not evidence of development. This 'development' is a preparation of the area to satisfy the needs of the 'Casino Economy' which is designed for it. To have a 'stand-by economy', the regime needs to prepare a special infrastructure, which meets the demand of tourists, businessmen, NGO managers, top-ranking PA officials, etc. The majority of the population has nothing to do with all these developments.

(i) The Oslo Context and the Paris Agreement

¹¹ 'The PNA remained committed to the peace process in order to improve living conditions in the short run and to achieve a viable and promising future for the Palestinian people in the long run. the PNA is determined to realize these goals, with the assistance and support of the donor community and multilateral agencies', *The Palestinian Public Investment Program for 1997* (PPIP, 1997)

¹² The most recent and striking example is the South-East Asian financial debacle.

Based on Oslo Accords, the Paris Economic Agreement is, in fact, worse than its predecessor. The Agreements (Oslo and Paris) ignored the issue of Palestinian sovereignty over land, which means that the Palestinians will not be able to practice a real development strategy, especially in agriculture as the main economic sector in WBGS. The agreements do not guarantee for the Palestinians freedom of export and import without Israeli supervision. The Palestinian Minister of Trade Maher El-Masri stated: “The Israelis control Trade Protocol through their restrictions in dealing with Arab world, in order to limit the amount and quality of goods we are allowed to import outside the Israeli customs tariff... They impose their own specifications and measurements on the imported goods”¹³ The following are excerpts from the Paris Agreement which show that, in essence, the post-direct occupation era is the same as the era of direct-occupation. And since the economic situation is continually deteriorating under the PA rule, the PA is calling for an improvement in the Paris Agreement. El-Masri commented: “All economic agreements following the Declaration of Principles were dangerous and had negative impact on the economy”¹⁴. There is severe doubt as to whether these cries will bring about an improvement in the terrible situation inside the PA areas. Since it knows that Israel will not amend the Paris Agreements, the PA is concentrating its demands on Israel letting more Palestoworkers enter its borders to work. While working in Israel eases individual problems temporarily, it does nothing for development and the creation of an independent economy.

The Paris Agreement states: “In Area B, authority over land should not be transferred to the Palestinians”.¹⁵ Areas B and C cover the rural areas of the WBGS and account for most of the land in those areas. When it is stated that land will not be transferred to the Palestinians, it means that no authority and ultimately no chance for development especially in agriculture, will be allowed. While it should be noted that in contradiction to the PA pretense that the agreements means an Israeli withdrawal, the political and economic agreements actually refer to an Israeli ‘re-deployment’ not withdrawal, i.e. at best, the Israeli army will stay in its military camps in the WBGS.

¹³ *PECDAR INFO*, Palestinian Economic Council for Development and Construction, Monthly Information Bulletin, vol.1 no.8, pp 4-5.

¹⁴ *ibid*, p.4.

¹⁵ *The Interim Israeli-Palestinian Agreement 1993 and the Declaration of Principles 1995* (JMCC: Jerusalem, 1996) p.15 (Arabic)

For good measure, the agreement adds:

*“Any security arrangements and decisions which follow the re-deployment of the Israeli forces shouldn’t weaken or terminate the importance of the Palestinian development programs”.*¹⁶ Yet, while the agreement mentions the facilitation of commodities movement inside and outside the West Bank and Gaza Strip¹⁷ what subsequently happened was an Israeli closure which harmed most of the Palestinian products.

The real guarantees are going, in fact, to the Israel settlements (which, in the case of a real peace agreement should be dismantled), for example:

*“The Palestinian side must guarantee that any buildings close to the Israeli settlements or military cites should not harm or lead to any side effects for the settlement or to its infrastructure”.*¹⁸

The pretense of many PA figures that the Palestinians have the right of free import and export is baseless. According to the Paris Agreement, a joint Israeli-Palestinian economic committee has been established for economic affairs including export and import¹⁹. One of the duties of which would be to discuss Palestinian suggestions for an increase in commodities from lists a1 and a2 (according to a classification in the agreement of commodities which are demanded for the Palestinian markets).²⁰ The agreement further states that “the Palestinians will be able to import the goods in list a1 which are contained in Annex 1 and produced, in particular, in Jordan and Egypt and other Arab countries, in amounts agreed upon by the two sides, and according to the needs of the Palestinian market estimated according to paragraph 3 below”.²¹ The next paragraph, a2, applies the same restriction on products from Islamic countries. “All lists of a1, a2 and 3²² are subjected to the Israeli standards of tariffs, purchasing tax, and other

¹⁶ ibid p.17

¹⁷ ibid. p. 63

¹⁸ ibid p.190

¹⁹ ibid. p. 264

²⁰ ibid. p. 271

²¹ ibid p.265.

²² The Agreement contains a list of commodities covering pp. 297-355. Priority is given to Jordanian and Egyptian products as countries who signed a peace agreement with Israel. The letters JE are written beside all commodities which should be imported from Jordan and Egypt

The commodities are divided into categories. The source of imports is mentioned, the amounts and the period of importing. Any change should be with an Israeli approval, p. 305..

collections and fees”.²³ Import and export by Palestinians is clearly not free.

Very few Palestinian merchants dare to mention that when the PA gave them import/export licenses, all of them were conditional upon previous Israeli approval.

*“I got a license from the PA for what I am importing. It is originally issued by the Israeli authorities. It was impossible to get it if any of the agents for Israel applied for that. I am lucky that there is no agent competitor for me.”*²⁴

According to the Paris Agreement, Israeli markets should have been opened up to Gazan products by the beginning of August 1994. Israeli economic policy during the occupation era was orientating as much as possible of the Palestinian producers to produce for the Israeli markets. It is now difficult for them to change suddenly. This in addition to the fact that the PA is still not re-structuring the production base to prioritize the basic needs. What has happened is that Gazan products have been finding their way onto the West Bank markets, resulting in more of a surplus in the West Bank, lower prices, and even more bankrupt farmers. The large supply, made the prices of their products less than production costs. This supply-side crisis continued until the end of 1995 when more Palestinian farmers were bankrupted and closed their farms. This caused a decline, for example in the supply of eggs, which led to egg prices being raised by the beginning of 1996 to a level above the consumer's capacity. This encouraged some farmers to go in for raising chickens. But the Israeli markets closed again, and the result is a new decline in egg prices. The Israeli authorities argue that Palestinian products fail to meet Israeli standards when, in fact, the same Palestinian products have been entering the Israeli markets since the beginning of the occupation. The Israelis have used this as justification for turning back hundreds of thousands of eggs from Gaza, calling them ‘black eggs’. Despite the extensive closures, Israeli goods are moving freely to the Palestinian self-rule areas and the Occupied Territories.

On the level of clearing, the Palestinians are losing as well. A formal source noted that:

²³ ibid p.265.

²⁴ Interview n.n.

*“As a source of income for the PA clearing, which is comprised of the VAT paid by Palestinians for their imports from Israel, the tariffs paid at the border for imports from abroad, and 75% of the income tax deducted from the wages of Palestinian workers working in Israel...all decreased by 50-70% because of the closure”.*²⁵

On the other hand, “since Israel is the main beneficiary, its exports to the Palestinian market reach US\$2.4 billion a year, while Palestinian exports to Israeli market do not exceed 10-13% of this figure”.²⁶ Yet, Israeli sources are pretending the opposite; an Israeli source noted that the Israeli Ministry of Finance transferred to the PA NIS 626 million as taxes collected in the form of import taxes, VAT, fuel and income tax.. Since the signing of the Oslo Agreements, the Israeli government transferred to the PA more than NIS 2.3 billion, and the Palestinian self-rule areas imported from Israel in the last year agricultural products and raw materials an amount of US\$1,8 billion.²⁷ The Minister of Planning and International Cooperation, Nabeel Sha’ath noted that: “the deficit in the Palestinian trade balance is dangerous. Our imports reached US\$1,600 million, while our exports are only US\$400 million for 1996”.²⁸ And, with the tight closure, exports dropped by 50%; it is worth mentioning that almost 70% of Palestinian imports come through Israeli ports. Moreover, Israeli exports to the Palestinian territories amount to US\$1.2 billion, while their imports from these territories reach only US\$210 million”.²⁹

It is clear that the ratio of export and import is different between the two sides, and even between sources of same side. The Palestinian trade deficit with Israel is large, but if they had not tied their own hands with the Oslo and Paris Agreements, (i.e. being unable to export and import freely), the Palestinians would be in a stronger position to negotiate and improve their balance of trade. Developments so far do not indicate that Palestinian protests and demands to change the Paris Agreement will bring about positive results.

²⁵ A. Alawneh, General Director in PA tax department. *Al-Quds* July 6 1996, p.11.??

²⁶ *PECDAR INFO*, vol.1 no.2, Dec 1996:1

²⁷ *Al-Quds*, Jan 10 1997

²⁸ *Al-Quds* Jan 6-1997

²⁹ *PECDAR INFO*, vol.1 no.2, Dec. 1996:8

The above mentioned factors prove that despite the ‘peace’ agreements, Israel has never stopped its colonial and aggressive policy against the Palestinians. On the economic level, it is taking part in Israeli-Palestinian direct trade, as well as in Palestinian regional and foreign trade. The Israeli authorities provide access to Jordanian products to compete with similar Palestinian products inside the PA areas and Israeli markets.

Regarding work force, the Paris Agreement states that:

“The two sides will work towards a normal work force movement between them, taking into consideration the right of each side to decide at one time or another the extent and conditions of workers’ movement in its area. If normal movement is cut from one side, it should immediately inform the other. The other side is able to discuss the subject in the joint economic committee”.³⁰

In light of the tight Israeli closure, some Palestinians argued that the Paris Agreement permits each side to boycott the other’s products,³¹ which not the case. And even if it were contained in the agreement, how would the Palestinians be able to substitute their imports, since imports and exports are in the hands of the Israelis?

MohammedRashid, Arafat’s Economic Advisor, called for a modification of the Paris Agreement in terms of the bilateral trade volume. According to Rashid, 95% comprises Israeli exports. The Paris Agreement encourages monopolies and the PA is losing hundreds of millions of shekels as a result of non-returned taxes, particularly purchase tax. For example, the PA has to purchase milk and milk products from the Israeli monopoly company Tnuva, and is forbidden to import from abroad³² It should be noted here that all of these demands for change to the agreement are being made by the weaker party - the PA. Accordingly, to have changes to the agreement ratified is not guaranteed.

While the PA is trying to minimize Israeli domination, Israeli businessmen, following the policy of their state, are doing the opposite, i.e. introducing a new way of domination. One Israeli business man said:
“We have to lend a hand in building the Palestinian economy. Lutman and I, together with another group, have offered the Chairman of the

³⁰ The Interim Israeli-Palestinian Agreement 1996 p.281.

³¹ A. Qraia’ *Al-Quds*, Mar 13 1996

³² *PECDAR INFO*, vol.1 no.2, Dec 1996, p.2

*Palestinian Authority our co-operation. We plan to go to him so that together we can systematically think and work on building light industry, which is the key and the basis of our capability to help”.*³³

And, they are being assisted in this by the Palestinian Investment Law, which encourages large capital investment over the small. (see below).

Many sources, international and even from the PA itself, have written about corruption within the PA. Palestinian citizens know that this is on a large scale. What is central is that this regime, which claims that its role is in nation-building, development, and independence, is running two budgets simultaneously - one open to public view, the other covert. The hidden budget contains hundreds of millions of dollars of public money which is distributed to recruit loyalty for the regime³⁴ rather than going into development.

Five years after the signing of Oslo A, it has become clear that the aim of all who shared in the imperialist peace settlement was to re-educate and to change the modes of thinking, life and the ambitions of the Palestinian people. The designers of the ‘peace process’ were sure that it would continue, despite the political and economic difficulties facing the Palestinian people.

The PA has become directly involved in re-educating the people, starting from the use of a political discourse which considers any resistance to the Israeli occupation as against ‘peace’, and against the Palestinian people. The PA authority which accepted this ‘autonomy’ from Israel is trying to sell the idea to the people as if it had been offered a real independent state. This authority is in fact created and financed by the imperialist countries, in return for the political services it is delivering. So, this authority is taking the ‘political rent’ as a salary for its role in supporting the ‘settlement’ which paved the way for world capital to achieve its policy of *class re-ordering* in the region. Through class re-ordering, the PA is integrating itself into joint interests with the Israeli and foreign capitalist regimes by adopting an open-door policy, liberalization of trade, and encouraging foreign capital over local capital. The result of these policies

³³ Beni Goan, owner of *Delta*, from Internet *GLOBES*, Dec 19 1996

³⁴ For the PA’s corruption see: Ronen Bergman and David Ratner, ‘The Man Who Swallowed Gaza’, *Ha’aretz*, Weekend Supplement, Apr 4 1997. See also David Hirst, ‘Shameless in Gaza’ in *The Guardian Weekly* for week ending Apr 1997, p. 8; and the *Report of the PA Budget Committee for 1997*, distributed in June 1997 without date but with E-Mail code @commette budget.Laws.

is further weakening and even destruction of small and independent producers, higher unemployment, less accumulation, and more dependency on Israel. Since it is created by the designers of the 'settlement', this authority is unreal in terms of its sovereignty over land, while it is real in terms of its role in internal repression and undemocratic rule. Even its split overt/covert budget and economic resources are informal.

In contradiction to the promises of donor countries, the first three years of 'Gaza- Jericho' was a period of severe economic crisis, resulting in material and moral deterioration. The years which followed the Oslo Agreements were filled with continuous propaganda about the benefits of the free market and private enterprise. Even in leftist circles, where morale was low many accepted the ideology that: 'It is impractical to concentrate on the public sector'. The spirit of cooperation, the boycott of Israeli products, the *Intifada's* model of self-sufficiency and development by popular protection were crushed by mere promises of a free market paradise.

Most, if not all, local institutions, grassroots organizations, trade unions, women's organizations, cooperatives and charitable societies were either established or finally became tied with 'pocket money' from the imperialist embassies and consulates. This relationship and dependency is the reason for failure. Many Palestinian intellectuals and professionals were, and still are, standing with 'hat in hand' at the embassy doors of the donor countries. Radical circles inside the left failed to stop this dependency building, and instead merely compete with the bourgeoisie in procuring money from the imperialist donors. A large number of them became radical groups screaming against US imperialism, while at the same time being directly financed by imperialist US 'green' currency. (NB, many of these groups are associated with the Palestinian leftist groups PFLP, DFLP, and CP).³⁵

Starting with the PA authority, and continuing down to many members of every leftist or rightist Palestinian group, all appeal to the World Bank, the imperialist governments, the NGO's and the 'non governmental governments'³⁶ for money. But the money flows in limited amounts, and its

³⁵ See, e.g., Aisling Byrne, 'Manufacturing Consent in Post-Oslo Palestine', *News From Within*, vol XII no 10, Nov 1996.

³⁶ There is a special role in the US Imperialist policy in the Arab Homeland (especially in Palestine) played by Scandinavian governments especially Norway and Sweden, but later Denmark. They are able to play that role because these

'benefits' never go beyond the salaries and administrative costs of the offices. Nothing goes to benefit the economy or the society. People do not consider themselves responsible for one another. Thus, the economy is like a car without a driver, with everyone trying to steer from their own wheel.

Capitalists, driven by gaining an easy and fast profit, are investing in the construction sector. They have avoided investment in the productive sectors, i.e. for the medium and long term, realizing that Israel will not allow any flexibility for the self-rule economy. Meanwhile the PA is still awaiting the money promised by the donors, and is declaring that it will not intervene in the economy or create a public sector. Products are free of quality control, and the West Bank has always been a free market in which Israel can dump its defective and already expired products.³⁷ The PA has become a competitor to the local comprador class, since it is monopolizing the priority of being the direct agent for foreign companies, in order to guarantee for itself more income. What is more dangerous is that it is a competitor to local businesses (see below). When a group of local comprador businessmen signed an agreement with the Israeli cement company Neshet, the PA rejected it and replaced the group with associates of the PA.³⁸ As a comprador ruling bourgeois faction monopolizing most of the marketing of commodities for large companies which supply the PA areas this is clearly not in the public sector. It is not even a governmental sector, but rather a *group* sector.

The same story is being repeated in connection with food donations. Because of the high unemployment in Gaza Strip 1993-94, the World Food Program (WFP) started a new campaign to distribute food for the poorer people. This was effectively a re-education of the people of the Intifada to go back to the pre-resistance era. It was re-education of Palestinians to go back to the previous situation as refugees, dependent on the United Nations Relief and Works Agency (UNRWA).

governments do not have an imperialist heritage in the region. Accordingly, they are able to do what imperialism was not able to do by itself. One of the striking examples is the role played by the Federation of Norwegian Trade Unions (FAFO) in Jerusalem and Gaza in preparing for Oslo meetings and signing. These governments act as if they are not governments, and in doing so play a very dangerous role. Accordingly I prefer to indicate them as 'non' governmental governments.

³⁷ Interview with Maher Dusoki, a member in the Consumer's Protection Committee, Ramallah, Dec 3 1995

³⁸ Interview K. Hassouneh, Palestinian businessman, June 3 1996

While the PA should be investing donations and loans, what it is actually doing is expanding its monopolies:

*“According to the US State Department, there are at least 13 known monopolies under the control of no more than five individuals who are members of PA’s inner circle... These individuals have total control over the imports of such commodities as flour, sugar, vegetable oil, frozen meat, live animals, concrete, gravel, steel, wood, tobacco, and petroleum. The latter two are supposedly state-owned enterprises and the remainder are private”*³⁹

Official figures for these monopoly companies are not available, but are believed to be between US\$100-400 million per year. According to US State Department officials (who are fully aware of the structure, operations and revenues of monopolies), moneys from the monopolies are used in large part to pay the salaries of police and other agencies which donors no longer finance.⁴⁰ It should be noted that these PA monopolies are neither in the public sector nor are they entirely private (individual), rather they are monopolies for the ruling elite, formerly the leading military elite of PLO.

Several factors lie behind these PA activities. First, the PA is still dominated by the mentality of a military organization whose leadership is unquestionable and which has a free hand to act as the ‘owner’ of the country. This mentality treats social classes as if they are dependent for their life on the leadership, as in the case of guerrilla fighters. When the PA realized that the social classes in the WBGS were surviving by themselves it started strengthening its position and role by expanding the ‘state’ apparatus. The number of military and civilian staff of this apparatus is more than 87,000 persons. Employing this number, in fact obliges the PA to monopolize import, export revenues, and marketing, not as part of the public sector, but as a privilege in hands of few of her confidential people. This is the reason that the PA is to permitting and supporting these monopolies.

The PA here is copying the Arab regimes’ policy of controlling people, especially the rentier ones. Arab regimes tend to create a huge bureaucratic structure which depends on the regime as the source of their salaries. In

³⁹ Sara Roy, Interview with US Department of State and United States Agency for International Development (USAID), Tel Aviv and Washington, Dec 1995, Jan and May 1996. Quoted from. Sara Roy, ‘Economic Deterioration in the Gaza Strip’, *The Middle East Report*, July-Sept 1996, p. 38.

⁴⁰ S. Roy, 1996, *ibid*, p. 38.

doing so, these dependents will not revolt against their source of livelihood. Another reason for not revolting is the fact that the regime is creating an environment which facilitates pride and corruption, a factor which substitutes the low wages. As dependents of the regime, and the regime itself is hated by most of the social classes, the apparatus becomes hated as well. This pushes many of the apparatus' members closer to the regime and against the people. The difference in the case of PA is that the income to finance the huge bureaucratic structure is not only from limited local sources or surplus; it is from loans and grants from donors as well. So, Western capitalist donors (who claim they are supporting human rights and democracy are, in fact working towards financing the bureaucratic and repressive apparatus of the PA). While the PA is taking the lion's share of donors' money, large amounts of this money, which are meant humanitarian projects and not for PA's use, are still not used⁴¹. The deteriorated situation of roads, schools, and the low salaries for teachers are just some of the indications that the PA is not using the donors' assistance for the public.

(ii) Priority for the Private Sector

According to the 1997 Palestinian Investment Program (PIP):

*"the philosophy underlying the planned 1997 Public Investment Program continues to be one of the private sector-led developments, with the public sector working to provide a stable legal, regulatory, and policy framework conducive to private investment and productive activity. As well as this it provides essential support to infrastructure and social services, that cannot be provided by the private sector. This is consistent with the PNA's overall developmental strategy identifying the private sector as the principle engine of growth."*⁴²

But the PA's globalizing orientation, which crystallized in the acceptance of open-door policy, encourages, even privileges, foreign corporations and is in fact weakening the position of the local private sector (see below). The PA industrial policy is similar:

⁴¹ ' Since the Declaration of Principles, donors have pledged a cumulative total of some US\$3.4 billion in assistance to the WBSG for 1994-98. Of this, as of March 1997, some US\$2.7 had been firmly committed against specific uses, and US\$1.5 billion disbursed', A Quarterly Publication of the World Bank - June 1997, p. 6. An official member of the World Bank resident mission (who wished to remain anonymous) is blaming the PA for not channeling this assistance to the Palestinian community.

⁴² *Palestinian Investment Program PIP*, 1997, pp. 2-3

*“despite only having a share of 8% of GDP, this sector is being targeted for development support by the PPIP. The program supports both large and medium export oriented industries and small and micro enterprises. The PA strategy offers two broad packages of assistance. The first supports border and local industrial zones, which will be open to capital from domestic and foreign sources. The second aims at small enterprises to complement industrial zones through industrial complexes and incubators.”*⁴³

But this seemingly good intention, if the policy is the suitable one, has nothing to do with reality, since the Investment Law is in favor of foreign capital which, if it arrives, will never provide welfare improvements for the people, but will rather intensify their exploitation. It is well known that if multinational corporations have a basis, it is certainly not in the peripheral countries. The multinationals have never been considered part of the local assets of peripheral countries. Accordingly, their existence in the Third World is transitional, aggressive and exploitative. They are not part of these countries' technological structure.

Concerning agriculture, the Palestinian Investment Program (PIP) notes that

“in spite of limited natural resources, efforts to develop this sector will be intensified as a major component of the private sector development strategy. The PIP encourages private cultivation by improving the legal and regulatory framework, developing financial institutions, making technological advances in the sector and improving access of agricultural products to regional and world market”.⁴⁴

But how can this be achieved while banks are transferring most of the surplus abroad, (see below). The PA does not invest loans in a productive manner and this is combined with land confiscation and effective control over 97% of historic Palestine's resources by Israel's continuing occupation. This is in addition to the lack of a Palestinian strategy for land, or even a policy for land reclamation and developing loans.⁴⁵

And none of this should be unexpected since most of the PA's politicians and economists include those who designed the Paris Agreement and are

⁴³ *ibid*, p.7.

⁴⁴ *ibid*.

⁴⁵ *cf.* note 7

still unable to recognize the lessons that have been learned in the Third World. Conventional development theory tells you that by exporting more and inviting the foreign investor in you are developing, and raising living standards. But what is really happening is that the rich in this world are increasing their market economic relations with you and thereby getting more access to forests, minerals, fish and labor and increasing their capacity to sell things to you.”

(iii) Investment and Banking

The PA's adoption of globalization (i.e. an open-door policy with no protection) has encouraged local and foreign banks to act freely regarding the transfer of public savings abroad, minimizing the size and amounts of loans, and imposing severe guarantee conditions when giving loans.

. Two important issues need to be examined here:

- The effects of the political environment on investment (both internal and external), the legislative environment.
- The PA's policy for investment and the limits of its independence from the externally oriented policies of the World Bank and IMF.

It should be noted that there are several decision makers in the PA areas. In addition to the PA there are the donors, the World Bank, the Israeli authorities, NGO's and international organizations. If we add to this fragile situation the fact that the PA areas are a self-rule area, but not independent or sovereign, we get a clearer picture of how difficult it is to conduct development in these areas.

The PA continuously repeats its commitment to the free market economy, enabling the private sector to lead economic activity. And, needless to say, the PNA believes in a free market economy in which the government plays a minor role.

*“The public sector is perceived to create the proper environment for a dynamic private sector, capable of shouldering the heavy responsibility of a prosperous and advanced economy”.*⁴⁶

But this commitment is not limited to the local private sector. The following argument shows that the PA favors foreign capital over local capital. In general terms, any government should give priority to either foreign investments which do not encroach on local interests, or to local investment. The latter should stem from the publicsector and be linked with a national policy towards agriculture, land and industries aimed at

⁴⁶ PECDAR INFO, vol.1 no.2 Dec 1996, p.7

providing basic needs, in a bid to overcome the severe and unequal exchange relationships with Israel. Any resources to the Palestinian economy, if not invested in productive investments, will be spent on imports from Israel, i.e. will be re-channeled to the Israeli economy in the form of payments for imports.

It is the admiration of the PA for the free market economy that has led them to design a monopoly-oriented investment policy.

“Projects which invest \$500,000 or employ 25 Palestinian workers will be offered an income tax exemption and from the fees for five years when it is due. Those who invest \$150,000 and employ 15 Palestinian workers will be offered income tax and fees exemption for three years. Those who invest \$70,000 and employ 10 Palestinian workers will be offered income tax exemption and fees for two years... The board of directors of the investment department is allowed to give exceptional exemptions to projects of more than \$5 million which employ more than 50 workers.”⁴⁷

This monopoly-oriented policy will perpetuate the weakness of the small existing, or expected projects, which have little capital, and are unable to employ more than two to five workers, but which are owned by well-trained and skillful small and independent producers who are producing for local needs. In doing so, the PA is in fact imposing fierce competition which contradicts its claim of building an independent and developed economy.

“The investment law guarantees that no nationalization, or confiscation, or re-owning partially or totally without the investor’s approval, will be decided for any investment whatever its citizenship will be. Item 21 of the law is equalizing between Palestinian capital (local or foreign) and capital which is coming from abroad (Arabic or foreign)”⁴⁸

By equalizing the facilities available to the strong established capital and to the emerging (local) one in this way, local capital will often either be forced into sub-contracting or be expelled from business.

It is worth noting that Jamil Khaldi, currently in charge for Investment Department in the PA, is critical of the yPA’s law and shows that

“...despite the fact that the Israeli law (No. 1055) for investment came too late, i.e. not until the Intifada had happened, it was more flexible than the

⁴⁷ Jamil Khaldi, ‘The Palestinian Investment Law’. *Publications of Palestinian Liberation Organization and Palestinian Authority*, no 26,1996, p.44.

⁴⁸ *ibid.*, pp.4, 6

Palestinian one. The Israeli law offers three to six years of exemption for the local investors".⁴⁹ ý

Since the PA is receiving grants and loans from donors, a more flexible tax system should be applied, at least one similar to that of the last years of direct Israeli occupation. It has not been because the grants and loans are spent on financing the bureaucratic structure of the PA's apparatus. Despite the fact that the Egyptian economy is better established than the Palestinian one, "...the Egyptian law of investment offers ten years of exemption to investors in new industrial areas, new housing projects and remote areas ."⁵⁰

Many Palestinian economists⁵¹ argue that more facilities are necessary to attract Palestinian capital abroad, which amounts to \$135 billion to the self-rule areas. But one should not ignore the fact that during the era of globalization, capital (especially that of Third World origin) nationality and national commitment have been increasingly ignored. The more integration there is of 'national capital' with international financial capital, the weaker the national attachment becomes unless the environment there is the most attractive. In this context, tax exemptions are not the prime factor - safety, availability of feasible projects, and cheap labor are more likely to be the deciding factors. The monthly wage of an Egyptian worker is \$90, a Jordanian is \$250, while the Palestinian in Gaza/West Bank the rate is \$500.⁵² Cheap Palestinian labor alone is not a certain enough lure as wage levels are not the lowest in the region. Here lies the importance of state intervention, the public sector, and protectionist policy.

"The law of investment did not put a maximum percentage on foreign ownership of joint projects; neither did it put any restrictions on transfer of net profit".⁵³ And surprisingly, the challenge to the practical application of this philosophy is not coming from the weak, accommodating, or even

⁴⁹ *ibid.*, p.12.

⁵⁰ *ibid.*, p.15.

⁵¹ See in this context the papers presented by Muhmad Mustafa, George Abed, Edmond Asfour, and others in the conference: *The Palestinian Economy: Towards a Vision*. Bir Zeit University, June 9-12 1996, prepared by the Arab Economists Association in cooperation with Economic Development Institute and German Agency for Technical Assistance.

⁵² Aisling Byrne, 'Gaza's textile merchants struggle with globalization and peace', *News From Within*, Jan 1997

⁵³ Khaldi, 1996, *opcit.*, p.20.

absent opposition (Marxist, leftist and nationalist factions) but from the private sector itself.

Mohamad Masruji, a well established Palestinian businessman noted that: *"...there is a lack of laws and regulations for the operative banks in the West Bank and Gaza. Accordingly, monetary policy is decided by the Jordanian banks. The PA obliged the Palestinian Commercial bank to start with \$10 million, while this ceiling was never applied to non-local banks. The local insurance companies were obliged to start with a ceiling of no less than \$5 million and to save a reserve for compensation in the Israeli banks. Today there are no such conditions on insurance companies. The Jordanian insurance companies which are working here have to put up JD2 million as guarantees, while in Jordan, they are obliged to put JD4 million. Some Jordanian and Egyptian companies have never been asked to put up guarantees of a single penny".*⁵⁴

A local businesswoman told me that she has been requesting a license for two years for her company which imports through an Israeli agent, but to no avail. "The officials do not care if the tax for imported cars is going to the Israeli authorities," she said. "I know a low-level PA staff member who has two import licenses but is not using them. He is looking for a minimum amount of loans from banks to start, but without success."

Most of the investments inside the self-rule areas and the Occupied Territories revolve around housing construction. It is estimated that nearly \$1,000 million has been invested in housing, mainly in towns, since the Madrid 'peace process' began. In villages building licenses are still in the hands of the Israeli military authorities. They often choose to withhold them, in order to spare land for settlements, the expansion of which has continued unabated since the signing of the Oslo Accords . That is why the Israeli army is demolishing homes and farms in the West Bank villages under the pretense that they are built without licenses and because these homes and farms were built in areas B and C which are not part of the area which the Israeli occupation forces made a re-deployment from them. In fact the Israeli authorities are not granting licenses for Palestinian villagers to build on their own land.

There has been very little improvement in infrastructure. Neither the donors nor the PA have invested properly (according their promises) in

⁵⁴ See Osama Hamed, The Palestinian Banking System. A Study Presented at Palestine Economic Policy Research Institute (MAS), Ramallah and published in *Kana'an* no 83 December 1996.

this sector. PECDAR is mainly involved in short-term job creation schemes with little developmental effects, for example, spending millions of dollars cleaning up Gaza's dirty streets.⁵⁵ Investment in industries is still limited, while a large number of joint ventures (Palestinian, Israeli, Moroccan and Jordanian) have been registered in the PA-run areas. These companies are designed to exploit cheap Palestinian labor, and to use Palestinian agents to market Israeli products in the Arab markets, a process which has already begun. It is worth noting here that the Palestinians are marketing Israeli goods in the Arab countries at all levels. Politically, the Palestinian authority and its supporters of the intellectual comprador are marketing Israel by advocating normalization, holding events such as joint cultural seminars, and meetings inside the Occupied Territories and abroad. All these activities are financed by Western donors. Economically, many Palestinians have become agents for Israeli products in Arab countries. This invasion of the Israeli market into Arab countries, Arab popular classes' interests, is being facilitated by Palestinians, who are protected by Arab ruling classes.

The signing of the Israel-Jordan peace agreement paved the way for a direct Israeli colonial investment in Jordan. San Proper, the Chairman of Israeli industrialists said: *"Israel established textile in Jordan aimed at exploiting the cheap labor force there and then marketing the products in Arab countries.... Israeli food industries have been established in Egypt, Jordan and the PA areas... the Israeli, Jordanian, Egyptian and Palestinian entrepreneurs are keeping their names secret"*⁵⁶ "Trade between Israel and Jordan has grown from almost nothing to \$35 million,... and more than 12 joint projects have been established in Jordan - from textiles to electronics - since the signing of the peace agreement 1994"⁵⁷ Closure has, and continues to be, a determining factor in economic activity and investment in the self-rule areas. Before the closure, scores of investors came to the area and set up a number of projects; however, as soon as the closure began, the investors froze their activity because every thing was shut down.⁵⁸ While Oslo A and later Oslo B, stated that manufactured products will be allowed to move freely between the two

⁵⁵ See Aisling Byrne, 'Hammered from both sides: the failures of the PA's economic strategy and the Paris Economic Agreement', *News From Within*, June 1996

⁵⁶ *Al-Quds* Feb 12 1998

⁵⁷ Munzer Haddadin, the Jordanian Minister of Water and Irrigation, *Al-Quds* May 31 1998.

⁵⁸ M. Al-Massroji (businessman) comments on Osama Hamid's lecture on Banking Systems.

areas, the Israeli authorities have imposed a siege even against the sub-contract industries. During tight closure, Israeli goods are dumped on the captive Palestinian markets.⁵⁹

During times of closure, transfers from abroad declined steeply: from \$898 million in 1992 to \$200 in 1996. The donors committed themselves to pay \$889 million, while in real terms this was \$680 million, and what was actually paid only \$292 million, i.e. 43%.⁶⁰ GNP has also declined by 18% in the past two years, and per capita income has declined by 36%, reaching a level of \$1713 per annum.⁶¹

Israel designed the 'peace settlement' according its own interests. One of the aspects of its design was to separate Arabs and Jews from each other, while keeping the Palestinian economy integrated with the Israeli one. Accordingly, ten industrial zones are going to be established on the 1967 borders (the 'green line'). at a cost of \$5 billion. The aim of this Israeli policy is to make a truly independent Palestinian state impossible, in terms of control of resources. Through industrial zones, goods, services and 'added value' will continue to be exchanged between the two sides, but people will not.

"The initial conception of the industrial estate development program was one of fostering business clusters to the borders between Israel and the Palestinian territories ('border' estates), so as to permit employment by international and Israeli entrepreneurs of Palestinian workers free of security-related restrictions on the entry of Palestinians into Israel proper".⁶²

These industrial zones will create a globalized Palestinian economy and labor force. This will obstruct the development of the industrial zones inside the WBGS, which are already obstructed by the occupation. While, under occupation, the Occupied Territories' economy was without an industrial core - every area being separately connected with the Israeli economy - under the PA, it will be connected with the border industrial zones and the Israeli economy as well. The expected industries will be labor intensive, with few controls (environmental, etc.); they will be

⁵⁹ Bsaiso, the Governor of the Palestinian Finance Authority, *Al-Nahar*, Oct 12 1995; *Al-Ayyam* Jan 4 1997; Bsaiso: The Governor of the Palestinian Finance Authority

⁶⁰ A. Alawneh, *Al-Quds* July 6 1996.

⁶¹ *PECDAR INFO*, vol. 8.

⁶² Confidential, a World Bank report, no date, p.10.

export-led and low-tech. Since the industrial base will be globalized, agriculture will likewise be export-led; and tourism, which is mainly in Jerusalem, will either stay in Israeli hands or be internationalized. Large numbers of the Palestinians will be employed in marketing Israeli products in Arab countries.

But the issue has taken another form. As noted above, the Israeli capitalists have exploited the Israel-Jordan agreement to transfer their factories from Israel to Jordan, and to a certain extent to Egypt. Despite widespread popular protests, the Jordanian regime decided to let Israeli industrialists open an industrial exhibition in Amman in January 1997. This step by the Jordanian regime opened a direct challenge between the comprador and the popular classes.

Neither under direct occupation, nor in the current situation, are banks likely to play much of a developmental role or offer much assistance to economic enterprises. During the first two months of the Israeli occupation, all Palestinian, Arab and even foreign banks were closed, and 36 branches of the Israeli merchant banks were opened. As merchant banks they had nothing to do with development. Following meetings between the Israeli labor party and Jordanian officials in London 1986, the Israeli labor government decided to open two branches of the Cairo-Amman Bank and another of the Bank of Palestine. Since the Oslo Agreements, nine banks and more than 60 branches have been opened in the Palestinian areas.⁶³

In general, the PA is adopting a strategy, which was summarized by F. Bssaiso, head of the PA's Monetary Authority as:

*"free competition between those institutions which will be owned by the private sector [so as not to] introduce any restrictions on foreign remittances, or dealings with foreign currency. The aim of this is to guarantee the inflow of the necessary capitalist transfers required for reconstruction and to motivate economic development".*⁶⁴

This very open policy which has been adopted by the PA benefits the banks more than the population. Its influence extends beyond the Palestinian investment law, which encourages foreign capital over the local one and means that banks play a major role in money transfer abroad.⁶⁵

⁶³ Osama Hamid, *opcit*, 1996.

⁶⁴ Interview F.Bsaiso, *Al-Ayyam*, Jan 4 1997, p. 6.

⁶⁵ Adel Samara, 'Banks are not Vehicles for Development', in *Ruy-yah Ukhra*, vol.4 no 1 Mar 1996, p.12.

“The total amount of individual and private sector deposits is \$1,350 million. Out of this, loans constitute \$310. By March 4 1996, bank deposits abroad had reached US\$938”⁶⁶. The level of deposits had reached US\$1,456 million by May 1996, up from US\$219 in 1993. The percentage of capital in current accounts in banks here is higher than average for other countries. It was 60% but has now decreased to 35%. This is beneficial for banks. The ratio of loans to deposits is 80% in Jordan, 90% in Israel, but in the West Bank it is 21.6% and in Gaza 18.65⁶⁷

Seventy-two percent of these loans are given on a very short term basis to keep clients financially solvent. Real loans account for only 6%⁶⁸. The loan ceiling in the WBGS did not exceed US\$30-40 thousand. For sums above that the branch was required to go to its center for approval.⁶⁹ Banks in the WBGS are clearly not working as vehicles for development (in terms of developing a Third World country). Until today, what banks have contributed is a new, but clear way of transferring surplus abroad. In doing so, banks are replicating what has previously been done by individuals.

It is a strange phenomenon in the PA areas. Banks are busy attracting local surplus to invest it abroad - luring the population to save more, while lending their savings abroad. In doing this, banks are covered by the PA laws. At the same time the PA is borrowing as much as possible from donors. More than US\$1 billion has been transferred from Palestinian banks abroad, while nearly the same amount has been borrowed by the PA. This is a typical case of applying the World Bank and IMF liberal economic policy. The result will be a heavy burden of debt for the whole population, except for a small minority who is drawing high profits from their capital deposits abroad. It is worth noting that the PA never announced to the people the availability of loans. It was called instead assistance, although grants account for only a third of what is lent (see below). When higher taxes are imposed in order to repay nationalized individual's debts, the masses may well take to the streets.

After the Madrid conference until 1996, a land purchase (in a speculative manner) and a construction boom took place in the Occupied Territories. It is hard to say that this is an investment boom as it is concentrated in a certain sector and not articulated to others. “Palestinian GNP per capita

⁶⁶ Mohammed Qerrish, delegate of the Commercial Bank, *Al-Ayyam*, July 24, 1996.

⁶⁷ Osama Hamed, *opcit*, 1996.

⁶⁸ *Al-Quds* Dec 25 1995

⁶⁹ Osama Hamed, *opcit*, 1996

has fallen since 1993 by 35%, whereas unemployment has doubled, reaching 42% in 1996 and investments have fallen to a quarter of the level they were in 1992.”⁷⁰

Concerning the private sector, it is ...a sector whose relative output and employment have declined since 1993...in the WBGS, the real private investment as a proportion of GDP averaged 24% during 1988-92 but fell by another 14% during 1992-95. The contradiction here is, why the private sector's role is declining despite of the priority given by the PA, the donor countries, and the World Bank, to this sector and the large increase in the number of new banks. An understanding of this issue might be reached by reading another view of the economy - the economy of the development by popular protection (DBPP). Under direct Israeli occupation, and especially during *Intifada*, people were self-dependent, and their investments were oriented towards their direct needs in a policy of self-preservation and supplying their basic needs. This is the popular economy. After Oslo, priority has been given to the comprador elite of the private sector, which transfers its surplus abroad. The popular classes, which depended during occupation to a large extent on the work in Israel, lost much of their income which they had used to meet their personal basic needs. The same wages which previously were generated by working for the Israeli economy would be invested for the popular class's under a strategy of DBPP.

(iv) Donors

It should be noted first that donors are never totally naive, or totally neutral; every donor country has its own aims and targets which come first and often include an interest in assisting Israel. Accordingly, they work as independent parties. In the Palestinian context, donors have significant influence and control, and are basically in control of how the money is spent; 'Palestine' is thus constructed according to their wishes. For example the Local Aid Coordination Committee (LACC), co-chaired by Norway, the World Bank, and the UN, has met at least once a month since January 1995, with approximately thirty local donor representatives in attendance. In turn, the LACC has established twelve thematic Sectional Working Groups, each with one or more PA ministries as 'gavel holder',

⁷⁰ *PADLI?EV* Digest, Feb 23-24 1998.

with a donor as ‘shepherd’, and a United Nations Agency providing the ‘secretariat’.⁷¹

On the political level, the donor’s assistance efforts aim at strengthening the Palestinian Authority and creating tangible benefits for Palestinians in the WBGS, thereby generating support for the peace process but, “ ... individual donors ultimately retain control of their own individual programs ... Virtually all donors were driven by a desire to become involved in projects that maximized their political visibility and credit”.⁷²

And on the economic level, the donors further compound by commercial competition among financiers for projects that are thought to have some long-term economic benefit. Some aid has many strings attached, and procurement guidelines may mandate preferences for suppliers from donor countries.

Many PA representatives blame the donors for too little support and too late: A, Alwaneh, of the PA’s department of tax, noted that the amounts from the donors are neither systematic nor enough.

Accordingly, the PA is unable to plan according to that”.⁷³ According to Rex Bryen, [?] of University of McGill, Canada, approximately US\$2.6 billion has been promised to the Palestinians over the next five years. Approximately one-third of the assistance pledged is in the form of grants and the remaining amount is in the form of concessional loans or guarantees ...They (the PA) will find themselves with an external debt of US\$760 million within the first five years, if no additional loans are taken”.⁷⁴ Accordingly, one might conclude, even though Europe’s aid is the highest in the world (with an average of 10,000 Belgian francs per Palestinian), considering the donor’s insistence to control directly the distribution of their donations, we might realize that donations from the Arab countries is the only real assistance as they are not interventionist. .

The problem is not the insufficient amount of money from donors, but rather the PA’s tendency to request the public share of the donor’s assistance on the one hand, and the side-effects of these donations (loans and grants) on the other. Believing in the private sector, and against the

⁷¹ See Rex Bryen, *The (very) Political Economy of the West Bank and Gaza: Learning lessons about Peace-building and development Assistance* (McGill University, 1996) pp.3-4

⁷² *ibid.*, p. 6-9

⁷³ *Al-Quds* July 6 1996

⁷⁴ Rex Bryen, *ibid.* , and *Palestine Report*, May 10 1996, p.7

public sector, the PA does not have any source of income except tax. Since the expenditures of the PA are higher than what it collects through tax, it is actually spending, not investing, the donor's money. This results in one thing: - the accumulation of debts.

In less than three years of being in power, the PA had accumulated a debt of US\$750 million.

*“Despite the fact that the PA had previously taken a decision to limit the assistance it would accept in grants and soft loans, US\$350 million of the aid pledged in Paris [Nov 1996] was actually in the form of loans. The US\$350 pledged by the Arab Bank and the US\$150 million pledged by the European Investment Bank (EIB) were in the form of commercial loans. EIB loans are usually made available for longer periods than loans from commercial banks”.*⁷⁵

Considering that this money has been spent on bureaucratic and luxury items, the PA debt cannot be financed without incurring more debts. This will create a repayment crisis, but the solutions will not be those typically employed in Third World countries - i.e. the selling of public sector assets (as for example in Egypt) or the nationalizing of the debts (there is simply no public sector to be sold, whether to local or foreign capital). In the Palestinian case, the price which will be paid is a political one: further compromises towards Israel and Imperialism. Accordingly, the Palestinian self-rule areas will remain politically and economically dependent. In addition, many foreign NGO's are now attracting Palestinian intellectuals into their systems with the offer of high salaries, a trend which is, in fact, exacerbating a new form of dependency - on an intellectual level through the intellectual comprador.⁷⁶

Linked to the issue of donor's funds in the Palestinian areas is the role played by NGO's and the many intellectuals involved in these projects. While NGO's themselves are not the major source of finance, they play a part in spending. Many NGO's, local and foreign, are designed, orientated, and financed by the donor countries and sources (including the World Bank). Accordingly, their spending may be directly controlled by those putting up the financial resources.

⁷⁵ Adnan Al-Amad, *Palestine Report*, Nov 29 1996, p.4

⁷⁶ Adel Samara, *Azmah Maliyah Stasiyah: Aw Ra'asilmal Ua'id Istifafah al-Tabaqi*. A Financial-Political crisis or Capital in Class re-Ordering (Al-Mushriq Publications, 1993).

The PA is also trying to control the NGO's money. Its aim in this is not primarily to ensure that NGO money is spent efficiently, nor even to confront the fact that many NGO's are serving the interests of the donor governments. Neither is the PA interested in controlling NGO money so that more is spent at the level of development. The PA is not concerned that NGO money has created a new elite of intellectuals who are theorizing for a free market, modernization, and the path towards Western capitalist development. The aim of the PA in controlling NGO's money is to strengthen its own power and status.

The beginning of 1997 saw a new battle between the PA and NGO's. This latest but not last campaign, was over the domination of the charitable society *Al-Makased Al-Khairiyyah Al-Islamiyyah Hospital*, which operates the largest and best hospital in the WBGS. "The PA is trying to get its hands on the financial resources of the hospital. If this happens, the hospital will become like other government hospitals which are in a terrible situation".⁷⁷

4. On The Regional Level

Though what happens inside the Palestinian areas is important, so too is what is happening throughout the region, in Israel, and through it, to foreign capital, and ventures to uncharted lands. Egypt's economic normalization with Israel remains very limited, meaning that Israel's main regional economic relationships are still with Jordan. Accordingly, Israel is obliging the PA to limit its economic exchange with Jordan. Israel takes the leading economic role over the PA and over Jordan. A glance at the Israel-Jordan economic agreement indicates an important part of the whole process:

"When Israel decides to import any fresh agricultural products, it will give a top priority to Jordan if it is producing these imports. In this case, the Jordanian exporters will not pay customs duties.... When olive oil, sheep, goats, white cheese, and fresh fruits and vegetables are exported from Jordan to Israel they will not pay customs duties. Israel will do its best to offer access and facilities to enable the Jordanian exports to reach the self-rule [Palestinian] areas".⁷⁸

While the Paris Economic Agreement stated that: "Without harming the commitments which are based on the current international agreements, neither side should import from a third part any agricultural products which might harm the other side's farmers".

⁷⁷ Interview with a medical doctor n.n.

⁷⁸ *Al-Nahar* Sept 22 1995

Nevertheless, Israel is making its own agreements with Jordan; the Jordanian Minister of Transport, Nasser Lawzy, announced that Jordan has reached an agreement with Israel to allow Jordanian trucks to travel directly to Israel and to allow direct export of cement and oil to the Palestinian territories'.⁷⁹

According to these agreements, Israel will have the upper hand in agricultural trade between the three parties. Any Israeli facilities for the Jordanian products will be at the cost of the Palestinian exports to Israel, which have already been re-shaped over many years to satisfy the demands and needs of the Israeli market. In case of Palestinian protests, they will fall into competition and friction with the Jordanians, and Israel will be the mediator between its dependent neighbors. What may result is that Israel imposes this idea of making the three parties a 'pilot project' of the Middle East market, which is in fact an imperialist market in the Arab homeland.⁸⁰ Israel's promise to afford access for the Jordanian exports in the self-rule areas is another example of the unequal relationship between Israel and the self-rule project.

So Israel wins all round, and the PA usually loses: the Palestinian Minister of Finance Nashashibi noted: "Israel insists that every economic agreement signed between Jordan and the PA harms its own interests. Thus Israel is obstructing any cooperation between the two Arab parties".⁸¹ After the Paris Agreement, Palestinian exports to Jordan witnessed a decline. In the mid 1980's they amounted to US\$25 million, while today exports do not exceed US\$18 million a year. On the other hand Jordanian exports to the Palestinian market reach about US\$20 million, while Egyptian exports amount to US\$40 million a year. These two figures are doubled by Jordanian and Egyptian goods smuggled to Palestinian markets; "and constitute a blow to many light industries and home manufacturing in the West Bank and Gaza, as well as a loss of income to the Palestinian Authority".⁸²

Israel is thus maintaining its same destructive policy. The limits of the Paris Agreement prohibit the PA benefiting from the free trade agreements with the EU and US. Zohar Peri, deputy director general at the PA Ministry of Trade and Industry was quoted as saying that the Paris

⁷⁹ *Palestine Report*, Dec 15 1996, p.11

⁸⁰ See Adel Samara, 'The Imperialist Market in the Arab Homeland', *News From Within*, Jan 1997, pp.17-20

⁸¹ *An-Nahar* Sept 28 1995

⁸² *PECDAR INFO*, vol.1 no.2 Dec 1996 p.1.

Agreement was actually very political in nature and according to the agreement, the PA is not allowed to sign any international trade agreements ...given that the PA economy remains at the mercy of Israeli dictates.⁸³

The reality is that, as with control over resources, Palestinians have little if any control over economic activity:

*“Palestinian businessman seeking to import sugar from Cuba at low prices were barred and required to purchase it from countries with whom Israel has trade exchange treaties and agreements, such as the US. The same is for yeast, which Palestinian businessmen discovered is cheaper to import from Chile than Europe. A surcharge of 15% extra customs duties was slapped on it to force importation from Europe. Also a biscuit factory in Gaza successfully exported a substantial shipment of its products to Romania several months ago. The Israeli authorities rejected its application for reimbursement on spurious grounds”.*⁸⁴

There have been enticing words from the US as well: “A visiting American economic delegation confirmed that there are many opportunities for Palestinian exporters, if US regulations and standards are met,” said Danny Rubenstein, of the Middle East desk in the US State Department. “There is no doubt that there will be progress in the peace process, and the signing of these agreements will be very beneficial for the Palestinians”.⁸⁵ This is no more than wishful thinking or a diplomatic lie.

5. Conclusion

While globalization is a danger that subsumes and subordinates national-level processes and increases dependency, poverty, and social tension in the independent Third World countries in general, it is even more dangerous for the Palestinian economy, which is dependent on and captive by the Israeli economy. Israel’s current role is transcending its traditional role as an imperialist watch-dog in the region. It is becoming a tool for globalizing the region by integrating itself into the region in terms of Integration Through Domination (ITD) and becoming the ‘center’ for the Arab ‘periphery’. This is in addition to maintaining its military ability. Three important issues should be mentioned here:

- Firstly, globalization is leading to sharper class differentiation and polarization inside each society, and class polarization and alliance on

⁸³ Manal Jamal, *Palestine Report*, Dec 15 1996, p.11

⁸⁴ Rabee’ El-Dajani, 1994, *opcit.*

⁸⁵ *Palestine Report*, Dec 20 1996, p.11

- a world scale. This makes it harder for the popular classes in Palestine and other Arab countries to gain development, freedom and democracy
- Secondly, as long as the PA is tied with Israel and believes blindly in globalization, it will never serve as a development tool, but in fact the opposite. The PA is no more than a copy of the Arab ruling comprador regimes.
 - Thirdly, globalization contradicts the Arab popular mass's ambition for development and unity. The reasonable way for development will be Development by Popular Protection (DBPP) at an internal level, and de-linking from the Israeli economy and more economic cooperation with Arab economies at a regional level. This is conditioned by a change in the relationship between Arab economies and the Israeli and world economies. The formal Arab boycotting of Israel should be replaced by a popular boycotting, a struggle against normalization.

It is urgent for the Palestinian popular classes to struggle, at an economic level, to develop and apply the *Intifada* development model, which is DBPP. This model was designed and practiced by the popular classes by itself and for itself.

Part II: Palestinian Refugees

1. Must Restore Their Self-Representation

Since its very beginning, the Arab - Israeli conflict has consisted of three parallel and integrated dimensions-- international, national and local. Each of the three dimensions was, and still is, playing a role.

The interests, causes and policies which led to this long and fierce conflict go back to the early decades of the last century when French and British colonialist powers expressed formally their interest and desire to create a Jewish entity in Palestine⁸⁶. This was the first integration between the international and local dimension of the conflict.

The International Dimension: A Historical Background

Until the British imperialism occupied Palestine in 1917 and succeeded, in 1920, to obtain from the League of Nations a mandate over Palestine, Jewish immigrants were not considered a direct threat to the Palestinian people⁸⁷. The 1916 Sykes-Picot Agreement between Britain and France to divide Arab countries between themselves, and to subject Palestine to the British imperialism, paved the way for the Balfour Declaration which promised the Zionist Organization a homeland in Palestine. Due to these developments, the Jews in Palestine became a serious threat and thus provoked the early Palestinian uprisings in 1921 and in 1923. Here the international dimension started to clash with the local one, mainly by encouraging Jewish immigration to Palestine in order to execute a colonial settlement project in the country.⁸⁸

⁸⁶ In the last century, the French emperor Napoleon Bonaparte (1769-1821), Lord Palmerston, Henry John Temple, 3rd Viscount (1784-1865), and the British foreign minister (1840-1841) all expressed their will to create a Jewish State in Palestine and to terminate the possibility of the emergence of a strong Arab leader. See Jalal Ahmad Amin, *Al-Mashriq Al-Arabi wa Al-Gharb*, published by the Center for Arab Unity Studies, Beirut 1983.

⁸⁷ "At the end of World War I, there were only about 55,000 Jews in Palestine, although Jewish immigration was steadily promoted by Zionist organizations". Fred J. Khouri, *The Arab Israeli Dilemma*, Syracuse 1976, p. 18. Jewish immigrants began immigrating to Palestine and purchasing land in the middle of the last century. "Jewish land purchase began in 1855 with acquisition of 100 dunams of citrus groves near Jaffa by Sir Moses Montefiore. By the end of 1882, 22,000 dunams (5,500 acres) of land -mostly rural - was in Jewish possession." In Israeli Pocket Library: *Immigration and Settlement*, Keter Books. Jerusalem, 1973, p. 106.

⁸⁸ "During the British Mandate (1917-1948), the number of Jews in Palestine increased dramatically. It was 83,790 until 1922. By 1931, this number jumped to 174,606, and to 608,225 by 1946". S.N. Eisenstadt, *Israeli Society*, London: Weidenfeld & Nicolson, 1967. "The 1931 census showed a total population of a little over a million, including 759,712 Moslems, 174,610 Jews, and 91,398

The colonial Jewish settler immigration to Palestine supported by British colonialism shows that the Arab - Israeli conflict was not a conflict between two already existing and neighboring peoples or nations. It was an invasion by settlers who were carrying out a political project, i.e. to evict the Palestinian people from their own country and to replace them totally, without any inclination to live with them jointly in the same space. This is the core of the unresolved conflict in general, and of the refugee question in particular.

The Jewish minority's rejection by the peoples of their original countries, particularly in Europe, played a major role in supporting the aims of the Jewish leaders, mainly those of Herzl, who was the first Jewish and Zionist leader to combine political and practical Zionism⁸⁹. For this purpose, Herzl used the international dimension of the question to facilitate Jewish immigration to Palestine. Thereby the way to conflict was paved, and the international dimension sided with the camp of Zionism, against the Palestinian Arabs.

It was the aim of the colonial, and later imperial, powers to create and/or help create an entity to protect their interests in the Arab Homeland. Some people, e.g. Israel Shahak⁹⁰, emphasize that the role of Judaism should not be neglected. Shahak even attributes the Jewish religion with a major role in the creation of the state of Israel and Zionist politics and legislation. While this is important, we still must consider the joint interest between the ruling classes of the imperialist countries, the Zionist political leadership and the capitalist Jews as the main pushing power behind the conquest of Palestine. Based on this approach, the creation of Israel in Palestine is one case of white settler-colonialism which constitutes a special category in the process of the formation of the world capitalist center⁹¹. British colonialism plundered India so as to invest in its colonies in North America; later Britain repeated the same policy in Palestine by

Christians", in Thomas Hodgkin, *Letters From Palestine, 1932-36*, Edited by EC Hodgkin Quartet Books, London New York 1986, p. 3.

⁸⁹ Herzl Theodore, *The Jewish State*, quoted in Maxime Rodinson, 1973, *Israel a Settler Colonial State, 1973*, Pathfinder Press, New York, pp. 9-14.

⁹⁰ Israel Shahak, *The Jewish Religion and its Attitude to Non-Jews*, in Khamsin: *Journal of Revolutionary Socialists of the Middle East*, nos 8 and 9, Ithaca Press. It is appeared later as a book in Arabic, *History of Jews, Jewish Religion: the Tread of 2000 Years*, 1996 (Arabic Translation). No translator or publisher.

⁹¹ Emmanuel Arghiri, "White Settler Colonialism and the Myth of Investment Imperialism". *New Left Review* no 73. See also Michael Barratt Brown, *Economics Of Imperialism*, Penguin 1974.

imposing heavy taxes on the Palestinian peasants to support new Jewish industries⁹². It should be stated here that the British colonialist policy of creating and supporting a Jewish state in Palestine has been, and still is, maintained by the United States and many western capitalist countries, including Britain. The persistent colonial support to the small, economically unfeasible Jewish project in Palestine strengthens our view that Israel is to be understood as a strategic investment for the center of the world capitalist order, rather than as a feasible economic and/or cultural investment.

Such strategic investment is worthwhile only as long as it can protect the economic interests of the capitalist centers in the Arab Homeland, either by means of direct aggression (as in 1948, 1967, 1982), or by supporting Arab rulers whose ability to stay in power, against the will of their own people, depends upon imperialist support provided in exchange for their collusion with the imperialist strategy in the region, in which Israel is an important factor.

While the Jewish-Zionist aim was to settle in Palestine and to evict its people, the imperialist aim was to use the Jewish state as a tool against Arab countries, i.e. their aim was, and still is, control over the Arab nations' resources and markets. Here the three dimensions of the struggle are clearly intermingled. The most recent example supporting this analysis are the Oslo Accords which attempt to impose Israeli integration in the Arab world through domination (Integration Through Domination ITD) over the Arab countries.

The Declaration of Principles (DOP) and The Local Palestinian Dimension of the Conflict

The Palestinian people were, and still are, the direct victim of the colonial Israeli settler invasion of their country. Thus their struggle started in the 1920s and continues until today. Since the international dimension of the conflict is dominated by the imperialist powers, and since imperialism dominates most of the Arab regimes - destroying any of them which tries to embark towards Arab unity and development - all "solutions" which

⁹² Item II of the mandate charter declared that the British administration in Palestine must facilitate the Jewish Agency's construction of public works, if the British administration did not start them itself. *UN Document A/70, Terms of League of Nations Mandate for Palestine*. In 1921 Herbert Samuel the British Governor in Palestine, approved establishment of an electricity enterprise on the Dead Sea. Adel Samara, *The Political Economy of the West Bank, 1967-1987*. Khamsin Publications, 1988, p. 24. See also Talal Assad: Class Transformation Under the Mandate, in *MERIP Reports*, no 53.

have been designed for the Arab-Israeli conflict have contradicted Palestinians' basic rights. This is why Palestinians have rejected all of the "solutions" proposed in the past. The most recent proposal, which is the first to be accepted by part of the Palestinian people, i.e. the right wing leadership of the PLO, is the Declaration of Principles (DOP), from which Palestinians suffer today. The big losers in the DOP are the four million Palestinian refugees whose right of return was practically dropped from the agenda of the negotiations.

The core of the DOP includes three main defects, which are not accidental but deliberate.

First: Neglect of the Palestinian refugees' right of return, and the adoption of the Israeli definition of the Palestinian as a person living in the West Bank or the Gaza Strip. This definition is an expression of ignorance to the local dimension of the struggle which is represented by more than four million refugees, in addition to the Palestinians who are refugees inside their Palestinian towns and villages occupied in 1948.

Second: The rejection of negotiations under the sponsorship of the United Nations and the exclusion of even the European Union from negotiations. This represents an extreme deformation of the international dimension of the conflict, especially since US imperialism is now in the position to impose its will.

Third: Neglect of the national dimension, i.e. the Arab dimension, since the Palestinians who agreed to participate in the Madrid and later, the Oslo talks, decided to go there without a pan-Arab negotiating team. The Palestinians referred to here are the negotiators from Madrid until the eve of the Oslo DOP, the negotiators of the Oslo Accords, and those who signed the DOP⁹³.

It should be emphasized here that there was no representation of the refugees in these negotiations. The absence of refugee representation was relatively acceptable at the time, because the PLO was still considered "the sole representative of the Palestinian people." Even those who conducted

⁹³ It should be noted here that none of these Palestinian groups are representing the refugees. None of them went to the negotiations based on a social mandate. None of them approached the people in a democratic way saying, "This is my program, is it accepted or not?" including Mr. Haydar Abdul Shafi, who has uphold, since the ninth negotiations session, that Yasser Arafat is not a democratic person, and later criticized Oslo's secret signature. Abdul Shafi himself never consulted the people on what he could negotiate, and he himself accepted appointment by the "non -democratic" Arafat!

negotiations on the refugee portfolio were appointed by the PLO leadership and representatives of the refugees.

The result of these negotiations was an agreement serving Israeli interests, even in the West Bank and Gaza Strip. The fact that the negotiations were conducted by Palestinians separately and without Arab coordination, especially coordination with Syria and Lebanon, legitimized the opening of other separate Arab-Israeli tracks. It enabled several Arab countries to engage in special and very early economic and diplomatic relations with Israel, without consultation or coordination with the Palestinian Authority. Consequently, the PA lost its ability to maintain a linkage between the implementation of the Oslo Agreements by Israel and the expansion of new relations between the Arab regimes and Israel.⁹⁴ Why have the PLO leadership and the various Palestinian “groups and trends” supportive of and negotiating over the Oslo Accords fallen into this fatal trap/s?

**From the PLO of the People
to the PLO of the Comprador/Capitalist Class.**

Palestinians are embarking towards a new era in their modern history, in a context totally different from the context of the 1960s, when the PLO first emerged. In the 1960s, the PLO was an organization for the liberation of Palestine. Given the fact that the majority of the Palestinian people are refugees, liberation of the land included the return of the Palestinian refugees to their land and homes.

Who are the Palestinian social factions who worked for and welcomed the DOP and why? There are three main Palestinian social factions who supported and justified the DOP:

- a. **First:** The Palestinian leadership of the PLO, which had become a bureaucratic capitalist faction. This social strata had started its political life as patriotic and militant and aimed at liberating Palestine. However, in the course of their long-time leadership of the PLO and control of the large PLO budget (large donations from Arab oil country regimes, as well as large amounts of taxes extracted from Palestinians employed in the Arab oil countries and transferred to the PLO), the class status of the leadership was transformed one of the bureaucratic bourgeoisie. By having free access to this money, the social position of

⁹⁴ The most recent example is the Middle East and North Africa Economic Conference in Doha , Qatar, at which Arab countries refused to listen to the crying of the Palestinian Authority.

this faction was transformed in the course of three decades to a bureaucratic capitalist one. The reasons for this U-Turn are as follows:

- b. The failure to achieve the national program of liberating Palestine lead the PLO leadership to internalize its defeat and to reduce its ambitions to the level of Autonomy.
- b. Since the Israeli occupation authorities were looking for an alternative Palestinian leadership, this PLO leadership decided to produce a coup de tat “from up to down”. It presented itself to the Israelis as an alternative to its own self (the PLO leadership of the past), especially since other Palestinian capitalist factions were competing to become the alternative leadership.
- a. Lacking the aim of independence, this faction lost sight of the goal of controlling its own market. That is why it has replaced the independent-state-program by a self-rule-program, having accepted and been satisfied - from a capitalist point of view - with a small share (i.e. the trickle down economy) of the large rate of profit reaped by the Israeli occupation in the West Bank and the Gaza Strip.

Second: The second relevant social faction is the local comprador capitalist faction. It is not interested in national independence and the strengthening of the local market - especially in the current era of globalization - and is always ready to share the profits of the national market with foreign capital on the basis of a trickle down economy.

Third: The third social faction is the Palestinian financial capitalist faction in the Diaspora. The latter is more integrated into the world capitalist market than into the local economy. Due to its nature, this faction is not interested in an independent national economy. It is the direct expression of globalization and contributes to the perpetuation of the center’s domination over the periphery. This faction thought that through self-rule it would find a niche for its capital in Palestine, i.e. while their capital’s administration would remain in the center, they would be able to invest and generate profit from this peripheral formation.⁹⁵

These three capitalist factions nominated a group of Palestinian intellectuals and academics as negotiators whose role was to express in the negotiations the above mentioned position of the Palestinian capitalist factions, a position which in fact stems from the US-American and Israeli understanding of the conflict. As a result, all these Palestinian factions and

⁹⁵ See Adel Samara, *Capital in Class Re-Ordering*, Al-Mashriq for Cultural and Development Studies, Ramallah, 1993.

their negotiators compromised the rights of the Palestinian refugees. Because the result of the negotiations, the Oslo Agreements, can be summarized as giving the PA an administrative authority over people, but not over land, the refugees right of return to that land was compromised. In line with their interests, the administrative role of the PA - based on the experience of four and a half years - has enabled capital, protected by interest groups in the regime, to practice maximum exploitation.⁹⁶ Palestinian refugees were most deeply harmed by this so-called peace process, the Madrid-Oslo process, which is based on a very dangerous integration of the three dimensions of the Israeli-Arab conflict - the international, the Arab national, and the local. To this we must add that any strong and powerful party is certainly able to use part or all of these dimensions for its own interests.

What Have Refugees Gained from Oslo?

Because it is a question of a people evicted from its homeland, the backbone of the Palestinian question is the Palestinian refugees. Their main right is the right of return to their homes and properties, including the right of restitution and compensation for those who are unwilling and/or unable to return. Both the Madrid and Oslo negotiations and agreements failed to guarantee or to promise this basic right. The Oslo Accords dropped the refugees issue to the final negotiations.⁹⁷ In place of the return of the five million refugees, Oslo guaranteed the return of the PLO ruling apparatus, especially the high-ranking cadres. It is the return of the leadership, not the people.

The Palestinian question was removed from its natural place of treatment, the United Nations, to be placed in the hands of the United States. The USA as a super power enjoys a monopoly over the international dimension and has been the major supporter of Israeli aggression. The Palestinian question was disconnected from its Arab dimension, giving the capitalist

⁹⁶ The Palestinian Authority is spending large sums of the PA budget for non-productive and consuming activities. At the same time, it blames Israel for not permitting Palestinian workers to work in Israel. The latter is a demand which contradicts all principles of development policy. See Adel Samara, *Globalization, the Palestinian Economy and the Peace Process: A Marxist Analysis*. UN-published paper, will appear in a book on the economics of the peace process by the Middle East Research Center, edited by Sara Roy, University of Harvard.

⁹⁷ For more analysis see, Muhammad Jaradat, *Palestinian Refugees and the Effects of the Political Agreements*, and Salah Abed Rabbo, *Palestinian Refugee Conferences... Why Now*, in Working Papers Presented by the Preparatory Committee for the Refugee Conference in Bethlehem. Published by Badil-Alternative Information Center-Bethlehem, 1997.

Arab comprador governments the chance to negotiate separately with Israel, as long as the Palestinians did so too. It terminated the PLO's credibility as the representative of the Palestinian people, especially the refugees, and put the PLO in the hands of the PA which is in turn held captive by Israel. As the Oslo Accords failed to achieve any form of Palestinian sovereignty over any part of the West Bank and the Gaza Strip, Oslo failed to guarantee any chance for development.

The DOP has brought the PA a very tiny part of the West Bank and the Gaza Strip. Moreover, this authority is deeply engaged in its own problems as a ruling power. Its form of governance is turning more and more people against it day by day. People lack all forms of security - social, economic, personal, and national. The reasons for the absence of security are internal more than external. The majority of jobs created by the regime, for example, have been granted to Fath members (the regime's party), to the extent that its members have achieved full employment, while the rest of society suffers from a more than fifty percent rate of unemployment. Corruption, repression, and marginalization of the law are daily stories in the community.

Another source of employment is donor money. This money is channeled to the PA and to NGOs according to the priorities of the donor countries themselves.⁹⁸

The portion of donor's money controlled by the PA is reserved for its favored groups, the rest of the donor money goes to a new elite of NGOs which is composed of people who are living on an "invisible" income. This group adheres to PA policy by employing "yes men"/people.

A regime of this sort and in such circumstances cannot spare time or energy for the refugee question, which is scheduled for liquidation by both Israel and the United States. Thus the refugee issue has remained in the hands of negotiating teams that have failed to achieve any progress. In the era following the DOP, refugees were left inside their camps. Most of them are unemployed, except those who are members and supporters of the PA. More and more discussion is taking place about the topic of compensation to the Palestinian refugees. The deterioration of the daily lives of the Palestinian people has been deliberately designed through a direct or indirect collusion between:

- the PA's corruption and repression;
- Donors (represented directly or indirectly through many foreign and local NGOs) who favor a westernized elite and distribute funds so as to recruit

⁹⁸ See Adel Zagha and Manal Jamal, "Foreign Aid and Development in Palestine: Final Draft". A paper presented for discussion in a workshop in Ramallah on 27-2-1997. See Adel Samara: *The Self Rule, Donations, Development and the Social Structure of Accumulation*. A paper to be published in *Al-Mustakbal Al-Arabi*.

supporters for their politics;⁹⁹. In fact, donor countries and their NGO's are playing the role of a new form of occupation. An occupation by money, not force, an occupation that is occupying minds, culture, and re-educating the Palestinian people to believe in free markets, non-violence, dependency...etc.

-Israel, which continues its war against Palestinians, mainly by means of the "economics of closure."

Together, the three parties aim to push Palestinian refugees to substitute the right of return through the "improvement of living conditions," for which compensation is an important factor¹⁰⁰.

Towards A Political and Social Agenda for Palestinian Refugees

Refugees are not a single and coherent social class. While most of them are poor and of popular classes, not all of them are from a popular class. Accordingly, class terms alone, i.e. mode of production, source of income, place of work, material conditions, form of work and even class culture...etc., are not enough to define them. Until recently, (i.e. until the deep change of the PLO's role, politics and structure) refugees were collected around, and integrated into the PLO's policy by the national struggle as slogan, culture, organization and practice. Today, refugees are not represented in most, if not all, Palestinian social and political institutions, despite the fact that refugees are the majority of the Palestinian people. Workers, women, students, NGOs, etc. have formed representative bodies in Palestinian society, refugees, however, do not have an equivalent representation. The fact that refugees are also part of all these bodies and institutions working in different social fields does not compensate the lack of their own separate representation.

In spite of their lack of representation, refugees have remained united in the political-national aim, much more than through a social class agenda. If one combines the political-national aim, which is the main unifying factor, with the social class fact, we might be able to elaborate a unified agenda for Palestinian refugees.

The vacuum that followed the change of the PLO, the current situation of the refugees scattered in the Diaspora, the economics of closure imposed by Israel on the West Bank and the Gaza Strip, the weakness and

⁹⁹ See Adel Samara, "The Palestinian Autonomy, the Donors and the Social Structure of Accumulation". In *Kana'an no 92 September 1998*.(Arabic)

¹⁰⁰ See Muhammad Jaradat and Salah Abed Rabbo, *ibid* 1997.

malfunctioning of the PA, and the uncertainty about the future, has turned the refugees into the most fragile sector of the Palestinian people. Due to the change of the PLO, they lost their national- organizational security. With Oslo, they lost their hope of return, and due to the economics of closure, they lost their source of income. Refugees, poor and exiled, do not belong to the privileged sectors of society which benefit from the PA.

This fragile situation made it possible and easy for the PLO to ignore them in the negotiations of Madrid-Oslo, and to compose a Palestinian “refugee delegation” from among persons who act as functionaries and employees for the P.L.O and later PA, dealing with the refugee question from an academic, rather than from a militant approach. Even if these were the best people to represent the refugees, the refugees themselves never elected them nor have they ever been consulted about their appointment. Given the very low political ceiling of Madrid-Oslo, these people might not be the proper negotiators. They should not agree to replace the refugees themselves.

When the PLO was the “mother of all the Palestinian people”, the absence of a special representation of refugees was understandable. Then, the PLO was a political-national organization fighting for the liberation of Palestine, i.e. the land of these same refugees. However, when the PLO became the tool of an elite, influenced by the United States and captivated by the Israeli occupation, and when the PLO was subordinated to the PA - and not vice versa - to the extent that the Palestinian National Council PNC held its last conference in Gaza which is under Israeli control, refugees had lost their political-national umbrella. Devoid of power, the refugee issue was neglected in negotiations to the extent that it could be stated that the aim of this “peace” is to terminate (rather than solve) the refugee question. The deterioration of UNRWA services, and the transfer of large portions of its budget towards income-generating and peace implementation projects is one indicator¹⁰¹.

While the Palestinian people are approaching the fiftieth anniversary of their disaster, they are further than ever away from achieving their right of return. The only sector of refugees listed on the agenda of the Madrid-Oslo negotiations are those expelled in 1967.¹⁰² Most refugees do not support

¹⁰¹ See Jaradat and Abed Rabbo, 1997, *ibid* .

¹⁰² Even the 1967 refugees question has been subjected to four committees, Palestinian, Israeli, Jordanian and Egyptian ones. The Jordanian and Egyptian committees were imposed to weaken the Palestinian power of representation.

the Oslo Accords¹⁰³. The only formal reference to the 1948 refugee question was the establishment of the multilateral negotiations track which is restricted to dealing with the “improvement of refugee living conditions”¹⁰⁴, i.e. emptying it from its political-national content and turning it into an issue of charity. Under US pressure, UN Resolution 194 was excluded from the terms of reference of the negotiations, and the UN itself has been prevented from participating.

To put it briefly: since the “peace process” failed to tackle the refugee question in an appropriate manner, since the campaign to terminate the Palestinian peoples’ right of return continues, since the same “peace process” is about to die, and since the Palestinian refugees reject the Madrid-Oslo process, a new refugee agenda is unavoidable.

What is to be Done

a) On the local Palestinian dimension, the subordination and the dependence of the P.L.O. on the PA must be reversed¹⁰⁵. The PLO must be placed outside occupied Palestine, in an Arab country, in order to regain its independence and the ability to represent the Palestinian people properly. The leadership of the PLO must not be the same as the leadership of the PA and/or appointed by the PA chairman. The PNC must not hold its conferences inside occupied Palestine. PNC members must be elected and not appointed. The members of the PA Self-Rule Council must not be considered members of the PNC, unless they re-elected directly to the PNC in elections under the sponsorship of the independent PLO and on a basis which is separated from Oslo.

b) On the Arab dimension, the Palestinians must coordinate their positions with the Arab countries, especially those aiming at negotiations for an

These committees are dealing with the Palestinian refugees in the Near East only, while the Palestinian refugees all over the world are neglected.

¹⁰³ See Elia Zureiq *Palestinian Refugees and the Peace Process*. Institute of Palestinian Studies Washington D.C 1996.

¹⁰⁴ Rex Bryen, The Refugee Group of the Middle East Multilateral Peace Negotiations, in *Palestine-Israel Journal of Politics, Economics and Culture*, vol. 2. No 4, Autumn 1995, pp. 53-64.

¹⁰⁵ Members of the PLO’s Executive Committee are still appointed by Mr. Arafat who is the PLO and PA chairman! They must be elected from among an elected PNC.

equal and just peace, i.e. Syria and Lebanon.¹⁰⁶ Any improvement in the Palestinian position will strengthen the popular Arab position versus official Arab state positions. Support of the positions of trade unions, professionals, writers and journalists who are against normalization with Israel, could result in the replacement of formal Arab boycotts of Israel with a popular boycott. Such popular support would weaken and perhaps even stop Arab regimes from negotiating plans to resettle the Palestinian refugees in Arab and non-Arab countries.

c) In the international dimension, all Palestinian representative bodies must insist upon taking the Palestinian issue again to the United Nations, and not to any other international conference, small or large. The Palestinian people must fight to liberate the peace process from the hands of the United States. In the same context, UNRWA must continue operating under the responsibility of to the United Nations; it must not be dominated by the United States. Palestinians must stand firmly against the current politicized form of UNRWA; the latter must not be annexed to the PA as has happened with the PLO..

On the refugee level, a political group to represent the refugees must be established. This group must be elected directly by and from among refugees all over the world. The main condition in its charter must be to remain committed to the refugees' right of return to their land and properties. This Palestinian refugee body will operate from within the PLO as the only representative of the refugees.

This new refugee body must work with and through refugee grass-roots organizations. Those who will represent the refugees in negotiations must be from among its members and working according to the refugees' agenda, supervised closely by the popular refugee organizations.

The place for the political struggle of the refugees is in Palestinian political organizations. The need for a special refugee body is derived from the need to protect refugees until the PLO is restructured and operating again as a real representative of the Palestinian people, especially the refugees,

¹⁰⁶ It is important to note here that "peace" agreements between a matured social formation and strong Arab country, i.e. Egypt or Syria, will be more balanced than an agreement between Israel and the fragile, dependent regimes which serve and are dependent upon imperialist policy in the area, i.e. the PA and Jordan. This is why the PA's integration into the Arab dimension is one of the main means by which to control its deep inclination for compromise.

or until the Palestinian people decide to create another representative body.

The representative body of the refugees, the Palestinian political organizations and the grass-root organizations must fight for the above mentioned aims. This may help to transcend some of the internal Palestinian problems, e.g. the relationship between Palestinians outside and inside the West Bank and Gaza, and problems in defining the relationship between political organizations and the elected body for refugee representation. Research on refugee attitudes towards issues of political and social life should be conducted to support this process.

The march towards the solution of the refugee question is a long one. But the political environment for the Palestinian struggle is worsening. Accordingly, the selection of representatives will become more and more difficult.

Part II: Palestinian Refugees

2. Between the Right and Crisis of Compensation

A Paper Presented to the Refugee's Conference in Bethlehem, July 2, 1996

A proper discussion of the Palestinian refugee question must deal with three basic introductory points prior to discussing the issue of compensation:

- * The national disengagement between the Palestinian question and its Arab context.
- * The imperialist peace settlement which is currently taking place.
- * The United Nations Refugee Works Agency's (UNRWA's) intention of terminating its services as a United Nations organization created for the Palestinian refugees.

1- Dis-engagement of the Palestinian Question from its Arab Context:

This issue goes back at least to the last three decades, a period that witnessed a decline of the Arab national movement on an international

scale. This decline made room for the *Iqlimi* political ideology and sectarian political religious currents in the Arab homeland. These developments paralleled the decline of Egypt's role (after Nasser) as the central Arab state. On the Palestinian front, the popular relationship between Palestinian and Arab popular forces has been degraded to the level of formal regimes' relationships between the Palestinian Liberation Organization (PLO) leadership and non-democratically elected Arab rulers. Accordingly, Arab popular classes have been gradually neutralized and totally subjugated to the Arab ruling classes.

These developments followed the defeat and compradorization of the Arab progressive-nationalist regimes, i.e. Syria and Egypt, which consequently reconciled with the already-subjugated conservative and dependent comprador Arab regimes (Morocco, Saudi Arabia ...etc..). The result of that reconciliation was a semi-unified policy between the formal Arab ruling classes, which brought more division, repression and exploitation to the popular Arab classes. Accordingly, when the PLO leadership decided to ally itself with the ruling Arab camp, it found itself alienated from its Arab popular depth.

In addition, the political and joint action relationship between Arab and Palestinian political parties and organizations has deteriorated and been replaced by the relationships with the Arab regimes. The imperialist success in separating Egypt from the Arab struggle for the liberation of Palestine by embracing it in a single agreement with Israel was ultimately a step towards embarrassing Palestine itself through the same form of agreement—the peace process begun in Madrid.

2- The Fall of the Palestinians into an Imperialist Settlement

When the three Palestinian capitalist factions (the bureaucratic, sub-contractual and financial/Diaspora) realized that they were not the proper vehicle to achieve either the liberation nor the independence of Palestine, they made a U-turn towards a new discourse, a position of surrender to the enemy. All their many maneuvers and demagogic slogans, i.e. the independent Palestinian decision to hide their political struggle and degeneration, never enabled them to disguise this new trend. The final result of this trend was the descent into the imperialist settlement of Madrid and Oslo, the cancellation of the Palestinian right of return and self-determination, and the deformity of the Palestine question into only a

question of refugees who are individually seeking either return as a gift from Israel, or monetary compensation for their right of return.

3-The Halting of UNRWA's Role as an Organization for Refugees

As a UN organization, it is the role and duty of UNRWA to serve the Palestinian refugees because the UN failed to apply its own resolutions, particularly UN Resolution 194, item III, bowing to Israeli rejection of critical resolutions (which still fall short of our people's full and just rights). This duty of UNRWA, which is directly related to the fact that our people still haven't achieved their right of return, shouldn't be negated or confused by the revolutionary argument which criticizes the dependence caused by UNRWA refugee relief. The mere existence of UNRWA, an organization for Palestinian refugees, is direct evidence that there is a national right which still not restored. Therefore, this organization shouldn't stop its programs and its role shouldn't change unless this right is achieved. In other words, the termination of UNRWA before the right of return is achieved would be a compromise of the historical rights of the Palestinian people.

The continued existence of UNRWA is linked to Palestinian sovereignty over the land. Some people believe that the self-rule is a true independence fulfilling the Palestinian rights, and that accordingly, there is no more need for UNRWA and its services.

However, the Palestinian self-rule arrangement currently in place is ambiguous, misleading, and not a recipe for true independence.

There have been some attempts to broach the subject of the termination of UNRWA (in addition to the imperialist settlement itself) such as the quiet transformation of UNRWA to a "development" organization. This new role does not parallel assistance to the refugees, but is only an alternative. Therefore, UNRWA's "development" never stemmed from developmental intentions, but from a deliberately designed policy to terminate the political and national aspirations of the refugees.

At the same period of time in 1992 when UNRWA was crying because of its budget shortage estimated at \$100 million, and its Commission General Ulter Turkman visited several Arab oil countries asking for help, Turkman was also establishing the UNRWA Income Generation Project (IGP) in the Occupied Territories, Jordan, Syria and Lebanon. This new policy was supported by the same imperialist countries that are now highly supportive

of the Oslo agreements. This clarifies why the budget of IGP jumped from \$25 million in 1992 to nearly \$100 million by 1993 in the so-called "program for Peace application" which began after the signing of the Oslo Accords. The World Bank also supports this policy. It has devoted \$240 million out of its \$1044 million budget for this project of "peace application" ¹⁰⁷. The 1994 budget of the second stage of the "peace application" was \$311 million.

All these steps are taking place in coordination with the responsible Palestinian authorities. On this level we find that the donor countries, UNRWA, the World Bank, and even the Palestinian Authority have become part of an equation which is designed to terminate the Palestinian question and to reduce it to the level of refugee rights, rather than national/political rights. For this reason there is even the possibility that the Palestinian National Authority will be given responsibility over UNRWA.

The United States is trying by all means to terminate UNRWA and to transfer the refugee question from the arena of the United Nations to that of the Israeli/Palestinian negotiations, with the intent of transforming the people's question to an issue of compensation for individuals, even compensation achieved through negotiations. In this way the United States leadership (which is the designer and engineer of Oslo) is carrying out a conspiracy within the UN to cancel UNRWA's work.

*"The UN Committee for politics and colonial liquidation, voted for a resolution for the extension of UNRWA's mandate for another three more years despite of the US objection against the related project"*¹⁰⁸. It should be noted that the raising of the extension of UNRWA's charter means the separation of UNRWA from the just solution of the Palestinian issue because a possible extension means the possibility of cancellation before and with no connection to the final solution of the Palestinian question.

"A well informed diplomatic sources noted that the United States approached the PA affiliation mission in the UN to did not note in it's

¹⁰⁷*Draft for Discussion Purposes Only*, November 11, 1993. A World Bnk Report p:14.

¹⁰⁸. See Al-Quds daily 3-12-1995 p3

*project for the Palestinian refugees to the UN resolution 194 which stated for the return of the Palestinian refugees, and for compensation for those who do not want to return. The US asked the Palestinians to refer only to paragraph 10 which demand the extension of UNRWA's mandate until 30 June 1999 and to cancel the paragraph which stated that the General Assembly observed by sorrow that the return of the refugees to their homes or their compensation did not took place yet according to what paragraph 11 of the resolution of the General Assembly were stated"*¹⁰⁹. It is possible to deduce from the above paragraph that the United States is trying to cancel even the Palestinian right for compensation. If we connect this position with the US role in the imperialist peace settlement, and the US government's ability to oblige the PA to give lip service to many issues, we realize that there is a danger that the US will succeed in its goal of terminating the right for compensation (see following).

*"The United States justified it's position by arguing that it can't vote for the sake of a resolution demanding the right of return of the Palestinian refugees, because it is an issue on the table of the Israeli and Palestinian final bilateral negotiations .The wipe out of 194 resolution will enable the US government to guarantee the Congress approval for the financial assistance to UNRWA"*¹¹⁰. By doing so, the United States is succeeding in minimizing the refugee question to a small footnote in the bilateral negotiations, similar to what has happened to the issue of the Orient House in East Jerusalem. On the other hand, the United States is offering some monetary support to the "bankrupted" UNRWA. In other words, the United States is exploiting UNRWA's desperate need for a small amount of money in exchange for the right of return or compensation.

*"It is well known that the United States since 1950 was continuously voting for the sake of extending UNRWA's mandate which include the resolution 194 until it is stopped that since the signature of Oslo agreement September 1993 pretending that the refugees question is a point in the bilateral negotiations between the PA and Israel"*¹¹¹.

On the Principle of Compensation

109 Ibid.

110 Ibid.

111 ibid

The basic right of the Palestinian people is to return to their homeland. Compensation for that right would be an exceptional case. Compensation is an alternative for those who don't want to return (because of his/her private reasons) . Compensation should never be an alternative equal to a homeland. There are no people who would accept money compensation for their homeland. Compensation is a solution for individual cases where people have been individually harmed.

But the point of discussion is more complicated than this. Since the Palestinian question has deteriorated to that of a refugee question, compensation has become an ordinary solution, meaning that the historical rights of the Palestinian people have been fragmented into tiny pieces belonging to individuals. It means the replacement of national rights with individual ones. The homeland has become a matter of few dunams which individual owners are trying to save from confiscation or by-pass roads. Sovereignty has deteriorated from national sovereignty to the level of the administration of internal social affairs of Palestinians in towns.

In any case, the ordinary citizen who is dreaming of a few thousand dollars as compensation for his land or home in Haifa doesn't care about political/national principles. This dream has become valid for many citizens because when they draw the following picture it is easy to decide that, "As long as the whole national question has been liquidated, why shouldn't I gain at least "the price" of my individual property in Palestine!". This scenario might be acceptable for some people, particularly during the current era which is the era of Internalization of Defeat (IOD). These individuals will not give priority to their national rights over individual gains unless the popular struggle rises and overthrows the current Arab regimes.

But, even if the Palestinians move to accept the compensation alternative, there are many factors which are working against acquiring them. Following are some of these dangers:

I. Dangers from the Ruling Classes

a. The Palestinian Authority

The Palestinian Authority is the child of an imperialist settlement. That is why the nature and essence of this Authority is decided and designed according to the factors which created it, rather than according to natural circumstances, i.e. those which would create an independent state with

authority over its homeland. The imperialist settlement means that the PA should facilitate the transformation of the Palestinian question to one of only refugees.

The gloomy situation is more easily understood if we know that the United State's policy is to minimize the refugee issue to only a line item in the Israeli-Palestinian bilateral negotiations. We must take into account the US' role and influence over the PA which is desperately in need for money, especially since the "donor" countries are giving the PA only small amounts of money which are quickly consumed in its bureaucratic apparatus, rather than productive investments. Seven hundred and sixty million dollars of this money is loan money ¹¹². This debt burden will soon prove the PA incapable of repaying neither loans nor the service on the loans. The result will be more political concessions from the PA to the lenders (who are the allies of Israel) in exchange for financial solubility. It is clear that the refugee question will be on the top of these concessions. Since these debts have ballooned to three quarters of a billion dollars, this leaves no room for those who would like to pretend that the PA is started its life with no debts. This debt burden is astronomical both because it has been accumulated in three year's time, and because the PA is unable to repay the debt because of its poor resources.

All of these Palestinian financial weaknesses will encourage it to accept the compensation alternative in exchange for a helping hand out of the economic crisis. But even if the PA hesitates in accepting compensation, the World Bank and the "donor" countries will hold the threat of withholding assistance over the PA's head to pressure the PA to accept the option of compensation.

The issue will not simply end with this scenario. A crisis will rise between the PA and the ordinary refugee. The PA might put its hand on the compensation money, if possible, pretending that it is a new regime that is servicing the public rights which are more important than the individual rights. The PA might argue that since refugees were evicted from their

¹¹² Rex Bryen, *The Very Political Economy of the West Bank and Gaza: Learning lesson about Peace-building and development Assistance*, page 2. A paper presented in "The Palestinian Economy Towards a Vision in the University of Birzeit 9-12 June 1996, sponsored by the World bank and the German Agency for Technical Cooperation and the Arab Economists Association.

properties and jobs over fifty years ago, they are now well settled and are not desperately in need of the compensation money. Accordingly, the PA will argue that the PA deserves this money because it is investing in job creation projects, whether these are in construction, infrastructure or industry.

There is a possibility that part of the compensation might be distributed to individuals. But this differs from the way which Israel divided the compensation of the Nazi victims into public and private funds.

b. The Jordanian Regime

Through the settlement negotiations, the Working Refugee Committee (WRC) was established, composed of representatives of Israel, Jordan, Egypt and the Palestinians. But, while the refugees are Palestinians, and the occupier is Israeli, why were there Jordanian and Egyptian representatives on the committees for refugees? If the justification is because there are Palestinian refugees in these two countries, one should argue that there are Palestinians all over the world, therefore all the countries which host Palestinians should nominate their own committee members for these negotiations!

The Jordanian regime declared recently that it is going to ask for compensation of several tens of billions of dollars for “hosting” the Palestinian refugees. Disregarding the Jordanian means of estimating what is spent on the Palestinian refugees, this means that there are a possible “partners” to the Palestinian refugees even outside of the PA itself.

Here the national factor is imposing itself, but not for the sake of the Jordanian regime, because in this case the same Jordanian regime which pretended that it is generous enough to host the Palestinian refugees in line with a common national bond and commitment, is now asking for the “cost” of this commitment!.

The Jordanian declaration means a new item of compensation could be cut from the gross compensation amount which might be paid to the Palestinian refugees, but not by Israel which evicted them from their homeland. The question reveals itself: is there a right of compensation for any country which hosted the Palestinian refugees, particularly Jordan?. Jordan is the sole Arab regime which deprived the Palestinians of their citizenship and imposed on them the Jordanian citizenship, albeit a citizenship of the third class. Because of its own annexation of the West Bank, and because the Jordanian regime gave the Palestinians citizenship,

Jordan can't pretend generosity and hospitality. It is a country which has assisted part of its own population. Accordingly, Jordan doesn't deserve any right of compensation, since a state can't charge a sector of its population for living inside its own country.

Moreover, Palestinian refugees in Jordan were never a dependent population, but mainly a cheap, unorganized labor force which was deprived of any rights and even a well of any form of demands. The Palestinian labor force was subjected to harsh and extensive exploitation by large landowners in the west and east banks of Jordan. Jordanian and Palestinian land-owning families were supporters of the Hashemite regime and were subsequently gifted large surveys of land. While employed in the reclamation and cultivation of this land the Palestinian refugee labor force worked under conditions similar to those dominant during feudalism. Palestinian refugees were a cheap and silent waged labor force for all economic sectors of Jordan. The food which they received from UNRWA was the compensation substitute for low wages, enabling the workers to meet their basic needs and renew their human (labor) power to continue working.

The danger in this issue doesn't lie in the argument of the Hashemite regime, but in the positions of the Israeli and US governments which will facilitate Jordan's receipt of compensation as their ally in the region. Even if Jordan limits its claims to the Palestinians who settled inside Jordan in 1948, 1967 or after the Gulf War and subsequently became citizens, it will receive compensation for them as well. In this case, the share of the PA will be only for the Palestinian refugees inside the West Bank and Gaza. It should be noted that the money which UNRWA was and still is spending on the Palestinian refugees in the West and East Banks, as well as Gaza is a major component of the Jordanian GNP. This is further evidence that Jordan has benefited from, rather than spent on the Palestinian refugees.

c- The Israeli Authorities

The greatest danger in the compensation issue lies in Israel's role, which will presumably be to liquidate Palestinian historical rights, on the one hand by minimizing the number of refugees, and on the other, by escaping the payment of compensation. Towards this aim, Israel will gather as many justifications as possible. It should be noted that Israel's position towards the Palestinian refugee's right of return has not changed since 1948: it is still a "big no". Israel argues for resettling the refugees in Arab countries and says that compensation shouldn't be for individuals. The Arab and

international community should be the main contributors to the compensation fund, while Israel will be merely one of them.

If Israel will deal with the refugee issue as either individual or collective, it will surely raise the question of the Arab Jews to counter the rights of the Palestinians. It will counter the eviction and disintegration of the Palestinian people with the deliberate and planned Zionist policy of “ingathering,” by all means including force, to bring Arab Jews to Palestine. Many Arab regimes contributed by forcing Arab Jews to emigrate to Palestine. On this level, the question of numbers will enter the compensation equation. According to the *Statistical Abstract of Israel*, the number of Arab Jews who were born in select Arab countries are as follows: Morocco, 285,500; Yemen, 158,900; Iraq, 508,800; Algiers and Tunis, 126,800; Libya, 75,200; Egypt, 63,500, resulting in a total number of 1,231,900 persons. This total doesn’t include those Arab Jews from other Arab and Islamic countries, a number which might reach 1.5 million people¹¹³.

In the most just solution based on compensation, Israel will try to match the Palestinian refugees rights with those of the Arab Jews. While the number of the Palestinian refugees will be double or more than the number of the Arab Jews, Israel will use capitalist estimation measures, a factor which will work for its own sake. Israel will pretend that the Arab Jews were professionals, technicians and merchants...Accordingly, the social investment for each person is much higher than the investment in a *Palestinian Fallah* [villager]. It might pretend that the price of a shop in the center of Baghdad is one hundred times more than the “price” of a dunam in the Negev desert...etc.

Briefly speaking, in the worst case scenario, Israel will try to prove that the number of Arab Jews who migrated to Israel and their properties are equal, or even greater than those of the Palestinian refugees. This is an expected Israeli argument as long as the Palestinian national question has been reduced to that of compensation for refugees.

As long as it is a compensation issue for refugees, i.e. individuals or groups, and as long as the Arab and Palestinian regimes have recognized Israel, i.e. that Palestine for these regimes has become Israel, the Israeli government will ask the new Palestinian self-rule authority and the Arab regimes for compensation for the Arab “wars or aggressions” against Israel

¹¹³ Statistical Abstract of Israel, 1993:90-91

in 1948, 1967...etc¹¹⁴. Israel will pretend here that it was fighting in “self defense”. It is enough for Israel to show that October war of 1973 cost Israel \$40 billion which equal to all its budget for that year.

Some might argue that refugee rights should be compensated by Israel, while the rights of the Arab Jews should be paid by the Arab regimes. If this logic is acceptable, Israel might insist on a precondition that payment for the Palestinian refugees must be conditioned on Arab regime’s payments to Arab Jews. Or it might suggest that Israel compensate the Arab Jews, and the Arab regimes compensate the Palestinians. In other words, the corrupt Arab regimes will pay nothing.

Israel might raise the issue of land sales to the Jews by some Arab and Palestinian land owners, either as direct sales or through forgery, especially that land sold during occupation. But the question of land purchase and forgery didn’t stop in 1939. It still continues . One is afraid that land purchase might speed up after the Oslo agreement as means for people to internalize the Palestinian defeat.

Despite the previous discussion, I am principally opposed to compensation because I believe the question is that of national rights, of a homeland. Compensation is a matter for those who don’t want to return. However, any person who will negotiate this subject because he/she is not entrenched behind and does not believe in the national position which rejects the reduction of a homeland through negotiation for few dunams or homes here and there, must at least be armed by a detailed and scientific study of the compensation issue. Accordingly, the Palestinian negotiator must aim to do the following:

- To separate the compensation of the Palestinian refugees from that of the Arab Jews
- To conduct a detailed survey of lost Palestinian properties
- To evaluate the losses of each Palestinian refugee individual since his/her eviction from his/her home, and from the time he/she and any of his/her family members became of working age
- To estimate the losses caused by the refugees’ inability to study and learn simply because they are refugees, and the losses incurred because they, as

¹¹⁴ I expected Israel to raise this issue in 1991 in my work:the Palestinian Capitalism from the Dependent Evolution to the Crisis of Independence, pp 280-298. Al-Zahra Publications, Jerusalem.

refugees, could not enjoy the opportunity to learn and study which made their wages very low

- To estimate the revenues which Israel gained through its use of Palestine: land, water, homes, infrastructure...etc
- To evaluate Israel's benefits from using and controlling the Palestinian tourist places, especially the Holy Shrines which have a comparative advantage
- To evaluate the moral, economic, intellectual, and human harms which the Palestinian refugees faced, simply because they have been refugees since the beginning of Jewish immigration to Palestine until the end of negotiations (a comparison should be done with the benefits which the Israeli settlers received from Israel --\$250,000 per settler in Yamit settlement in the Sinai)
- To evaluate the maltreatment of the Palestinian while traveling, just because he is a refugee with no real passport, and as a Palestinian.
 - To ask British imperialism for compensation to the Palestinians because of its colonial role and its role in creating Israel
 - To ask the United Nations for compensation because of its failure to apply its resolutions in Palestine, at least in comparison with other regions in the world
- To ask the United States to compensate the Palestinian people because of its support to Israel, the Palestinian occupier and aggressor

Conclusion

All of the mentioned indicators in this paper refer to the fact that there is a great danger surrounding the right of return, and even compensation for Palestinian refugees. Any weakness in one will effect the other. These dangers might lead some people to ask collectively for compensation, but others might seek an individual compensation.

What is clear is that neither the right of return nor compensation have been seriously introduced on the negotiations table of the current imperialist settlement. Accordingly, what should be done is to transfer the whole of the Palestinian refugee issue to a popular conference for the right of return which must be based in occupied Palestine. Its leadership must be of a Palestinians who have not been co-opted under Israeli domination which extends over all of mandatory Palestine. The PLO executive Committee shouldn't by any means be based inside the self-rule areas which are still under Israeli control. The leadership of PLO shouldn't be the same as that of the self-rule so as to enable free struggle. The whole Palestinian

question should be presented to the United Nations, not presented in the context of the Israeli-Palestinian bilateral negotiations.

Part III: Palestinian/Arab Issues

1. Egypt's Role in Palestine: From Liberation to Compradorized Solution

This article was suppose to be presented in a conference titled: Egypt Today: Society and Religion's, Role 16 May-19 May 1996 at the University of Manchester, U.K. However, I failed to attend because the Israeli occupation authorities did not give me a permit to leave

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Historical Background

Egypt's leading role in the Arab Homeland, especially *al-Mashriq*, is due to its own characteristics as the largest Arab country. The first `modern` state in the Arab Homeland started in Egypt. It is the oldest Arab cultural center and the first country which tried to establish a central Arab state,

started by Mohammed Ali 1832-1840 until Nasser 1952-1970. Accordingly, Egypt considers that its duty and interest is to lead and unite the Arab nation.

But because of the long Turkish rule in the Arab Homeland, Arab awareness *Nahda*, was hindered, until the World Order became more matured and reached its high colonial and imperialist stages, i.e. when the European capitalist colonialism was in the stage of fierce competition for sources of raw materials, markets, and to 'save' trade routes. Arab awareness was made difficult under a world order which dominates the globe and creates its own dependent regimes in its peripheral formations including the Arabic ones. These dependent regimes played the role of hindering any form of development. In this context, Palmerston said "... *The Turkish domination over the road to India, from our viewpoint, is not worse than being under the control of a strong Arab ruler.*" (Amin 1983:26). This means that for Egypt, as a central Arab state, to achieve its ambitions for modernization and unity it will face two forms of obstacles:

a. internal interests of the ruling merchant, and later, the comprador classes in the other Arab countries, (i.e. large ones such as the *Aqtars*, and small ones such as the *Iqlims* and *Keyans*); b. external interests, i.e. western capitalist colonial interests.

These obstacles marked the Arab nationalist struggle since the 18th century until today.

The first reason for the complexities mentioned above was Mohammed Ali's project for modernizing Egypt and uniting the Arab *Mashriq* (*al-Sham* -greater Syria-, the Arab Peninsula and Sudan). This project was faced by a European aggression in 1840, which destroyed Egypt's power and regime, and replaced it by the *Khedewis*, a dependent, corrupt, and non-nationalist regime¹¹⁵. Since that period, the struggle has continued between the Arab nationalist project and the Imperialist Arab reactionary- and later Zionist project. Throughout this long struggle, the Arab popular classes were, and still are, divided into: two camps: those who struggle for development and freedom (the nationalist bourgeois and the popular classes); and dependents who are allied with colonialism and imperialism.(the merchant, parasitic and later comprador bourgeois classes).

¹¹⁵ Some writers believe that Mohammed Ali's experience failed to last after his defeat because he failed to create a local supporting class . See Fawzi Mansour. *Khurouj Al-A'arab min al-Tarikh.*. Madbouli Publications. Cairo 1993. (Arabic)

To elaborate, Egypt's central role and leadership of the Arab Homeland was never free of external intervention. Intervention by the world capitalist order has adopted all forms of aggression, including the military force, but it should be noted here that this role is changeable according the form of the Egyptian ruling class, whether it is a nationalist or comprador bourgeoisie.

The Egypt/Palestinian relationship is a typical one for explaining the relationship between an Arab *Qutur* and *Keyan*. Throughout the modern history of the Arab countries, Egypt represented the center for Palestine in terms of economics, culture and politics. Palestine (as Southern Syria) was Egypt's gate to Syria. One of the main imperialist goals was to prevent the rise of a unified Syrian/Egyptian state

Most of the Arab countries were one trade region during the Ottoman rule. There *"exchange was taking place without custom barriers. Until the first imperialist war 1913-1919, not less than 45 percent of the Syrian exports was going to other parts of the Empire, half of this amount was going to Egypt alone* (Amin, 1983:39).

The same is for Palestine as Scholch noted: *"The main buyers of Palestine's products were Egypt, France and Northern Syria"* (Scholch, ed 1982:13)

On the cultural level, most educated Palestinians, since the last century until recently, have studied in Egypt - the country to have the earliest universities in the Arab Homeland, and as the closest central Arab country to Palestine. This intellectual and educational relationship reappeared at the political level. The Arab and Palestinian nationalist movement, since the last quarter of the 18th century, were in a joint organizations structure with the Egyptian mother. It is not an accident that this unionist movement was created in parallel with the World Order's transformation from colonialism to imperialism. A few decades later, the political Islamic currents, (started by the Muslim Brotherhood), and the communist movement which started in Egypt spread to Palestine¹¹⁶. Accordingly, the Egyptian economic and educational and cultural influence on the Palestinians became clear in the political instance. The main interruption to this relationship took place after the 1948 defeat when Israel occupied three quarters of Palestine. By the new development, Egypt's role never

¹¹⁶ See Adel Samara, *Political Islam: Fundamentalism or national Struggle, A Materialist Critique*, (Al-Mashriq/Al-A'amil for Cultural and development Studies, 1995).

stopped, but changed to be the main defender of Palestine. Egypt led the Arab nationalist initiatives in defense of Palestine against Israeli aggression, which cost Egypt a high toll in casualties, lost national income, and even part of its land, Sinai 1967-1979.

The war of 1967 represents a deep change in the whole Arab Homeland in terms of socio-economic developments. One of its results was the defeat of the Arab national movement with its two main components (the bourgeois nationalist and the communist currents) and paved the way for compradorization of most of the Arab ruling classes and later economies. In the new period, Egypt still played an important role, but as a large dependent Arab state, not as a central nationalist one.

In short, The role of the Egyptian state in the Arab Homeland is different according to class nature of Egypt's ruling class. When the regime is a nationalist progressive one, i.e. Nasserism, Egypt's role became a leading, unionist, developmental one. Its role was to support Arab nationalist movement, i.e. Algiers, South Yemen, and to fight imperialism and Zionism. When the class struggle in Egypt ended with the triumph of the comprador class, 1970, Egypt's role became limited to mainly internal affairs; it was defensive on a national level, and even compromising towards imperialism and Zionism over Arab issues especially Palestine.

The PLO and the Egyptian Regime

With the creation of Israel 1948, Egypt lost its gate to Syria, a development which weakened Egypt's ambition for leading Arab Unity.
 The imperialist peace settlement 1993 (from Madrid to Oslo a and b) is , in a way, a reopening of this gate.

The Palestinian Liberation Organization (PLO) was 'born' in 1964 with the help of an Egyptian midwife. PLO is the Palestinian version of the Arab nationalist movement. But, unfortunately, while the PLO was being born, its mother (the nationalist movement) was moribund. That is why the PLO was obliged to adapt according to the new Arab bourgeois comprador regimes as the ones who are globally more than nationally or regionally oriented. This adaptation is in fact interpreting the deep contradiction inside PLO. This same contradiction which finally killed PLO has since it led it towards Oslo. It is the contradiction between the conditions of struggle which pre-suppose a contradictory relationship with the Arab regimes, and the limitations of the revolutionary spirit of PLO which pre-suppose a compromise relationship with the same Arab regimes.

Egypt was the first of the nationalist oriented Arab regimes who decided to adapt towards the global capitalization of the world economy, which was called, under the Sadat regime, open-door *Infitah*. As a liberal policy *Infitah* was an expression of the victory of the interests of the Egyptian comprador bourgeoisie, which are externally oriented. It is a 'positive' response to the neo-liberalism of the World Bank, IMF and GATT policies for the 'Liberalization of Trade', or in another words the globalization of trade. A few years later, as a compradorized regime, Egypt's ruling class took this globalization policy a stage further, by recognizing Israel (the imperialist watch-dog in the area) and signing with it a 'peace agreement'. In return for this the US state department decided on an annual assistance of \$2.5 billion to the Egyptian regime.

Two points should be made here: First, that the interests of the Egyptian comprador bourgeoisie are firmly integrated into the world order in a dependent manner. As a mature comprador class it has been integrated into the world order more fully than those who are not yet mature, i.e., Palestine. Second, PLO chairman Arafat, was in the same Egyptian parliamentary session in which Sadat declared that he would visit Israel. In that session, Arafat did not protest. In so doing, Arafat send a clear an early message to Israel and the US through the Egyptian regime, confirming that he was ready to enter an imperialist/Zionist solution to the Arab-Israeli conflict. In confirmation of this, during that period of time, Arafat was slowly departing from the Palestinian revolutionary camp towards the Palestinian commercial capitalist politics. While most of the Arab Nationalist' oriented regimes boycotted Egypt after Camp David agreement, it is PLO which maintained its ties with the Egyptian regime. The PLO office in Cairo never closed or minimized its contacts with the Egyptian government.

When the ex-US Secretary of State James Baker started his visits to the region following the Gulf war against Iraq, the PLO leadership were coordinating with the Egyptian government at all levels. Palestinians were studying carefully the Egyptian experience of negotiations with Israel. Egypt's government encouraged the PLO leadership to share in the Madrid conference and the ten negotiating sessions between the Madrid conference and signing of the Oslo agreement all of which were through direct intervention by America. The PLO's contacts with Egypt were the

strongest and most extensive of any Palestinian/Arab relationship.¹¹⁷ Accordingly, the Palestinians were the first Arabs to follow Egypt in signing a 'peace' agreement with Israel, although for them the results would be different.

Despite the fact that the Egyptian government was constantly supporting the Israeli-Palestinian negotiations, Egypt was all the time hesitant and cautious in designing its relationship with Israel. The Egyptian leader, President Mubarak, never accepted any invitation to visit Israel, until the assassination of the Israeli Prime minister Ishaq Rabin. But, despite the show of keeping a distance, the regime is in essence as continuation of Sadat's regime.

The Egyptian regime had many reservations concerning the Jordanian agreement with Israel, to the extent that President Mubarak did not attend the signing ceremony in Aqaba. This might seem strange, as the conditions of the Jordanian agreement were similar, if not even better than the conditions which the Palestinians has agreed to. This inconsistent Egyptian position might stem from three factors: a. the Egyptian regime is the tutor and sponsor of the Palestinian delegation; b. the Egyptian regime knew that the Palestinians were not able to generate from Israel more than both Israel and the US were ready to release, while Jordan was in a stronger position and could coordinate with Syria for a joint Arab position; c. because Egypt wanted to keep the Palestinians as its ally in the internal Arab political axis, as a means of allying with Syria against the unproclaimed alliance between the Jordanian regime and Israel. The competition between the two blocks became clear in the preparation of the conference of peace designers in Sharm el-Shaik, March 1996.

All these factors refer to the fact that Egypt, despite its weak political position, its poverty and debilitating economic dependency, was still ambitious to play a central role in Arab politics. But the nature of its role reflects the essence of the regime. It was acting as a comprador and not nationalist, populist, power. That is why, its highest goal was to look for a joint Arab role in negotiations with Israel even in those negotiations started with conditions set by Israel such as no right of return for the Palestinian refugees; Arab recognition of Israel even without a fixed borders; liberalization of trade in the region; and the creation of the Middle East market. In other words, the negotiations led to an Integration Through

¹¹⁷ Personal discussions with Palestinian delegation members and figures in the national movement.

Domination (ITD) of Israel into the Arab Homeland. But Egypt's economic dependency uncovers the limits of its political role (see later). Since Egypt maintained this ambition, it insists on keeping its relationship with Syria.

In fact, since the Palestinians are still unable to generate support from Saudi and the Gulf (especially after the Gulf War) to counter King Hussein's ambitions to re-control the West Bank and Gaza, they are totally dependent on Egyptian support. When King Hussein tried, in 1994, to arrange with Israel to control the Holy shrines in Jerusalem, Egypt supported Arafat. In fact Jordan disapproved of Egypt's positions to the extent that a quarrel broke out at the Amman Economic conference in November 1995. The Egyptian Minister of Foreign Affairs, Umro Musa criticized those Arabs who were unconditionally signing agreements with Israel, *Al-Muharweloun*. This provoked King Hussein to the extent that he replied saying: "...those who started Harwallah seventeen years before us, surely are not the party who is able to criticize us."

It seems that Musa was supported by the position of President Mubarak who supports a gradual normalization, *Tatbi'a*, with Israel going hand in hand with the Oslo Accords. King Hussein, however, is pushing normalization too fast and in an artificial manner to an extent which has astonished the Jordanian people. Egypt's policy is rather inconsistent. It simultaneously backs various forms of normalization with Israel on paper, while the Egyptian government is also flexible towards Egyptian trade unions, professionals and popular masses who are, on the whole, opposed to normalization with Israel. It should be noted that this formal flexibility might stem from the fact that the regime cannot challenge a popular decision. Regarding the Palestinian case, Egypt is interested to avoid provoking Israel and the US, since who consider Palestinian normalization¹¹⁸ a central aim. Arab normalization can come later.

According to this Egyptian position, the Palestinian authority, businessmen, and comprador intellectuals are normalizing much more than their Egyptian counterparts, despite the fact that Egypt's agreement with Israel began seventeen years ago and the Egyptian land occupied by Israel has been restored.¹¹⁹

¹¹⁸ As it is mentioned in several places of this work, the Palestinian are playing the role of marketing Israel to infiltrate and colonize Arab economies. These Palestinians are supported by Arab regimes against Arab popular classes.

¹¹⁹ After the Palestinian agreement with Israel, a new developments are taking place in the Egyptian regime towards normalization with Israel. The Egyptian

This issue is not related only to the fact that the Palestinians chance of maneuvering is highly limited in comparison to the Egyptians. It stems from the fact that the Palestinian socio-economic formation is not mature enough to generate the necessary conditions and guarantees to foster and maintain for long the mass steadfastness. This is what became clear during the last closure of the West Bank and Gaza.

Economic Dependency is the Core Issue of Political Fragility

The PA now following the Egyptian economic policy, namely adaptation to the conditions of neo-liberalism, i.e. the adoption of an open-door policy, privatization, termination of public sector etc. Egypt, under Sadat, was the first Arab state who applied the World Bank and IMF's policies and prescriptions for restructuring and adaptation.

Relative to its political position, Egypt's economic position is its Achilles' Heel. The weakness of its economy is what has made Egypt unable to stand firm in making itself a center for an Arab political system, especially when it is essential to challenge iexpansion. In 1991, Egypt signed an agreement for SAP with the IMF. By 1995, the IMF tried to oblige Egypt to apply the economic reforms strictly according to the agreement.

Two important issues were raised concerning Egypt's economic and political role. First, the IMF put pressure on Egypt to devalue its currency by 20-25% either immediately, or gradually over 12-18 months. The IMF's position was based on some improvement in Egypt's SAP function, though it is not clear whether this improvement was a result of a good economic function¹²⁰. The IMF's demands were rejected by Egyptian economists,

delegation to the joint Egyptian-Israeli economic conference 28-2-1996, contains representatives of 450 companies. By 1995 trade between the two countries raised by 50%, By the mid of 1994, Egypt left the discrimination against imports from Israel.(*al-Quds*, Feb 29-1996)

¹²⁰ However, there are some doubts as to whether these favorable indicators are attributable to the SAP or to extensive debt relief that was accorded to Egypt by the US and Gulf Arab state in the wake of the Gulf War in the form of a bribe for its role in the aggression against Iraq. It was a price for the Egyptian's regime for national betrayal. Doing so, Egypt is easily departing its leading role in the Arab Homeland . This reduced debt stock by some US\$13 billion

and even generated a government protest. This protest is a clear indication that the economic improvement was a result of the debt relief.

The second issue which collapsed due to Egypt's weak economy was the nuclear weapons question which it raised in the UN in 1995. Egypt insisted that Israel should be subjected to UN resolutions, but Egypt's debts left it vulnerable to arm twisting by the international financial institutions and the matter was dropped. Lenient economic conditions were best obtained by Egypt from these institutions by playing on its strategic value to the US, as the only Arab nation that recognized Israel. Today, to pay its debt and debt services, the Egyptian government decided to sell all the public sector's companies both, the profitable and loss-making ones ¹²¹.

The PLO leadership, which then became the PA, were following a similar path to that taken by Egypt who had been repeating since the beginning of the 1980s that they would adopt the free market economy. Before the Oslo agreements, a mission from the World Bank visited the Occupied Territories and conducted a study on economy of these areas, from the perspective of the World Bank, the US, and the EC. Here again, Egypt's experience was to be repeated with the PA. US imperialism in cooperating with the dictatorial international financial institutions brought the Egyptian ruling class round to the idea of signing an agreement with Israel, by means of \$2.5 billion annually. The same is taking place for the Palestinians who were promised \$12 billion annually as assistance from the so-called 'donor countries' if it would sign a 'peace' agreement with Israel. However, what the self rule areas have received is much less than that. Regarding the outcome of Palestinian application of the World Bank and IMF prescriptions, the following are excerpts of the World Bank and imperialist governments' plans for the economy of the self-rule areas.

*"...Commitment of Palestinians in the territories to the peace process will be determined in part by how their lives are affected over the coming months...rapid improvement in the quality of living requires that aid disbursements must be quick and effectively targeted at the grass-roots level."*¹²²

¹²¹ *Al-Arab* March 4 1996

¹²² *Institutional Development Objective: Near Term Activities, a World Bank Report*, June 13 1993.

Despite the PLO's acceptance of the Oslo agreements, the imperialist countries were terminating its credibility by keeping it economically weak, dependent, and by creating local competitors for it.

"Furthermore, the US strategy vis-a-vis the Palestinian people and that of the World Bank are identical: to deal with several - and divided- Palestinian elements and to avoid dealing with a central organization representing the Palestinian people. As stated in a draft of a World Bank report: the support should go through the :municipalities, grass-roots organizations, women's organizations, NGO's, Chambers of Commerce...strengthening the role of nonpartisan advocacy groups"¹²³

By damaging the credibility of authorities in the self rule areas the PLO (later PA's) was prevented from becoming a strong national authority. A strong national authority would have the potential to build an independent state from the strength of national demands. This would be accompanied by the granting of the legitimate rights of the Palestinian people. The donor countries, including the US, rejected this idea.

The following paragraph explains how there are several ruling groups working side by side the PA.

"UNDP primary counterparts for its development activities in the West Bank and Gaza is now the Palestinian authority and its component ministries and central -level institutions (such as the Palestinian central Bureau of Statistics and the Palestinian water authority"¹²⁴.

But there is a Difference

Despite of the fact that the Palestinian authorities followed the Egyptian lead in adopting liberal economic theory and World Bank policies, the results and effects on both countries are have been quite different.

The Egyptian government when accepting foreign finance was depending on three sources for repaying its debts:

a- revenues from the public sector *or*

b- selling the public sector companies

c-cancellation of part of its debt as a reward for it being the first Arab regime to make peace with Israel, and also for its role in aggression against Iraq in 1991

¹²³ Draft for Discussion Purposes Only, November 11, 1993 a World Bank Report, p.15.

¹²⁴ UNDP 1995:3.

In the Palestinian case, none of these sources for repayment were applicable. When a significant debt has accumulated in the Palestinian self rule areas will be (this will happen soon), the potential means of repayment will stem from two sensitive factors:

- a. as a reward for making more concessions to the Israelis and the US, on the national level and for scaling down of the rights demanded for the Palestinian people
- b-by playing a more active role in mediating between Israel and the Arab regimes, and joining the Middle East Market¹²⁵.
- c. imposing heavier taxes on the people as a means of nationalizing individuals' debts

The Limits of Dependency

The relationship between the US, as the main imperialist power in the Arab Homeland and the only sponsor of the imperialist peace settlement, and the Egyptian regime as the closest Arab ally to the US was never based on an equal footing. There are several indicators of this:

a-The artificial summit meeting against 'terrorism' in Sharm All-Shaik in Egypt was an example of how the US is able to pull most of the Arab regimes to support its policies, even if they are imprudent or against these regimes themselves. What they meant by 'terrorism' at that summit was the Islamic fundamentalism. On the surface it was against political Islamic groups in Algiers and Egypt . But in practical terms it opposed *Hamas* operations against the Zionist regime. It is worth noting that there was no such summit when killings in Egypt and Algiers were becoming the norm. It came only after an intensification of operations by *Hamas*. International conferences against 'terrorism' will never help Arab regimes, and it never recruit masses to support these regimes. What might happen if these regimes disengage their polices from those of imperialism is that they will cease their comprador role. Only through this policy, might the masses who are supporting political Islam change their minds. But as long as these regimes are continuing their comprador role, and as long as the Marxist/nationalist currents are absent or supporting the comprador

¹²⁵ The early or first features of the imperialist market in the Middle East, tells that a new form of sovereignty for the self rule areas is on the way. It will be a sovereignty over the people; the sovereignty of power (authorities) over the population. It is not a sovereignty over land and resources. This is a direct expression of the globablization which minimizes sovereignty in peripheral societies, while expanding sovereignty of the center beyond its national boundaries. An expansion which is camouflaged by the pretense of 'liberalization of trade', openness, a global village, and finally globalization.

regimes, we will see more popular support to the political Islam. In Sharm Al-Shaikh conference, the US manipulated most of the Arab regimes to work against themselves.

As it is mentioned above, in the UN's discussion of nuclear weapons in 1995, Egypt built an Arab camp around its position that the Arab countries would not sign the UN's agreement not to develop a nuclear capability unless Israel would sign the same agreement. The Egyptian position lasted for few months. During that time, the US obliged Egypt to change its position, threatening Egypt that the US assistance to Egypt would be canceled. The result was a collapse of the Arab position and favoritism for Israel. If we presuppose the integrity of the Egyptian regime and believe that it was forced to capitulate because of the threat that vital financial support would be withdrawn, this means that food dependency is perpetuating and even renewing colonialism, a fact which again calls into question the open-door policy.

The US is going on in its policy in the region without considering the direct, internal and even sensitive interests of its Arab ally Egypt. The new American law 'The Law of Civil Liberties', which Eghas protested against for a long time, has been passed in the congress. The law is designed to justify the US to interfering in between the Egyptian Moslems and Copts. The US is, in fact, encouraging ethnic conflict in Egypt by aiming to divide it into two states on a religious axis. The US never listens to the Egyptian regime's cries and the law passed by the Congress.

Last, but not least, is the US position towards Arab League's protest to the UN Security Council against the Israeli plan to expand Jerusalem's borders to the West - a plan which will annex a large amount of West Bank land. US secretary of State Madelaine Albright warned Arafat and Arab ambassadors in the UN about holding this protest¹²⁶. At the same time, the US rejected the PLO application to raise its level of representation in the UN, stating that it is not a state, although this is the same PLO who was accepted by the US president when signing the Declaration of Principles with Israel on lawn of the White House in 1993.

Conclusion

The lesson deduced from the subjugation of the Egyptian ruling class to US policy in the Arab Homeland demonstrates that neither the US nor any other power is willing or even able to be an ally with two enemies whose

¹²⁶ Radio London June 26 1998.

policies oppose each other. Accordingly, the US policy with the regimes in the region needs an ally and agents.

Sometimes the US expresses that openly and bluntly. This form of relationship between the US and Egypt, as an example of many Arab regimes, is pushing the gap between Arab formal and popular positions to an unbridgable position.

In comparison the Palestinian 'peace' with Israel, the Egyptian one is much better. But, one should consider the fact that all these 'peace' treaties are designed according to Israel's needs from each Arab party. What Israel needs from Egypt is not land, but leadership for an Arab camp which recognizes Israel, the termination of the Palestinians' right of return, and the ITD of Israel into the Arab Homeland, which means directly, no Arab protest against any form of Israeli aggressions. In fact, Egypt is doing that. In stark comparison, what Israel wants from the Palestinians is all of Palestine, and a refugee settlement in Syria and Iraq.

It is true that Egyptian normalization with Israel is has more self-respect in comparison with that of the Palestinians, but this is because of the popular struggle against Israel, a fact which the regime is unable to challenge.

Egypt's leading role in the era of local compradorization and international globalization is marginal, weak, and even destructive. For Egypt to restore its dynamic leading role in the Arab Homeland, it needs a radical political regime such as a nationalist or socialist one. This as a 'shock therapy' is out of the mandate of the ruling comprador. As long as the Palestinians following the Egyptian model, they are going to lose.

Part IV: Palestinian /Israeli Issues

1- A Bi-National State is Only Just and Feasible if Socialist*

The idea of a bi-national state in Palestine which has been raised recently has- in the form it is now being presented even in its “left” Zionist version- nothing to do with the idea of the secular democratic state which was first raised by the Palestinian resistance movement when its struggle was at its peak, and adopted as well by the liquidated *Matzpen* (the fourth international section) and other anti-Zionist currents on the Left among Israelis. Early in the 1970’s, the right-wing of the PLO raised the slogan of a secular-democratic Palestine which would guarantee equality between the Palestinians, as the people who evicted from its homeland, and the Jews, as the occupiers of that homeland- in a de-Zionized Palestine, and would thus represent a solution for both peoples. This slogan helped clarify to the Palestinian masses that our struggle is against Zionism, not against the Jews.

The Palestinian Left adopt a slogan of a socialist Palestine, and called for a joint struggle by the two peoples, as part of the wider struggle of the general Arab revolution in the entire Arab Homeland. The socialist content

of the secular-democratic state was the main reason why Israeli anti-Zionist Left organizations, especially *Matzpen* began to enter into close relationships with the Palestinian Left. *Ma'avak* (one of the four organizations that split from *Matzpen*) were very close to the *Democratic Front for the Liberation of Palestine* until the mid-1970's and *Matzpen* maintained (until its death 1990) close relationships with the *PFLP*¹²⁷.

Matzpen literature from this period reflects the similarity of their political strategy with that of the Palestinian left, namely - the struggle for socialism in all the Arab countries¹²⁸. The failure of the Palestinian resistance movement to maintain its base in Jordan, its failure to conduct a real guerrilla war from Lebanon, and the deterioration of the Arab progressive/nationalist ruling classes (i.e. Egypt, Syria, Algiers.. from a quasi-nationalist to a more comprador, imperialist agent position like the rest of most Arab regimes, have all influenced the discourse of both right-wing and left-wing Palestinian organizations. The right-wing retreated from the slogan of a secular democratic Palestine towards that of an independent state in the West Bank and Gaza Strip. The left rejected that, but failed to propose any practical program that could compete for popular support with the right-wing program.

Later, the Left joined the Right in advocating an independent state alongside Israel, by which the Palestinian national movement in effect disowned the 1948 Palestinians. Furthermore, later, in the early 1990's, the collapse of the Soviet Union and the imperialist aggression against Iraq led to a deep crisis in the Palestinian resistance movement, especially in the Left. It failed even to keep the *Intifada* going or to exploit its potential in a proper way.

Unfortunately, perhaps not unconnected to developments in the region, the Israeli leftist organization, *Matzpen*, disappeared in a tragic manner. The present renewed interest in bi-nationalism has to be seen precisely in the present context of the victory over the Arab and Palestinian national movements that Zionism is in the process of achieving. Thus, while I largely agree with Tikva Honig-Parnass' analysis of bi-nationalism, I do not agree that it is in any way an indication of 'the beginning of a falling apart of the Zionist consensus'.

¹²⁷ See Adel Samara, *A Unified Struggle Against the Compromise State*, (Arabic) 1977, pp 72-96, and Adel Samara, *The Crisis of the Arab Revolution and the Deterioration of Camp David*, (in Arabic, 1979 pp, 44-46.

¹²⁸ See *The Arab Revolution :its nature , Current Situation and Perspectives* (in Arabic), published by the organization affiliated with the Fourth International in the Arab region; published by *Matzpen* in 1975, 1976, 1978.

I think, rather, that this new approach is an expression of concern for the future of Zionism, and an attempt to certain objective exigencies of the new era without abandoning Zionism. It is common knowledge that the World Order led by world capital is determined to establish stability and eliminate national tensions in the region. Therefore, the idea of bi-nationalism as understood by some left Zionists may indeed win many adherents in the future, since it has the appearance of begin a good substitute for the failed slogan of "two states for two peoples," which had been accepted in the 1980's and early 1990's by many "Left" Zionists.

Thus, precisely in an era which the Palestinian (and Israeli) revolutionary forces have suffered a defeat, some 'progressive' Zionists may now feel it is safe to raise the bi-national solution, which despite its progressive appearance no longer presents a threat to Zionism, and is, in fact even more dangerous than their past positions. Although the article of Yair Sheleg, which appeared in translation in the last *News From Within* surveyed a wide variety of positions, each claiming to represent 'bi-nationalism' I will concentrate here on responding only to the views of Meron Benvenisti (perhaps the most influential of contemporary 'bi-nationalists,') and those of the Palestinian Left.

A Bi-National or a Zionist State?

Benvenisti claims that he has forsaken the notion of 'vertical' separation as proposed by much of the Labour Party and Meretz, and as implemented in the ongoing closure, both because it is not realistic and because it is not ethical:

'as someone who believes in equality, I see, first of all, an ethical problem in such a solution (the separation). Furthermore, such a separation can't solve a thing, because even if Arafat accepts it today because of his inferior power, it provides a basis which future generations of Palestinian will rise against. Such asymmetry is bound to explode.'

However, when he comes to present his concrete arguments, he emphasis the self-interest of the state of Israel:

'There is also a whole series of practical questions. The question of the right of return, for instance. If a quarter of a million refugees return, where will they live? what water will they drink? Is this not our business? and the whole question of water distribution: we will want to influence the distribution of water on the West Bank, but we won't agree that the Palestinians can interfere in the distribution of the waters of the Sea of Galilee. You think they will remain content with that forever?'

Benvenisti does not, however, explicitly frame these central issues in the context of the equality between the two peoples in a bi-national state to which he claims to aspire. Moreover, although he does use the term

'equality,' he refrains from insisting on the necessary conditions to achieve such equality -namely, the return of stolen lands to their rightful Palestinian owners, the return of refugees of 1948, the dismantling of the settlements, etcetera. Thus, when he proposes the 're-shuffling' of all the territorial cards in mandatory Palestine based on the continued presence of Israeli settlements in the 1967 occupied territories, he assumes that this is an acceptable situation for the Palestinian people.

Benvenisti states that the direction he would prefer is a 'division of Eretz Israel west of Jordan river into Jewish and Arab cantons,' and emphasizes that he includes the Galille and the Triangle [heavily Arab-Palestinian areas within the Green Line] in this proposal (although he admits this is a matter for the distant future). However, as Israel is continuing to confiscate lands inside Israel as well as in the West Bank, by the time Israel agrees to accept Benvenisti's program, very little will remain for the Palestinian cantons he proposes¹²⁹. Examples such as Yugoslavia and Lebanon do not deter Benvenisti from his paradigm since 'it is not the bi-national state which created tensions in Bosnia and Lebanon, rather it is the tensions which ruined the states...' However, the same factors behind the tensions in Lebanon and the Balkans also exist here, and threaten to spoil the idyllic picture that Benvenisti paints of the prospects for the success of bi-nationalism here. In Yugoslavia, the important factors were the Moslem's ownership of land (which they had inherited since the Ottoman period), the unequal development during the period of the bureaucratic 'socialist' regime, and the role of the IMF in pressuring the former federal government to pay its debts, in order to accelerate its collapse¹³⁰.

Parallel factors exist in Palestine: most of the land has been occupied and monopolized by Jews, the industrial basis is purely Jewish, the military establishment is also purely Jewish, and the IMF and World Bank are advising the Palestinians to integrate into Israel. But just as neither bureaucratic bi-nationalism nor separation worked in Yugoslavia, why should they work here?. I would dare to say only a socialist solution is possible, and that is certainly not the aim of the Israeli Zionist Left - unless colonialism and socialism are no longer to be considered incompatible,

The reason why Canada and Belgium have developed as de facto bi-national states is because there has been economic development in all the regions. in a roughly equal manner. This is not the case between

¹²⁹ It should be noted that Benvenisti, as West Jerusalem Deputy -Mayor at the time, participated in the Israeli annexation of East Jerusalem, despite being a professed adherent of equality.

¹³⁰ See Robin Blackburn, "the Break-up of Yugoslavia," *New Left Review*, no. 199, 1993. Similarly, the IMF is behind the economic and political chaos in Albania at this time: see *Kana'an*, 85, April, 1997 (in Arabic).

Palestinians and Israel, even within the green line. To propose the bi-national solution without transforming the current system of land control, including the return of stolen land within both the green line (Israel) and the territories occupied in 1967, only contributes to Israel's continued colonization and monopolization of Palestinian land and economy, in other words -to maintaining the sources of the national conflict.

It is thus not essentially a different solution than the one embedded in the Oslo agreements, which has not guaranteed the Palestinian's right of self-determination - even if it concludes with the establishment of a mini - state under - President Arafat.

Example of Renegade Marxist

Michael Warshawsky, an Ashkenazi Jew and ex-Marxist from the dissolved Fourth International section of Israel Matzpen, wrote in *Rua 'yah Ukra*, no 22 May-June 1998:

“Three dimensions of dialogue exist between the supporters of Partition, (a state in the West Bank and Gaza) and those who are supporting one democratic state (bi-national or secular-democratic) but these dimensions should not be connected with each other directly or necessarily, so it is important to make a separation between them. For a solution to be a real or unreal one does not mean that it is just or unjust” (p 26).

Here Warshawsky is transferring the dialogue to a philosophical level as a route for easier escape and deviation from reality on the one hand and from historical facts on the other. In addition, he starts from the current situation - i.e. he ignores the roots of the conflict - which is also an easier way to escape dealing with facts on the ground. One of these facts is the 4.5 million Palestinian refugees whose right of return to their homes is neglected, ignored, and even prohibited.

According to his background, as a member in an ex-Marxist organization, one might suppose Warshawsky to be at odds with the attitude of the Ashkenazi-Zionist settler colonial state. But, by beginning to argue from the status quo Warshawsky, in fact, betrays his ex- Marxist commitment for the sake of an indirect adoption of the position of the Israeli government, that any discussion for solution should start from 'today', from 'now' and not a minute before. That is why he considers that the 'reality' or 'unreality' of a solution should be measured on the basis of being just or not. Because for him, the just solution is not related to the

occupation of Palestine 1948, the right of return, the settlements in the West Bank...etc.

He added:

“What matter for us is not to find a solution to end the conflict by any price, but also a solution which guarantee the existence and luxury for the population of the country, Jews and Arabs, i.e. a progressive solution to the Israeli-Palestinian conflict. This solution needs three principals:

1-To gain the approval of both parts, and the rejection of subjugation of any to the other;

2- To guarantee peaceful co-existence and security for all country's population those who are in the country and the absentees;

3- To make the national existence available for the two societies who are existed in Palestine: The Palestinian society as the ub-original including the existed part of it and the absentee, and the Jewish society who is living here and his grandsons “(p 26).

Here Warshawshy is using the same compromising discourse which is used by the renegade leadership of the Palestinian leftist organizations, he is using the term “progressive” solution, the same for them who changed their definition of themselves from “Marxist” to “Democratic” forces.

When Warshawski was Marxist, long years ago, he never forget to refer to the role of imperialism in the Arab-Zionist struggle. The new Warshawsky, needs new words, discourse and positions!

In this paragraph, Warshawsky is jumping from the philosophical argument to a large, vague and undetermined phrases, which are similar to those in Oslo Accords. Yes, it is the same mentality of the Jewish Zionist regime in its negotiations with the Palestinians in Oslo. Taking into consideration the nature of the conflict and the losses which the Palestinian people suffering, which started from their eviction from their homeland to the demolition of homes now in the West Bank. Accordingly, how Mr. Warshawsky will guarantee the “approval of the two parts of the conflict”?. This issue is not an issue of statements, it is the issue of being sure of, or able to, oblige the aggressor or give back the oppressed rights. Other wise, these large and irresponsible statements are going to increase illusions between the Palestinians. The approval of the two parts is only possible if the two parts believes that they took their rights. Does Warshawsky meant by “peaceful co-existence and security “ the Palestinian refugees’ right of return?. It should be noted here that “Absentee” never represent “Refugee”. The Palestinian refugees are a community, not individuals. Their right is a common/national/political one, while the absentee is from first to end is an individual, he is absent because of individual reasons. His case is not a national case. Accordingly, there is

no obligation that Israel should give him the right of return. What clarify that, Warshawsky ... never meant the refugee by using Absentee is the fact that, if a refugee doesn't or can't return, why shouldn't be compensated?. In this case, compensation will replace the right of return of the evicted Palestinian people from Palestine.

Warshawsky became more vague when it comes to his third "progressive" principal which is "the guarantee of the national needs of the two societies". What are the national needs here? Is it the right of every people to control his own land? Is it its right to have its own army, economy...etc, or that these issues should stay monopolized by the Ashkenazi-Jewish regime?.

He continued:

"Before discussing the solutions which guarantee the aforementioned three measures we must refer to other two solutions which doesn't meet these measures:

First: the solution of a Secular-Democratic Palestinian state. This solution is in fact a democratic one suggesting a bi-national state, but it never took into consideration the existence of national communities-the Arab community and the Jewish community- and it doesn't provide the needs of both of them.

Second: Two states for two peoples, and this is a reactionary and racist solution, while it is define the national existence of the Jewish majority in the state of Israel and affording it sovereignty, it ignores the national existence of the Palestinian minority in [the Jewish State] and maintain its repression and discrimination over them."

If Warshawsky really believe that the two states solution is a reactionary and racist because it ignores the national existence of the Palestinian national minority in 1948, why shouldn't he mention the settlers in the West Bank and Gaza whose number became more than quarter million when we include those settlers in East Jerusalem?. It is for him to say his reasons of avoiding this issue?. However, the two state solution is the imperialist/Zionist solution. Since it took place under the current balance of power in the world, regional and local levels, it will not work. This is the case of Oslo Accords.

Warshawsky's conception of Secular-Democratic state is vague as well. This form of solution never rejects nationalisms even if it doesn't mention them. So, nationalism "two, nationalisms" might be added to the discourse of those who are supporting this solution. Aiming to avoid mentioning the

legitimate rights of the Palestinian people. Warshawsky, is talking about democracy and secularism, which are “relatively” available for the Jews on the one hand and there is a possibility of “donating” them to the Palestinians on the other. But these are not all what the Palestinians are looking for and deserve as a legitimate rights. What should be dissolved are the Zionist-Ashkenazi state apparatus which monopolize the Palestinian land which is most of the land of Palestine. This state is monopolizing, the military establishment, the economy, the political power as well. Even the name of the state is “the state of Jews”. The pre-requisite for a straightforward solution should be the dis-integration of this Zionist-Ashkenazi state. If Warshawsky is for that, why shouldn't he declare that directly?. If he doesn't want to provoke the Jewish public opinion, then he is still one of those who are only ready to criticize, re-educate the “primitive” Palestinians. Here he is racist on the one hand, and he is one of those “Marxists and ex-Marxists” who are sooner or later supporting the ruling bourgeoisie regimes of their own nations.

The solution of two states, is never a more reactionary one than a Secular-democratic solution if it doesn't contain and states for a direct dis-integration of the Jewish-Ashkenazi state. If the solution of two states, reactionary, only because it kept the 1948 Palestinian national minority inside Israel, this issue is solvable, either by a second partition which cuts the Galilee and Triangle to be integrated into the Palestinian state, or to keep these Palestinians fighting for creating their own and second Palestinian state as a step in the direction of dis-integrating the Jewish/Ashkenazi state..

Warshawsky noted that:

” an important slice of the Israeli society realized that it is unable to repeat the events of 1948, and the control of 1967 areas and the eviction of its population and to annex them to the State of Israel. Second: That a large segments of the Palestinian masses, and the leadership of the Palestinian National Movement understood that the balances of power on the regional and international scales doesn't give them the opportunity to achieve their full national rights over the land of Palestine. Third: An evaluation has been crystallized that a partition of Palestine according the lines of the 4th of June 1967 might be acceptable for the two parts beneath a joint and equal compromise which is for the Palestinians less than the maximum of their rights, and less than the maximum Israeli willing for land confiscation”

All what Warshawsky writing here is vague and worthless. It is elastic and opportunistic enough to be interpreted as every one is wishes. Considering

that the Jewish part is the stronger, this means that it is in a position to dictate what he want.

There is no guarantee that Zionists are unable to repeat 1948 and/or 1967, especially under the period of pax-Americana.

He never mentioned what he meant by the “full” Palestinian rights, and what are the Palestinian rights which are possible to be achieved?. In the third point, he returned to the “reactionary” solution which is two states for two peoples describing it as a realistic one. For him, this realism is a Palestinian State in the West Bank and Gaza, and this is the alternative for the Palestinian full rights in Palestine. In other words, this is Oslo, but in a better edited level. By returning to the “realistic” solution, Warshawsky is in fact indirectly confess that his ” progressive” solution is impossible. But he failed to point out directly that the part who suppose to reject “his” solution will be the Jewish one. Then, he is still unlike to provoke his own race. But at the same time allow himself to “educate” the inferior Palestinians of what to do! In other words, how to adapt according to the Jewish demands?.

Finally, Warshawsky found no way to continue his maneuvers. So, he said what he really meant. He wrote:

“The bi-national choice is a new, not simple, strategic alternative which pre-conditions: First: A re-structuring of the Palestinian national Movement and the change of the elaboration of its aims from an irredentist concepts to a concepts of rights: i.e. democratic rights, individual and community rights, rights over land, right of movement, right of organization, the principles of national and individual equality...etc... Inequality will continue between Israel and Palestine under bi-nationalism and/or two states. But the question remains, Which easier for the weak part to achieve liberty and equality from the stronger party through the partition of sovereignty in the frame of a Palestinian state in the West Bank and Gaza , or that it is easier to achieve that in the arrangements of a self-rule without a need to liberate land. By clearer words, Which is easier and less costly is to gain an Israeli compromise on important areas (the West Bank and Gaza including Jerusalem), or to gain from Israel a compromise over the privileges which subjected for her by military might?...This choice oblige Zionism to pay huge compromises which might be more difficult for her than compromising land”

“The principle of bi-nationalism is able- and from a progressive perspective- to deal with and answer the Jewish question in Palestine. Thus, we are able to put the Israeli-Palestinian struggle in its right

context: not as a Palestinian problem in Israel, but as the problem of the Jewish existence in the Arab east and the solutions to solve it”

Warsawsky still “educating” the Palestinians what to do, and “helping” them to quit their basic rights in a vague and covered manner, i.e. to stop talking about land, about irredentism, and to talk on “human and civil right”. He is asking the Palestinians to pay most if not all the costs of “his” solution. All over his article, it is only in the afore-mentioned paragraph mentioned the Arab dimension of the struggle. A dimension when it will be used properly, all Zionist suggestions will not work.

Warsawsky still avoid mentioning the Imperialist dimension in the struggle as well. He is trying to show that the struggle is limited in Palestine only which never was, and will never be the case.

“In this period of time, as long as the Palestinian national movement did not change its strategic aims from the irredentism to the “rights” one, the left must educate and teach the Israeli masses the principle of bi-nationalism as cementing against Zionist racism and forms of separation policies (transfer, closures, bantustans), and this shouldn’t be understood as a utopia against the program of the Palestinian national movement for an independent state”

BUT the same Warsawsky wrote before that this is a reactionary solution!

In general, this Zionist-Ashkenazi always avoiding the important and sensitive issues of the struggle which are:

First: He suggest nothing for the Right of Return, considering that this is not a marginal issue to be neglected unless he believe that it must be suppressed by force, ignorance...etc.

Second: He failed to emphasize on the role of the Arab dimension, especially in this era, when the Zionist colonialism is building its economic colonial power in the Arab Homeland..

Third: He ignores the world dimension which is that imperialism is designing the solution of struggle in this region.

The Palestinian Left

The Oslo Accords are both a result of, and a factor which intensifies the crisis of the Palestinian Left. This crisis on the national level threatens, in particular, the Palestinian popular classes, including the refugees. However, these sectors - which opposed the Internalization of Defeat IOD by the PLO leadership- waited in vain for a new leadership, with a new

analysis and program, to emerge. However, the Left has failed to meet the expectations of the masses.

Years before Oslo, the PLO leadership -both its right-wing and its Left-wing as well - had abandoned the one-state solution, in both its 'secular-democratic' and 'socialist' versions, in exchange for the two -state solution. However, after Oslo, their positions deteriorated even further: the Right claims that the national struggle stage is finished, and that the Palestinian people have entered the stage of nation-state building; whereas the Left organizations no longer define themselves as Marxist, socialist or even 'Left,' and instead refer to themselves as the 'democratic forces.'

They have forsaken the vision of a socialist state and society, and instead advocate a national state and claim that Oslo will not lead to it. In fact, the Left has not fought Oslo effectively. Its first response was to identify Oslo as a betrayal of the national cause and to attempt to topple it. What they failed to realize is that Oslo is the result of half century of defeat, which cannot be stopped by mere slogans. The left should invest much less energy in verbal opposition to Oslo, and much more in rebuilding their organizations and working for the popular masses, especially workers and peasants, by supporting economic development, gender equality, and political liberties and by opposing free market forces.

As a result of its weakness - in terms of its theoretical level, its ability to conceptualize this new era and to lead the masses - the left made a u-turn, and now tails after the very same right-wing of the PLO which it accused of betraying the national cause.

The deterioration of the Left started from the top down. The first step was when large numbers of the leadership started compromising with Arafat, and justified it with such catch-words as 'realism' 'pragmatism', 'openness,' and the search for good aspects of capitalism.' The second step was when the lower-level cadres started leaving the organizations when they realized that their leadership was not offering them a clear analysis nor a political program.

The recent participation of the Left leadership in a 'national dialogue' with the PA is a step towards accepting Arafat's version of an 'independent' Palestinian state. This is the solution currently most favored among the PFLP leadership, and not bi-nationalism as claimed in the article by Yair Sheleg which appeared in translation in the last issue of *News From Within*¹³¹. The only just and feasible form of bi-national state is the socialist one. It will have to be a state which will dissolve the Ashkinazi Zionist regime (the political and military apparatus), terminate the

¹³¹ *News From Within*, vol XIII no 4 March 1997.

Ashkinazi bourgeois domination inside Israel, cancel the law of return, stop importing new settlers, guarantee the Palestinian's right of return to their homes and properties, equality of land and resources. It will put the solution to the Palestinian national question into the progressive and socialist Arab dimension. Any other kind of 'bi-national state' would be a 'shot-gun' wedding between Zionism and Palestinian dependents, in which Zionism would continue to determine.

* This article (except the part on Warshwasky) has been published in News From Within vol, XIII. No4 April 1997

PART V: Palestinian/Israeli Issues

2.A New Approach to the Relationship Between the Arab and Israeli Left

The relationship between the Arab and Israeli Left has been a matter of continuous discussion inside Arab political circles. Some are totally against it, and some are looking for a proper basis for it. To raise the issue now is important, because today there are changes taking place in the ways that we relate. This initial relationship came into being during the period of international communism and during the rise of the Palestinian resistance

movement. That period was in fact highly different from the current time when the world is subjected to one pole, even one national state (the United States), with capitalism dominating most of the central and peripheral formations of the World Order, and with the Arab nationalist and Leftist movement dissolving into passivity with the Internalization of Defeat, IDO. Accordingly, the radical Left should deal with this issue now, but with alertness and caution. As long as Zionism and the occupation of the 1948 boundaries of Palestine are at the core of the Arab-Israeli conflict, it is beneficial to refer to the positions of the founders of Marxism towards Zionism when discussing the relationship between the Arab and Israeli Left.

The Original Marxist Position Towards Zionism

In his reply to Auto Bouer's ideas for ways to answer the Jewish Question (which amounted to the abolition of religion, and the establishment of a civil power for the Jews), Marx believed that,

"The religious solution to the Jewish Question is not the right one, the question will never be solved politically through the creation of civil state and the abolition of religion, but the solution is represented in the comprehension of the social dimension of the question . . . but this never was the case as Marx understood, since he knows very well the deep relationship between Jews as a closed financial and commercial groups related with the ruling elites in Russia and the Caesar of Russia himself"¹³².

Here, it seems that Bouer was aware of the reactionary content of the Jewish religion¹³³,

The same goes for Frederic Engels who blamed the Jews for their adherence to a nationalism which he saw as vague. He wrote that,

"Remnants of a destroyed nation during the long march of history, will become continuously an ardent supporter of the counter revolution until being disappeared." Engels was warning the Jews not to occupy

¹³² See Mahmoud Amin Al-A'alem, "A File on Marxism and Zionism," ed. by Khalid Al-Balshi, in *Adab Wa-Naqd*, No. 152, May 1998, pp. 22-51.

¹³³ See Israel Shahak, *Al-Dianah Al-Yahudiah Wa Mawkiifuha min Ghair Al-Yahud . The Jewish Religion and its Attitude Towards non-Jews*. Translated by Hasan Khader, Sina Publications , Tunisia, 1994.

*Palestine, telling them that, "You will end by the end of the British and French occupation there."*¹³⁴

In addition, Kautsky wrote in 1907 that, "*Zionism is a colonial movement integrated into the interests of the super powers in the East; it will fail sooner or later.*"¹³⁵

The Crisis of the Arab Left

The march of both the Israeli and the Arab Left indicates that both were and still are in a crisis. For the Arab Left, the crisis began in its past relationship with Soviet revisionism, on the one hand and Arab communists' dependency on that revisionism, on the other. In other words, the failure of Soviet revisionism's reading of the Arab reality and Arab Communism's acceptance of that mistaken reading led them to position themselves in opposition to the Arab popular masses. At the same time, Arab merchant bourgeois regimes that were truly and deeply subjected to the imperialist center exploited this weakness of the Left, acting as if their cause was the true nationalist cause.

The clear evidence that this is what happened is that Palestinian and many Arab communists recognized, in 1948, the settler colonial Zionist state in Palestine. In that early stage of the conflict, the Arab merchant bourgeois did not recognize Israel, but practically, they were highly dependent on the same imperialist center which created, armed and until today has supported Israel. What is more is that Arab regimes, through their long repressive policies that block the development of their own countries and continue civil war against the popular classes, were and still are contributing to the creation and protection of Israel. The real support for Israel lies in this paradox.

Most Arab writers attribute the communist recognition of Israel to Stalin. This is not the place to evaluate comrade Stalin's regime. But two points must be mentioned here regarding the Soviet position towards Palestine

¹³⁴ Ibid.

¹³⁵ Ibid.

and Arab nationalism. Formal Soviet social scientists developed a theory that Arab Nationalism is a nationalism “in the making”. They considered it such because Arab countries were still not capitalized, and there was no joint Arab market. Thus, for them, nationalism in Arab countries was still emerging, i.e. not mature and not completely emerged. This theory has been accepted by most of the Arab pro-Soviet communist movement. Even if this analysis is right, and the notion that Arab nationalism is an old and continued one is wrong, Arab communists should have struggled to help Arab nationalism become matured/developed. They did the opposite. Many times, they stood against Arab bourgeois attempts at unity. They failed to realize that national unity under the bourgeois banner is a step towards creating a socialist nation (see the article on *the Communist Manifesto*). They fell into the cosmopolitan trap.

This poor theory and analysis led Arab communists to recognize Israel as a national state under the false imagination that Israel would be a socialist state in the region. All of them—the Soviets, the Palestinians and the Arab communists—failed to see that Israel was created by the center of imperialism, and that the center of imperialism was set on creating a settler colonial capitalist structure. In a word, the center “creates a world after its own image”¹³⁶. This was a great failure in understanding and comprehending the content of the World capitalist order. It was a failure in grasping the dynamics of class struggle on the world scale. As long as theoretical and education analysis was weak, a large window was open for media and counter-revolution propaganda to dominate. It might be the case that the Zionist and imperialist media influenced the Soviets (or penetrated high circles in the Soviet leadership) to the extent that they failed to see:

The needs of the Palestinians and Arab masses;

The following paragraph, which is based on the deformity of Arab and Soviet communism, might strengthen our argument against attributing Stalin with all past mistakes. When the Soviet Union “developed” a theory of non-capitalist development which was designed especially for Third World countries, including Egypt, Iraq, Syria and Algeria, Arab communists welcomed that theory. Some welcomed it to the extent that they dissolved their communist parties that supported the Arab regimes which rejected their Arab nationalist unification projects. Here the

¹³⁶ Marx and Engels, *The Communist Manifesto*, ed by Samuel H. Beer, Appleton-Century-Crofts, Inc. New York 1955, p. 14.

theoretical weakness became evident, since the import substitution replaced the de-linking strategy, the middle class regime replaced the working class one, the deformed peripheral capitalist formation and development replaced the socialist development, and the party of middle and upper middle class replaced the communist one. In spite of these facts, many communist parties supported these regimes, pretending that they were embarking towards socialism.

However, Arab communists still did not grasp the lessons of the collapse of Soviet revisionism. Most failed to grasp the vitality of nationalism of the popular Arab classes and their progressive role, in comparison with Arab bourgeois nationalism which is not nationalist and is against Arab Unity and development. After the collapse of the Soviet Union, many of the same communists moved from being blind followers of the Soviet Union, nearer to social democrats. In other words, they became indirectly followers of the United States, while maintaining their anti-nationalist position.

In the era of the imperialist/Zionist peace settlement of the Arab-Israeli conflict, both the Arab merchant regimes who de-generated to become comprador, and many of the Arab communist and Marxist/Leftist parties who became non-socialist (calling themselves the democratic forces), are meeting each other in the middle of the road. The bourgeois regimes are recognizing Israel, normalizing with it, and the communist parties are supporting the Oslo Accords. Both positions nullify the Palestinian people's right of return. Both positions also accept Israel's integration into the Arab homeland via Integration Through Domination (ITD), which increases Arab fragmentation and deepens Arab dependency through open door economic policies and facilitation of the imperialist center's conditions. These conditions include the "liberalization" of trade in the Middle East market which is in fact an imperialist market set in the Arab homeland. By accepting these terms, the Arab regimes and Leftists in support of Oslo are standing against Arab unity, development and nationalism.

It is understandable for the Arab merchant bourgeoisie, as it undergoes the transformation to a comprador, to be less hostile to Israel, and even to recognize and normalize with Israel. Here the interests of the dependent bourgeois classes became the decisive factor. But it is strange for Leftists to do the same, especially when Israel's position and role as the imperialist watch dog in the region has been made so apparent.

The Israeli Left

When compared to the Arab Left, the Israeli Left (IL) is more complicated. This might be attributed to the hegemony of the Zionist ideology over the whole Jewish community in Israel. Zionism is so strong in Israel that the Labor Party is the “core” of the IL despite the fact that Labor is the most Zionist political force in Israel.

The deformity of the Israeli Left, mainly the Labor Party, doesn't only stem from its vague socialist ideas and practices¹³⁷, such as the socialist and social parties in the European capitalist center. Labor is the party that led the Zionist/Jewish invasion and settlement in Palestine. It gained the imperialist's full and continuous support via the Zionist promise, and later was the base of aggression in the Arab Homeland, while maintaining to the international socialist camp that Israel will be a “socialist Utopia” in the region. In this, Israel is different from all white settler colonial invasions. Labor is the same “socialist” party who evicted the Palestinian people from their own land and is still insisting that Palestine remain a “pure Jewish state”. This stance might be culturally acceptable in an atmosphere of Euro-centrism, but to be sure it is rejected in the region in which this party is looking to live.

As long as Leftism refers directly to a belief in socialism, most of the so-called Israeli Left stand far from this definition. To put it simply, there is no settler, colonial and racial socialism. Accordingly, the following analysis will deal with tiny political groups or even individual Leftists whose Leftism will be judged according their position towards the Israeli-Arab conflict, not according their theoretical discourse.

My argument here is as follows: socialism is a project of and for peace and equality for all human races and nationalities. This means that socialism can't live in conjunction with settler colonialism, racism, capitalism, and as the watchdog for the imperialist center. It also cannot

¹³⁷ The labour party is the founder of the Kibutzim movement which considered to be the socialist core in Israel. The Kibutz movement never being separated from the capitalist market in Israel, it is only a completion of that market on the levels of production and marketing. Wage labor is acceptable in Kibutzim, many new members stay there only as a new immigrants “new settlers in Palestine,” leaving shortly to be integrated into the Israeli capitalist formation. The most extremist Israeli soldiers, and more often, officers are from Kibutzim. When land rent became “legal” among Kibutzim, it was still forbidden for the Palestinian Arabs who stayed and live under the Israeli rule.

build its “equality, luxury, and democracy” over the suffering and repression of the original people in Palestine. Even if a large number of Palestinian and/or Arab politicians and intellectuals accepted this brand of socialism,” their motives have nothing to do with socialism as a human project. Briefly speaking, the real Israeli Left is the non-Zionist one. Do any of these exist?

The Israeli Left is mainly represented by the Communist party. Other small organizations like the late Matzpen were rather a small group rather than a social movement. The main support for the Communist party was and still is coming from the Arab/Palestinian community which stayed in Israel in 1948, not from the Jewish community. The Jewish Leftist organization Matzpen which started at the beginning of 1970s, lasted until 1990 and melted under the heat of the Zionist ideology which dominates most Israeli Jews.

The chance for a popular Left in Israel is relatively impossible. Israel is the first “national state in which religion is a decisive factor in all its politics”¹³⁸. Even those who pretend to be socialists—the “Labor Party”—based the state of Israel on the Jewish religion. For example, the declaration of Israel and the condition for Knesset (Israeli Parliament) membership remains that this is the state of the Jews.¹³⁹ A country dominated by a racist ideology (Zionism) and a tribal religion, a country which evicts a people from its land and replaces them with a state for one race and one religion, a country which depends continuously on the imperialist capitalist center to live, can’t breed socialists.

One of the reasons for Zionist/religious domination in Israeli society is the fact that Zionism was always able, until now, to play the role of an ideology for all Jewish community that transcended all class divisions. It was able to do that as long as the financial might of the state was able to subsidize and “benefit” each class in the society. Here, imperialist and world Jewish support played an important role in subsidizing Israeli social costs. The regime’s subsidy to the Jewish community played a role in terminating any real possibility for the emerge of Leftist trends. Religious and Zionist education closed the eyes of disenfranchised ethnicities, i.e Arab/Eastern Jews, from being radical. In other words, governmental

¹³⁸ See Israel Shahak, *opcit* 1994.

¹³⁹ Most of the Western countries are attacking Iran and Sudan for declaring that their states are based on Islam, but none of the Western regimes criticise Israel.

subsidies are aimed at discouraging the poor from being Leftists, and the Zionist/Western culture is aimed at separating the Left from considering the Eastern poor masses potentially revolutionary.

On the other side, Israeli Leftists are mainly, if not totally Ashkenazis. In line with their Western education, they fail to consider the possibility of struggling for and with disenfranchised Eastern/Arab Jews. Here, culture has surpassed ideology. It was Menachem Begin, the most extremist right wing leader and terrorist in Israel who “discovered” the electorate potentiality of the Arab/Eastern Jews and recruited them into his own party, the Likud.

It should be noted here that as long as class polarization continues in Israel, especially under the neo-liberal policies of privatization, re-structuring on a regional scale” (Israel is closing many of its traditional industries and transforming them to Arab countries in the form of what so-called the Middle East Market), the class differentiation in Israel may deepen, provoking more protests from Arab/Eastern Jews¹⁴⁰.

But the Palestinian and Arab comprador bourgeois ruling classes are still helping the Israeli ruling classes and/or sects. This assistance come out in the following manner:

- a. Through normalizing with Israel, these regimes are in fact terminating the basis of growing Eastern Jews’ consciousness against the Ashkenazi regime.
- b. Normalization, which I prefer to call Internalization of Defeat IOD, hides the Jewish Ashkenazi crime of occupying Palestine and evicting its people. In turn, it is contributing to the relief of any possible economic crisis in Israel by opening the Arab markets to the Jewish economy.
- c. The form of repression which these regimes are practicing will not generate any possible opposition in the Jewish community to Ashkenazi Zionism. To generate that, “Arabs” must offer some thing better to attract Eastern Jews.

¹⁴⁰ For the first time in its occupation of Palestine, Israel has had to face underclass protests against closing textile factories. But the Israeli government will not stop its subsidization of the industry, especially as long as Israel still believes in power and aggression in its relation with Arabs. This means that the subsidizing policy will continue as a bribe to the poor, even if in a lower levels.

Knowing all of these weaknesses, and considering the already-great weakness of the Israeli Jewish Left, which is composed of only several individuals, implies that a genuine Israeli Jewish Left does not exist.

The expanding connections between Palestinian Leftist circles, academics, current NGO's cadres, (of whom many were (ex-Leftists) on the one hand and the Israeli labor party which was established on the basis that it is Leftist and peace-oriented and even a peace-maker party on the other) is in fact terminating the possibility of a growing genuine Leftist current in Israel.

This right-wing, bourgeois, and renegade Leftist activity is deluding the Arab Left as well, which, under the pressure of the dependent bourgeois media, does not understand the Israeli Labor Party as the main Ashkinazi Jewish party, the spearhead of the occupation of Palestine, the founder of the Jewish state, the godfather of Zionism and manufacturer of the terms "Hebrew labor" and "Hebrew land." Labor is still insisting that Israel is the state of the Jews and it should be and must stay as a "pure" Jewish state. The Labor governments are the Israeli governments who started all settlements cities in the West Bank and Gaza.

Turning the Pyramid Upside Down

As it is noted above, when the Palestinian Left was revolutionary, it succeeds in attracting a few of the non-Zionist Jewish Left to its slogans and even membership. One of the things that attracted the Jewish Left was that the Palestinian Left wasn't nationalist-oriented. Its internationalism was more cosmopolitan. This means that the Jewish Left was much more clever on this level than the Palestinian Left. Today, the Palestinian Left has deteriorated to the extent that it has become weightless in the political, social and militancy levels. It has continued seeking (a secret and when necessary uncovered) reconciliation and compromise with the PA chairman, Yasser Arafat. Part of the Palestinian Left verbally opposing Oslo, while most of its leadership is indirectly supporting it. This Left is no longer either Marxist, socialist or even Leftist.

This level of deterioration opened a large gate for a new Zionized Jewish and Palestinian current to lead the bankrupted Palestinian Left to its death. Some remnants of the Jewish/Ashkinazi organization Matzpen (like

Michael Warshvsky) who became Zionsit Leftists¹⁴¹(see chapter on bi-nationalism), and the Israeli/Palestinian Knesset member Azmi Bishara¹⁴², and local and foreign NGO cadres are pulling the corpus of the Palestinian Left in the cemetery of the bourgeois bi-national state. In this scenario, Palestinians' rights are individual and civil and not related to land, geography, right of return of the refugees... etc. The ideas of these people say nothing against the Zionist/Ashkinazi monopoly of Land, aggressive military establishment, economic monopoly ..etc. In the scenario they propose, the bi-national state will stay as it is now, a Zionist/Ashkinazi state.

The question here is as follows: Is there a joint project between the Palestinian/Arab and Israeli Left to pursue? What are the common values between the two, especially since both have become non-Marxists and non-socialists? Does the verbal pretense over human rights, civil society and democracy create a base for a Leftist common work? What is common between capitalist regimes (of the Zionist Ashkinazi regime and the Arab Comprador ones)? Bourgeois ideology is clearly one commonality– is it the same between the Palestinian and Israeli Left?. To what extent is the Left in fact absorbed by bourgeois regimes, ideologies and politics?. What is the relationship between each Left and the popular masses? It might be understandable that there is no social environment for a non-Zionist Left in Israel, but among Arabs the case is different. Some might think or argue falsely that Islam is slowing the progress of the Left. This is not the case in recent Arab history. When Nasser of Egypt adopted “Arab Socialism” the Moslems of the Arab homeland supported him. The same went for the people of Algeria in the 1960s and 1970s. It seems that the issue is to what extent the Left is referring to, touching on, embarking towards the goals of the popular masses. For today, when the ruling bourgeois comprador regimes are recognizing Israel, dependent on the United States, and when the Left has been weakened to the extent that it is at the tail of this bourgeois which has abandoned the national cause, more and more sections of the popular masses will certainly support political Islam.

What is the Basis for Cooperation?

¹⁴¹ See the bi-national State chapter, and for more see the writings of Michael Warshvsky in *News from Within* .

¹⁴² For Azmi Bishara's “Zionised position” See Adel Samara, Thunaiyat Al-Qawmiyah, Wal-Hukm Al-Zati Al-Thakafi Wa-Dawlah li-Kul Muwatinaha-Mashari'a Sahuoniyah.(Bi-nationalism, The Cultural Self-Rule and a State for all its Citizens, are Zionist projects, in Kana'an no 85 April 1997, pp33-51.

The problem between the Israeli and Arab Left lies in the nature of national struggle and the Jewish Left's position towards national struggle. This is true despite the Camp David agreement between Egypt and Israel, the Oslo Accords between Palestinians and Israel, and the Wadi Araba Agreement between Jordan and Israel. This is true despite all hidden political and economic relationships between Israel and many Arab anti-national regimes. Even though there is cultural normalization between the Palestinian Authority's writers and politicians, and even in spite of the shameful new role of many Palestinians (political, economic and intellectual compradors) who are "marketing" Israel economically, politically and culturally in the Arab Homeland in a dirty mission protected by Arab ruling classes, despite all of these changes, the Arab popular masses have never changed their position towards Israel. I can't see that it will change later. Israel is occupying Palestine, blocking the refugee's right of return, insisting that it is the state of Jews and that it must stay as a "pure" Jewish state. It is still an aggression base against Arab countries and the ally of America and the West—the traditional, old and new Arab enemies. For the Arab popular masses, this is Israel.

Each Arab writer or politician knows that the Arab masses have not changed their position, even if "diplomatically, and for protocol" they will not mention it. These forms of contradictions will not be wiped out by brainwashing, or by an intellectual or politician who has fallen under IOD. The only way for the Zionist/Imperialist and Arab political/intellectual/economic comprador to conquer this popular steadfastness is to spread the IOD over the Arab popular classes. This is the main battle for all. The new history of the Arab Homeland will be designed after the result of the battle against IOD.

Considering this very clear and sharp contradiction, what is the possibility for a common struggle between the two Lefts?

This question led us back to the early beginnings of the Arab Left. History is repeating itself in a certain manner now. The Palestinian Left and some Arab Leftists are already infiltrated by Jewish Zionists/Ashkinazi Leftists, Zionized Palestinian and Arab intellectuals, Zionised Palestinian NGO's leaders and Western NGOs. The work of all of these well-financed groups is to destroy the Arab and Palestinian Left from inside. It is to empty the Left from any possible power and will to struggle.

That is why more and more Palestinian and Arab Leftists are behind the analysis of this Fifth Column, re-educating the Palestinian and Arab Left to

the ideas of Civil Society gifted by military junta regimes, to peacefully gaining democracy from a reactionary /family and monarchy regimes, to gaining human rights for individuals, while the people's rights to their country's wealth is abandoned. It should be noted that as long as the Arab Left is following these groups, it will never be accepted by the popular masses.

To struggle jointly with any Israeli, a Leftist must do the following:

To be ready to equalize the Palestinian catastrophe via Zionism with the Jewish catastrophe via the Nazis;

To struggle for the Palestinian right of return to homes and properties;

To fight against a pure Jewish state;

To fight for a socialist Arab Homeland in which all nationalities are equal in everything. In this Arab state the Jews will be a cultural minority with all rights except the right to have a separate state¹⁴³. As a cultural minority, the social structure of the Jews in the Socialist Arab Homeland will be, as is the social structure of the Arabs, based on a class, not religious or racist bases.

Further, there is no way down the middle. The Arab Jewish relationship will either be as it is now, a relationship between capitalists with the Left behind them, or a socialist relationship with the Left leading.

There are many Arab writers who are giving a lot of energy to proving to the Jews that we "the Arabs" are "not" against you, and we will not drive you into the sea. I think that this is a very naive way of thinking. These Arabs are either brain washed or subjected to the continuous Zionist/imperialist propaganda that states that the victim must apologize to the killer, and for the victim to be acceptable in the periphery of the Western culture, he must sacrifice his memory. The Jews are the party that must say, promise, and confirm that they will not purge the Arabs as they did against the Palestinians.

Edward Said criticized Arabs who refused to welcome Eastern and "non"-Zionist Jews in Lebanon in the meeting for Fifty Years of Palestinian *Nakba*. Said accused those who did not welcome the Jews as extreme

¹⁴³ For a people to have a state, this means that they believe in private ownership for individuals and community ownership of the country's land as a whole. This condition is not applicable for the Jews in Palestine. That is why, they should not establish a "closed" state on the land of others.

nationalists. He was nearly describing Arab nationalism as racist. I am sure that Said's aim is good and human, and his argument and position is culturally-based. But the struggle was and still going beyond culture. Why shouldn't we insist that a relationship with any Jew be based on his open and clear support of our people's right of return to 1948?. We must ask for this big "price" because when we introduce a Jew to our masses, we are in fact making a big sacrifice. Any Jew in Palestine is practically a settler. When any of us introduce him to our community, we are introducing a settler and occupier to the same people whose home and land was raped by the same settler. Why must we do that? And for what?. For this reason, any Jew in our "company" must at least be for the Palestinian's right of return. Who might do that? To do that, a Jew might not need be a Marxist. Israel Shahak is not a Marxist..

PART V: Communist/Socialist Issues

1.The USSR:

From Revolution to Collapse *An Essay on the Soviet Experience*

This paper has been presented in the International Communist Seminar in Brussels, May 1995, sponsored by the Worker's Party of Belgium. In 1998, it was published in a book: The Collapse of the Soviet Union: Causes and Lessons. The book contains 18 articles from communist thinkers and militants from all over the world.

This paper is a study on the Soviet Union's experience of development based on the center/ periphery approach. To understand the experience of

the Soviet Union, we must examine the October Revolution in the context of the World Order, as the first event which offered an alternative to domination of capitalism, a fact which motivated the imperialist center to launch various forms of aggression against the Soviet Union. From those times right up to the present day, the imperialism's strategy can be summed up as comprising three main policies:

- a. To put an end to the socialist regimes
- b. To perpetuate the underdevelopment of the Third World.
- c. To keep these two parts of the world under the hegemony of imperialism.

This paper is in three parts. The first briefly explains Marxist teachings on the subject of economic development. Its purpose here is to act as a point of reference against which to compare the practice undertaken under the leadership of Stalin and Khrushchev respectively. The aim will be to illustrate how and when deviation from socialist principles took place. The second part describes the practice of socialist development during Stalin era and includes a consideration of the practice in relation to Marxist principles. The third part describes the economic policies pursued in the Khrushchev era, which, in my opinion, is the era that laid the basis of *Perestroika*, i.e. the collapse of the Soviet Union.

1. The Marxist Debate on Development

In the history of the world capitalism, the most important change was the October Revolution, which represented the first alternative development strategy in history-the "Strategy of Withdrawal from the World System".

This strategy was applied in the Soviet Union after the October Revolution in 1917. In fact, it was the imperialist invasion of the Soviet Union and the failure of the socialist parties, principally that of Germany, to carry out a socialist revolution in their own countries, which pushed the Soviet leadership to adopt this strategy. In fact, Lenin, was the first to shift the emphasis of the struggle against capitalism and imperialism to the political sphere. Of the early Marxists, Luxembour was the only other theoretical writer on imperialism who agreed with Lenin's view's. Thus, Lenin and Luxembour can be considered as the pioneers of the "militant tendency" within the Marxist theories on imperialism. This trend is characterized by articulating both theory and practice,

and this might be attributed to the careers of Lenin and Luxembourg as party activists (Lenin, 1960, Luxembourg, 1951).

Moreover, Lenin was the first to realize the importance of the Third World in the revolution against imperialism, and he argued for a close alliance between the Soviet Union and all nationalist and all national liberation movements.

“... All the national liberation movements in the colonies and among the oppressed nationalities... are learning from their bitter experience that their only salvation lies in the Soviet system’s victory over world imperialism “(Lenin, CW, 1966: 146).

While Hobson, noted that imperialism had conquered the colonies by force, it was the Marxists alone who argued that revolution is the only way to get rid of imperialism.

As a result of the October Revolution, the Soviet Union was able to withdraw from the world economic order in the following circumstances: On the eve of the October Revolution, Russia was not a developed country, despite the fact that capitalism had emerged there. In fact, Lenin devoted his famous book, *The Development of Capitalism In Russia* (1964), the task of illustrating that capitalism was already implanted in Russia, and, as a superior mode of production, it bore within it, the class of the future, the working class.

When the Bolshevik Regime decided to nationalize all large economic enterprises in the Soviet Union, its aim was to accelerate the development of heavy industry.

The only possible way to do this was to generate sufficient surplus from agriculture to feed those who were working in industry. Without supporting industry from agricultural surplus, it would be impossible to achieve extended accumulation. Lenin realized the revolutionary potential of the peasantry in a backward country, and that is why he raised the issue of need for the revolutionary alliance of workers and peasants.(Lenin, Vol 6, 1961).

The burden was too heavy, the revolution did not follow in Europe. Famine was decimating the population, the effects of the war were painful and, in addition, the Soviet Union was faced with foreign aggression. That is why firm discipline on the one hand, and liberal New Economic Policies (NEP) on the other, became unavoidable. These are the circumstances within which the strategic retreat to the NEP took place. The essence of this policy

was "... an increased reliance on the market, but as a temporary retreat"(Sweezy, 1970:21)

It gave the peasants a considerable amount of freedom in terms of trade while insisting upon greater discipline within the party. Lenin envisaged a prolonged period with a mixed economy before the socialist sector could significantly expand.(Bottmore, 1983:278).

It was Stalin who developed the main lines of the Soviet Union's strategy of practicing self-reliance by accelerating the growth of heavy industry and the extraction of agricultural surplus by 'obliging' peasants to join cooperatives. It was Stalin's long period in power which enabled the Soviet Union's development strategy of advancing its economic development by withdrawal from the world economic order to be achieved. (Mao,1977). The two main features of this period were economic achievements and political repression. China, in turn, followed the Soviet strategy, with some differences, due to the specifics of China's situation; she gave, for example, greater flexibility to the peasants. Later, Cuba and Vietnam adopted the same strategy.

The victory of the Russian and Chinese revolutions created a new camp in the world economy. Marxist theoretical writers on imperialism from the forties on (Prebish, 1950) tried to develop an optimum strategy for Third World development. Most of these theories started from the necessity of liquidating the capitalist system and the development of socialism. At this level, Amin argues.

"If the contradiction between center and periphery is an essential factor in the capitalist system this thesis imposes political results. If the establishment of a national bourgeois state and the completing of a self-reliance economy is impossible in the peripheries, then, there is a need to follow a different path of development..... the path of withdrawal and socialism" (Amin, 1988:25).

Through their studies on the international division of labor, the description of modes of production, and other aspects of the imperialist economic order, most of these theorists (despite a lot of differences) maintained that the center was deliberately maintaining the underdevelopment of the periphery, and that socialist revolution was a pre-requisite for economic development (Frank, 1969).

2. The Soviet Model in Practice

(i) The de-linking of the World Order:

It was never the aim of the October Revolution to achieve socialism in one country alone. But the Soviet Union, under Lenin and Stalin, had no choice in the matter of revolution to one country alone. In fact, it was a proper response to imperialist aggression and siege.

Accordingly, the de-link itself was a defensive strategy as opposed to one that was voluntarily chosen. This unlinking protected the newly emerged socialist country from being trapped in relations of unequal exchange with the imperialist center. That is why, the years of independent development -1917-1954-were the years of real Soviet development, despite the Blockade, imperialist aggression and siege.

In this era, the Soviet Union adopted the policy of industrialization financed by the agricultural surplus which created “relatively compulsory” collectivization. This policy was highly criticized because it gave little support to agriculture.

As Chairman of the People’s Commissars, Lenin was confronted with mounting crises: urban famine, the collapse of transport and of the army, foreign intervention and civil war. His main aim was to ensure the most efficient mobilization of the regime’s scarce resources. The self-administration and decentralization of the Paris Commune were replaced by a more austere version of dictatorship of the proletariat which, Lenin acknowledged, had to be exercised by his party. In March 1921, Lenin led his party in the strategic retreat of the NEP with its considerable relaxation in terms of freedom of trade for peasants. Lenin envisaged a prolonged period of a mixed economy before the socialist sector could significantly expand (Bottomore, 1983:278).

Bukharin, however, argued for a decisive impulse to be given to industrialization by encouraging private production within peasant collectives that were producing surplus. This meant, in other words, the harmonized integration of the Kulak into the building of socialism, a process of slow industrialization. The program of the leftist opposition, however, was for faster industrialization at the cost of Kulak and the components of NEP.

(ii) It should be noted that the Soviet Union's industrialization started during Lenin's time, but was accelerated and perfected during Stalin's time. And, despite all criticisms of, and attacks on, Stalin's rule, it was the first and last time the Soviet Union came close to the West's level of development (Mao 1977) despite all the losses and sacrifices made to achieve victory over the Nazi armies.

(iii) Industrialization and the Expectation of the Nazi Invasion

One dimension of industrialization wasn't Stalin's preferred choice. It was caused by the expectation of a Nazi invasion, a situation that demanded a strong industrial base in order to enable effective resistance to be mounted. However, the achievements in wrought in heavy industry should never lead us to overlook the fact that the Soviet Union failed to embark on light industrial development, and to develop agriculture. According to Mao: "the rope which holds fast the socialist sail in industry is steel, and the rope which secures agriculture is wheat".

But let's assume that these are mistakes made during Stalin's period in office. Why did those who followed and criticized him not correct these mistakes? why did the Soviet Union deteriorate under the rule of those who criticized Stalin's lack of democracy? why, under their rule, did Bolshevik power in the Soviet Union after 50 years only just reach the beginning of an automobile age that the United States entered in the 20s? (Sweezy & Bettlheim, 1971: 85).

All these developments have nothing to do with Marxist theory. During Khrushchev's period in power in the USSR, he raised the slogan of 'peaceful competition', thus in fact opening up an opportunity for re-integrating the Soviet Economy in the imperialist world market.

He imposed the capitalist/imperialist law of value at the cost of the national one, a fact, that finally pushed the Soviet Union back into an unequal exchange relationship. Khrushchev's policy laid the basis for capitalist restoration in the Soviet Union and for it to create its own periphery, 'a periphery for a socialist country. However, it is not surprising that the collapse of the Soviet Union

started from its new periphery in the Third World, as the weakest link.

(iii) The law of value

Prices in the world market are based on the standards that prevail at its center. These prices are a reflected of the level of development and productivity in these countries. The productivity of each worker in a certain sector is measured by dividing the value added in this sector by the number of workers in the same sector (Amin:1986:31).

The Marxist approach to establishing a law of value involves a total departure from the world capitalist law of value. It presupposes the gearing of production to domestic needs. It is thus 'internally oriented', thereby making the application of a national law of value possible. The calculation of value should be based on domestic relationship of production, distribution and exchange. The cost of living and living standards are measured on the basis of essential necessities. Most of the basic necessities of life should be produced locally so that they can form the basis of the calculation of the law of value. The internal market should be active, while the external market "exchanges with the world capitalist order" should be minimized. All these arguments demanding de-linking from the world capitalist order. This was achieved under Stalin, but was treacherously abandoned after Khrushchev came to power.

(iv) Central Planning

Marx's theory of socialism is based on the assumption of a system of joint rule by free producers, a system in which commodity production (the market economy), social classes, and the state will disappear. Accordingly, Marxism aims to achieve a society with a central system of workers management. Marx realized that the capitalism had in more than 200 years of its existence been unable to regulate the market and the economy. The capitalist system was always confronted by periodical crisis. Even today, at the same time as the capitalist system is embarking on a sophisticated technological phase, the Third World is confronted with millions of deaths from starvation.

Stalin was right to apply central planning, even though he failed to achieve the democracy of free producers. This might be because of the unique challenges that faced the Soviet Union at the time. After Stalin, the central planner's authority was reduced, but this was done for the benefit of the managerial not to benefit the producer's themselves. According to the number of managers, Khrushchev's policy opened a route for individual corruption amongst the managers and the emergence of an embryo class structure, which would have had found its extremely difficult to emerge in the central planning phase.

(v) Public Ownership or State ownership.

The nature of a system of ownership is determined according to which is the class that controls the means of production, i.e. according to the relations of production. Marx said: 'the capitalist's position is never determined according to amount of capital he owns- which enables him to buy labor power, but on the power which he owns to employ the worker as the wage earner in the process of production'.

The establishment of the socialist model of the Soviet Union was supposedly built on public ownership, democratic management and equality. These are the basis that made up the internal structure of the model. Accordingly, the practice of the period and be measured according to the extent it achieved these goals. Before his death, Lenin described socialism as a society of civilized co-operativists. (Davies 1990). This emphasizes the rights of workers in the producers' democracy. But this civilized workers should be free of any inclination in favor of private ownership, an ideal it is impossible to gain without a communist consciousness.

By the beginning of the 1930s, state ownership dominated the USSR's economy and replaced the creative democracy of producers. This might be due to the terrible economic crisis which dominated the western capitalist countries, and which continued until world War Two. This encouraged belief in central planning as opposite to capitalist anarchy. What is important here, is the fact that surplus was invested in a productive manner.

(vi) Those who control political power able to change the system..

Following the October Revolution, property relations changed in favor of ownership by people who now owned the means of

production equally. When Lenin told the central committee: ‘**Steal the stolen properties**’ (the bourgeois properties), Bukharin noted: ‘All of us were shocked, the hair on our heads stood up..... later we realized that all of us were Christians except Lenin’ (La-Afif 1990:95).

When after Stalin died, power was transferred from the central planners to the managers, the later became a bureaucratic elite (later a component of the *Nomenklatura*). The result was a gradual degeneration of the working class and party consciousness until it is became possible for Gorbachev to bring to an end the whole USSR.

(vii) Proletariat and wages

While Marx emphasized the role of the workers in leading the socialist state, and the communist revolution, the civil war and the imperialist invasion caused death of most of the leading worker cadres of the communist party. The result was an automatic revival of bureaucracy at the cost of the working class. In addition to this, the co-operatives started employing wage laborers and providing theoretical justification, for this as well as for the phenomenon of wage differentiation.

Stalin told the managers in 1931: ‘*we must put an end to petty bourgeois equality. Wage differentials are necessary for achieving more efficiency in our socialist society*’ (Davies, 1990). One should note here that the purpose of this policy was to take advantage of bourgeois experts who worked under strict control. What happened under Khrushchev, however, was that the managers became a new fraction mediating between the central planners and the workers. Their role was to prevent the direct producers from controlling the means of production. ‘This means that the managing elite were controlling the economy for their own benefit and for the ruling elite who expropriated the unpaid labor of the direct producers for private purposes.’ (Chavance, 1977:2)

(viii) Management

For Marxism, the norm of the socialist system is the worker’s self management. Engels noted that: ‘Individual management will lead only to capitalism’. The high costs of the war, especially the loss of leading worker cadres, obliged Lenin in 1918 to state that “individual management is the most efficient” in industry. By

1920, he asked to replace the management by committee with the management by individuals despite the objections of trade unions and party members. Considering that Lenin himself warned against bureaucracy, this gives us the right to suppose that it was the same unique conditions which had obliged him to apply NEP, which obliged him to ask for individual management as an exceptional step. According to Davies: some changes took place in the following decades and especially in the first 'Five Years Plan', but this did not last long" (1990).

The decisive negative change took place in the Khrushchev's era. Directors of collective farms were given the power of hiring, buying, and selling means of production at will, and the power to employ workers who were not members of the farm. In addition, wages grew to ten times of those of workers.

3- The Start of Perestroika

One of the main differences between Stalin's and Khrushchev's regime was the relationship with the world market. Under Stalin de-linking and industrialization were the main characteristics of the Soviet economy. More attention is paid to the Soviet Union's relationship with the world market under Khrushchev because this issue was crucial in Khrushchev's policy. In fact, this policy was an expression of an internal crisis.

One of the main characteristics of the Soviet Economy under Khrushchev's was the re-integration of the Soviet Union into the world capitalist order, which then led to the deterioration of the productive base. The result was an economy that was increasingly export-oriented which worsened the socialist relations of production in a manner that contradicted the essence of public ownership of means of production by introducing the profit motive and the law of value.

In their criticism of Stalin, the bourgeoisie and capitalist roaders claimed that he abolished the market and thereby transformed the relationship with the peasants to one of mere repression and tax-extraction .. Davies noted:

' Despite the fact that Stalin departed from the NEP, he did not leave the Soviet economy without a market. After obligations to the state had been met, both households and collective farms were permitted to sell on the market the goods they had produced on the

collective farm . In effect, this was a free market in which prices were regulated by supply and demand' (Davies, 1990:11).

'When the Soviet Union was socialist under Stalin, the allocation of capital to enterprises took the form of budgetary grants from the central economic bodies. The reforms instituted a payment by the enterprises to the state for capital assets. These were capital charges and were incorporated into prices. Prices were then calculated as they are now as cost plus a percentage on capital' (Lotta, 1983:45).

Regarding the expansion of the managers role, Professor Evzi Liberman of Moscow University, was the first to suggest the adoption of material incentives to raise productivity. He noted that managers lacked autonomy in managing their factories, while planners had more authority than their role required. This is why they had unavoidable problems.

The result was that these ideas were adopted as policies, which led to a replacement of planners, who were limited in number, by a whole embryonic class of the managerial elite. That is - why Mao noted correctly that this stage had both possibilities - progression towards communism and degeneration towards capitalism. As Alexi Kosygin wrote:

'The representatives of industry often regard foreign trade as something secondary. This absolutely wrong point of view must be changed, and the contacts between industry and foreign trade must be strengthened. The importance of a stable division of labor between socialist and developing countries must be stressed' (Lotta, 1983:58).

This represented a move from openness and integration into the world market to the beginning of creating a periphery for the Soviet Union. While the first experience of the Soviet Union showed that:

'This is further evidence of the role of exports for capitalist industrialization that, by contrast, the Soviet Union and China embarked upon industrialization without any increase in the amount placed of foreign trade in their economies' (Bakov, 1946).

Khrushchev was the first to make the acquisition of the highest rate of profit the main aim of economic activity, and he used capitalist cost-benefit calculations and amended prices to support these measures. Regarding investment abroad, he said:

'We must be assertion whether to finance the High Dam in Egypt would be profitable or not. There is no doubt that we want to strengthen our relations with our friends, but this is pure political talk; we shouldn't through our money in the air. We must be sure that the Egyptians are able to repay us from their good cotton and rice' (Kidron 1972).

The same was felt by Kosygin who, in his speech on industrial reform, noted that in order 'to orientated the enterprise towards rising efficiency, it would appear to be better to use the profit index....' (Lotta, 1983:44).

Che Guevara's argument, however, was the opposite when he said: *'Socialism cannot exist without a change in conscience provoking a new fraternal attitude toward humanity..... We believe the responsibility of aiding dependent countries should be approached with such a spirit, and there should not be any more talk about developing trade for mutual benefit based on prices rigged against underdeveloped countries by the law and international relations of unequal exchange brought about by that law of value' (Guevara, 1965).*

This clearly contradicts Khrushchev's ambitions to re-integrate the Soviet Union into the world market, to adopt the world market law of value, to create a periphery for the socialist state, and to encourage the Third World in the so-called non-capitalist development route.

This led to Geuvara's departure from Cuba to Bolivia. These components of Khruschev's policy led the Soviet Union to enter the world market according to the latter's law of value.

Table 1: USSR Imports and Exports by Billions of Dollars

Year	Total Imports	Sugar and field Crops	
Other			
1955	210.4	57.8	47.2

1960	564.4	6.6	177.9
1965	814.9	47.7	155.1
1975	4,280.2	676.6	1,932.6

Source: the Soviet Ministry of Foreign Affairs, Quoted in Mehrutra and Clawson, 1979:1869.

Table 2: Soviet Exports to the Third World Countries

Year	Total exports	Machines	Petrol products
1955	210.4	5.4	31.9
1960	335.1	125.4	53.9
1965	1,122.7	471.7	131.6
1975	3,173.0	1,132.4	803.4

Source: Mehrutra & Clawson, 1979:1896.

Table 2 shows that machine exports accounted for 40% and crude oil for 25.5%. Machine exports were supposed to expand capitalization and capitalist relations of production in the Third World for the purpose of creating and strengthening the working class. This substantiated the argument that Khrushchev's policy toward the Third World was geared towards promoting unequal exchange and was based on profit, and not development in a socialist manner..

The export of crude oil indicates that the Soviet Union was buying cheap oil from other countries including Iraq in exchange for arms exports. And then selling it to Eastern Europe at higher prices (this is not a socialist division of labor). It should be noted that arms exports are not included here. According to US government estimates, Soviet arms exports were an estimated to have been worth \$13,460 million during the period between 1965-1970.

While the Soviet Union, under Stalin, concentrated on the strengthening of its military might for the purpose of defense against imperialist invasion and intervention, it changed under Khrushchev and instead used this power for the purpose of competing with imperialist producers in the world arms market. The Soviet Union called this trade with the Third World 'assistance' because its costumes were offered a three- year period of grace before commencing payment, with full repayment in ten years, at prices 40-50% less than those of western countries, and

interest at 2-2.5% Mehrutra & Clawson (1979) and Dathar (1973:138-139, 259) believe that these favorable terms are to be explained by the bad quality of Soviet arms. On this, Palioux noted that “to buy cheaply and sell expensively reflected the imperialist essence of the Soviet Union’ (1975).

‘Unequal exchange is an important factor; but not enough to explain the content of imperialism.... to prove that the Soviet Union is imperialist-under the Leninist conception-its export of capital should be included. The Chinese Communist Party based its argument that the Soviet Union was imperialist on its exporting capital which strengthens the unequal division of labor on the world scale, by which some countries in the world dominated other’s which stay dependent on them’ (Basu, 1976).

Here I would like to argue that the decisive factor is what forms of relations of production the Soviet Union adopted. The state bureaucracy, under the name of public ownership, controlled distribution and foreign trade. In fact, profit revenues motivated Soviet economic relationship with Third World countries. Their aim was to expand their periphery out of Eastern Europe.

In the Third World, nationalist bourgeois ruling classes, who were using national and sometimes ‘socialist’ discourse, serving their own, i.e. bourgeois, interests. Accordingly, when their interests had matured, these regimes re-integrated themselves into the world market, and even, re-compradorized their economies to such an extent that they wiped out any ‘relative industrialization’ which had been achieved during their relationship with the Soviet Union. If this form of Soviet/Third World bourgeois exchange is not an imperialist one, it is certainly not a revolutionary or socialist one.

By the 1970s and 1980, all these countries had increased their trade with the imperialist center at the expense of their already low level of trade with the Soviet Union (Samara 1990). As a result, the Soviet Union lost an important source of profit, which contributed to its collapse. Thus, the Soviet Union lost its markets in these countries. To replace these loses, it increased its oil and natural gas exports. The share of these in the total of Soviet exports reached 46.5% as a result of the sharp oil price increases which took place in 1973 and 1978 which artificially increased the Soviet Union’s revenue.

Despite the fact that imperialist countries were confronted in the 1960s and 70s with a monetary crisis, their national economies were booming. The Soviet Union's, however, was not. The gap between the imperialist countries and the Soviet Union widened as became apparent in the 1980s. In parallel to this, corruption was spreading in the Soviet Union. According to Sunil (1989), 'the value of the black market in the Soviet Union reached \$145 billion, whereas 20 years previously it had been \$8 billion only'.

It is important to note here that corruption can break the process of economic development. Those who appropriate surplus in a socialist system, a system in which private ownership is outlawed, are unable to invest privately. That is why the fate of that surplus is spent on luxurious consumption and currency smuggling.

Aghanbikyan, a Soviet economist who supported *Perestroika*, noted: 'In the period 1978-1980, the growth of national income was 2%, but in the period 1980-1985, it went down to zero' (Sunil, 1989).

After this, the Soviet Union was obliged to borrow from the World Bank and the IMF to finance its intervention in Afghanistan, Angola and Mozambique. The shortage of productive investment led to a shortage of money liquidity. The regime took the natural step that followed - to borrow from international financial institutions (the World Bank and IMF).

Under Brezhnev, the Soviet Unions' trade with the capitalist center expanded, with exports increasing from 2.2 billion rubles in 1970 to 17.2 billion in 1981, and from 2.5 billion for imports to 18.7 billion in 1981. while 26% of its imports from the west were machines, food and raw materials were 23.7% of its exports, and the share of oil and products was 58.1% (Trade & Co-existence, 1984:159,162).

'The Soviet and East European trade deficit jumped from \$3 billion in the year 1973 to \$9 billion by 1975.... and the debt for the west jumped from \$20 billion in 1974 to \$90 billion by 1981' (Armstrong. Glin & Harrison, 1984:352- quoted in Samara 1991:61).

Once More : Those Who Control Political Power are Able to Change the System.

A mutual interpretation of the base and superstructure takes place through the conscious activity of human beings and of social classes. The same social classes are the mediating agency which transfer the mode of production from its abstract form to a concrete and substantial one. Accordingly, the social moment is the factor which transfers the material, political, and ideological social formation into concrete things. An abstract discussion of the mode of production is insufficient. It has to be dragged into the social field. Any meaningful discussion must identify the social classes that are operating, interacting and producing laws and various aspects of the superstructure, and thereby maintaining the current mode of production. They are, in fact, maintaining the ownership of the propertied classes through the social relations of production.

Marxists ask questions about the mode of production: How are social relations organized to appropriate and distribute surplus labor? What are the main dynamics of control in any given set of social relations? who benefits from them and who pays for them? As mentioned above those who control political power will be able to change the system. What enables the regime to do this is its role in the relations of production which guide the forces of production “....

and ‘fuse’ forces and relations’ (Cutler, et al. 1979, Ch 5; Balibar, 1970, p. 235, quoted in Bottmore, 1983:179).

‘As Stalin saw it, production relations include three things: ownership, relations among people during labor, and the distribution of commodities’ (Mao, 1977:110-111). ‘The production relations include ownership of the means of production, the relations among people in the course of production, and the distribution system’ (p 443 and 67 from Mao). Mao continued, ‘..... the ownership becomes public.... people become the masters of the economic relations of their own society’ (p446 and 72 from Mao, 1977). But here, the sensitive role of relations of production became clear. The bureaucratic structure enabled the regime, not the masses, to use the production in practice, not just as a matter of formality. Here comes the role of

the superstructure in its connection with the relations of production as the part of mode of production.

Mao said of this deformity and blockade: *'In many ways, mainly production, the Soviets continue to progress, but with respect to the production relations fundamentally they have ceased to progress'* (Mao, 1977:18).

It should be noted here that the concentration on developing forces of production without taking into consideration the development of relations of production led to deterioration of the socialist consciousness and the marginalization of the direct producers and the party members. But under Khrushchev, deformity went too far. He replaced socialist education with capitalist re-education, by emphasizing material incentives on the national level, and unequal exchange and 'peaceful co-existence' with imperialism on the world level.

The main contradiction is as follows: while the ownership of means of production was formally and publicly maintained, Khrushchev's regime created the manager's elite which mediated between the means of production and the direct producers. Managers were not owners in the legal sense, but they did control the production process, and since they had these powers, they were able to acquire benefits for themselves. Thus, in effect, both acquisition and distribution ceased to be publicly regulated.

The necessary condition for the destruction of the socialist relations of production in the Soviet Union was the use of public property for the benefit of people in authority. The *Nomenklatura's* wish was to change whole system as the only way they could formalise and render direct their indirect ownership of the means of production. This is what Gorbachev did. In doing so, the *Nomenklature* in fact protected its interests against a mass revolution that might have been of a radical socialist nature.

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Part V: Communist/Socialist Ideas

2. The Communist Manifesto, Nationalism and Arab Nationalism

This paper is a contribution through internet for an initiative by French communists on the 150th anniversary of the Communists _____ Manifesto

The question of nationalism has been tackled by Marx, and other founders of Marxism in a limited manner. This lack of a Marxist theory on nationalism made it difficult for Marxist and socialist parties and leaders, who conducted and achieved revolutionary projects, to deal with this issue. The problem is rooted in Marxist continued failures to grasp the harmony between three issues.

A. While Marx's writings on nationalism were few, he placed these writings in a proper and practical historical context. Marx wrote:
*"Though not in substance, yet in form, the struggle of the proletariat with the bourgeois is at first a national struggle. The proletariat of each country must, of course, first of all settle matters with its own bourgeois"*¹⁴⁴

*"The Communists are further reproached with desiring to abolish countries and nationality. The working men have no country. We cannot take from them what they have not got. Since the proletariat must first of all acquire political supremacy, must rise to be the leading class of the nation, must constitute itself the nation, it is, so far, itself national, though not in the bourgeois sense of the word."*¹⁴⁵

Commenting on the revolution of Paris Commune Engels he wrote:
"The unity of the nation never subjected to any threat, but it was going to be regulated by the Commune's constitution. In all its callings to the

¹⁴⁴Marx Engels, *The Communist Manifesto*. Ed. By Samuel J. Beer
 Appleton-Century-Crofts, Inc. New York. 1955. P. 21.

¹⁴⁵Ibid, P. 29.

*population of French districts, the Commune called other French communes for a free federal union with Paris Commune, for a national arranging created by the French nation itself, for the first time in its history.*¹⁴⁶

2nd. The Marxists' common conceptualization of nationalism as a tool in hands of the bourgeois class (especially when in power) resulted in a false concept of nationalism claiming that it is a tool serving the bourgeois class interests. and;

C. The national feelings of popular classes especially in the eras of national liberation, which contradicts the closed reading of Marx's ideas on nationalism.

The modern history of the Arab socialist struggle contains a lot of false understanding regarding the nationalist issue. Many Arab communists and socialists opposed Arab nationalism, arguing that they were representing the working class/s and enhancing the case of socialism. They artificially put Arab nationalism which was and still is "blocked" by colonialism and imperialism, in contradiction with socialism. A reading in depth of the Arab masses' on the one hand and Marx on the other reveals two important issues:

First: The priority for Arab masses to achieve unity.

Second: Marx's ideas were more than clear. It states that popular masses nationalism is different from that of the bourgeois.

But, despite the fact that Marx wrote very little on nationalism, his writings were clear. Marx's writings on nationalism were and still are a striking example of mis- understanding, and misinterpretation.

Accordingly, and especially in the current developments which is face the Arab popular classes, that are indirectly designed by the same popular classes, i.e. the new expansion and renewing of Arab ambitions for unity and development, it is important and even vital for the Arab Marxists to deal appropriately with the new developments.

The Arab nation in its present oppressed, colonised, and artificially fragmented state is too far from being in reality accused as being an aggressive nation. It is oppressed by its ruling bourgeois comprador/merchantile classes whose interests are intermingled with those

¹⁴⁶*The Communist Manifesto: the First Unforged Edition*, ed by Lafif Lakhdar. Galileo Publications, Jerusalem 1976. P. 108.

of imperialism. Arab rulers have their own stand and interpretation of nationalism. It is the position of the dependent, peripheral capitalist one. Their nationalism is the ruling Arab nationalism. While the nationalism of the popular classes is against colonialism, ambitious for development, socialism and unity theirs'. It is the other nationalism. The Latent Arab nationalism.

Between the two Arab nationalisms there is a continuous civil war. It is the war of oppression which permanently launched by the comprador bourgeoisie against the ambitions of the popular classes. Accordingly, one can't say that the two classes have and adopt the same nationalism.

Part V: Communist/Socialist Issues

3. “NGOization” of the Palestinian Left¹⁴⁷

Introduction

It is my hope that this article will initiate a debate concerning the reasons underlying the deterioration of the Palestinian Left (PL), in both the organizational and theoretical dimensions, as well as in its level of militancy. While the article will concentrate on the Palestinian Marxist Left (PML)-composed mainly of the two relatively large fronts- the PFLP and the DFLP- in some places it will deal with the Palestinian communist party (PCP), now known as the Palestinian People’s Party (PPP), mainly for purpose of comparison.

The NGO’s (Non-Governmental Organizations) are western-inspired organizations, most of them created, related, guided and directly financed

¹⁴⁷This article has been published in *News From Within*, vol XI no 5 May 1995.

by various foreign governments. Accordingly, they have been assigned a definite task: to enable the capitalist regimes of the center to penetrate the social fabric of the periphery with a benign and humanitarian face. In the long run, this new face might well replace, and will certainly complement, that of the orientalist and anthropologists who preceded them as agents of Western penetration. On the other hand, some of the NGO's are supported by Christian, progressive, or humanitarian foundations, and do in fact extend genuine assistance to the oppressed societies of the periphery.

NGO's were introduced into Palestinian society some 20 years ago. Most of them maintained some sort of connection with the PCP, which the only quasi-legal party in the Occupied Territories [as opposed to the other factions, including the leftist fronts]. Most of the staff of the NGO's were Westernized liberal intellectuals who had been leftists when they were university students, and were thus able to serve as a mediating group between PCP and the various types of Western-linked NGO's.

According to my experience in both fronts of the Palestinian left, a rather low level of education about Marxism prevails in them. Thus the liberal intellectuals, with their relatively high level of academic attainments, were easily able to "infiltrate" these organizations, and to assume positions of ideological leadership in them. The local left fell into an inferiority complex before the supposed intellectual attainments of these liberal Westernized intellectuals, the intellectual comprador.

Reasons Underlying the Organizational

Deterioration of the Left

The Oslo Accords, which constitute a program for the liquidation of the Palestinian national question in all its forms, has revealed the weakness of the Left. What are the reasons and forms of the Left's weakness?

Low Level of Theoretical Education

The Palestinian Left started as a current of the Palestinian resistance movement. It applied Marxist discourse and rhetoric to the question of Palestinian national liberation, but it always suffered from fatal weakness on the theoretical-educational level. Those who had an adequate level of Marxist education were concentrated among the high-ranking cadre alone, and even this "elite" was not really educated in depth about Marxism.

The educational programs of the left were poor, concentrating on the question of national liberation, and thus, ideological differences between members of leftist and rightist organizations of the Palestinian nationalist movement were not emphasized. The fact that members of the PML

considered themselves socialists did indeed make some difference, and was taken as a kind of moral obligation to act better than the others. But belief alone is not enough. It needs a proper level of consciousness and theoretical education if it is to bear fruit- and these were largely absent.

An Ideological Dependent Left

The PML grew out of organizations which were never part and parcel of the traditional pro-Soviet communist parties, and were even critical of the Soviet relationship to the progressive Arab bourgeois regimes [such as United Arab Republic and Syria]. However, this left ended up competing with the PCP for acceptance and patronage by the Soviet Union.

Both Palestinian leftist currents continued to praise *perestroika* till the very last minute of Gorbachev's fall from power, failing to see both the huge flaws in the Russian form of socialism as well as the bourgeois class nature of the *nomenclature* there. The effects of these weaknesses became clear after the collapse of the Soviet Union, when large portions of the Left began marketing the Western capitalist version of democracy. The most common self-description in the current Left literature is "the democratic forces" - a term so broad it is devoid of content.

The Failure to Grasp the Arab National Dimension

The PML was born in the period following the defeat of 1967. It was a period when the Palestinian and Arab masses were looking for a radical alternative to both the traditional nationalist and traditional Communist organizations. The Palestinian masses were eager to begin struggling against the total occupation of their country, and thus the PML had a genuine opportunity to win popular support.

However, the 1967 war represented a defeat for the progressive Arab nationalist bourgeois regimes who, as a consequence, entirely abandoned Arab nationalism, and adopted the same line as the local, (*iqlimi*) comprador [local business people with ties to Western capitalists] and dependent regimes. The PML considered the defeat of the progressive bourgeois nationalist regimes as if it heralded the disappearance of Arab nationalism itself. They failed to differentiate between the nationalism of the local (*Iqlimi*) and the comprador bourgeois and that of the Arab popular masses which is progressive and opposed capitalism, and since it strives for real development and that will benefit the people as a whole and not just a tiny layer at the top-can be considered socialist.

These deficiencies in the theoretical analysis prevalent in the organizations of the PML led to a focus on the Palestinian (*Iqlimi*) dimension of the struggle, and a building of the PML's alliance with Arab regimes and a lack of attention to the Arab popular masses. Thus, the difference between

them and the right-wing Palestinian leadership under Arafat became blurred.

Following the Oslo Accord, the left found itself without the support of the Arab masses and the leftist organizations in the Arab World, which it had ignored for a long time due to its concentration on the narrow (*Iqlimi*) dimension- believing the PML that the limited force on which it was concentrated was unable to confront the imperialist-Zionist -Arab comprador front. Thus, the PML was prepared to Internalize the Defeat,

Financing the left

In terms of its use of financial resources, the Palestinian left tended to behave exactly like the bourgeois leadership of the P.L.O: instead of investing the funds received via NGO's from foreign (mostly European) donors in productive cooperatives that contribute to the building of the economic infrastructure, to grass-roots organizations, and to its own economic self-sufficiency - the left acted in a charitable manner. Thus, when the Oslo Accords were signed and the bourgeois leadership of the P.L.O cut off its subsidies to the leftist opposition (PML), and blocked donations via the NGO's, it was deprived of any economic base.

But, soon this left decided to adapt according to the demands and conditions of the donors, a step of concession and compromise which opened the financial tap again.

However, the PCP (in its current incarnation as the PPP) found itself in a more comfortable position. As opposed to the PML, it had invested large amounts of donations from received the West via the NGO's to build up its own economic infrastructure in a network of NGO's. One could say that it has already reached the stage of becoming an "NGO's party".

Thus, the PML's ideological and economic weaknesses rendered to unable effectively confront the Oslo Accords and failed to mobilize the masses against the Accords. It failed to mobilize even its own supporters. It lost membership even among its revolutionary cadre.

No Strategy

Three years after Madrid, and Two years after Oslo, the PML still has not put forward any clear analysis, position or program for the new era, especially as regards the two main levels of political and social action facing the society:

- A. It has not clarified its position towards the Self-Rule Authorities, conventionally known as the PA (Palestinian Authority). On the one hand, it rejects Oslo, but on the other, it is dealing with its infant, the PA. I am referring to the fact that some PML politburo members who

had been based in Damascus moved to Gaza and Jericho to work for this authority.

- B. It has failed to elaborate its own social program regarding groups as peasants, workers, and women. Most of its activities had been conducted through NGO's, permeated with an office-type mentality, of extremely limited significance from a political organizing point of view, absolutely severed from the masses and hardly different from the politics of those who are supporting Oslo.

The PML seems to be retaining the positions towards the PLO leadership that it developed in the pre-Madrid era. There is no understanding that the new developments render the PLO leadership part and parcel of Palestinian comprador capitalism, which is part of world capitalism in general. Since it is world capital which imposed this settlement. In accepting the settlement, the PLO became the mother of one class, rather than the mother of the whole people. The left opposition is using obsolete weapons in a new battle field, which demands new and improved weapons. Briefly speaking, the PML lacks a leadership capable of setting policy to the daily life of its members and that of the masses: should they accept jobs with the PA or not; should individuals in the diaspora apply to return to the self-rule areas or not; should the PML participate in the elections; should the PML remain in organizational alliance with the right wing in the framework of trade unions, writer's unions, etc.- when that right wing has become the openly capitalist wing?

Not a Party, or Even a Grass-Roots Organisation, But an NGO

Another reason for the failure of the Left is to be sought in its failure to master the relationship between the party and the NGO's. A party is a social, political, and ideological organized force which represents the interests and ambitions of a class and/or a combination of classes. Generally, they profess both to themselves and to the public that their program- the program of the class and /or classes which they represent- will effectively serve the interests of most of the society. In carrying out their tasks, parties, especially those representing popular classes, create grass-roots organizations as their network in the community. The grass-roots, community-based, organizations are the mediator between the party and the NGO's. The party is interesting in keeping the grass-roots organizations functioning, and the NGO's find that they can only fulfill their mission by maintaining a connection with the grassroots organizations.

What happened in the Occupied Territories is that the PML failed to create grass-roots organizations. Moreover, the parties and fronts increasingly empty themselves of content and organize their political activities through

the framework of the NGO's identified with them. This degradation is only possible because the Marxism of this left is a political one, and it never deepened and developed educationally and theoretically. This is what happened to the PCP (now the PPP) and the PML are heading in the same direction. This process and its implications are worthy of attention. The mostly foreign, non-Palestinian donors, started with rather flexible standards for their recipients, until these organizations grew and became dependent on their support to pay office rent, salaries of employees, budgets for projects, etc. Then the donors began suggesting projects such as joint Palestinian-Israeli activities. The Palestinians adjusted themselves and their organizations to the wishes and aims of their donors. Gradually, but relentlessly, the NGO's put themselves in the direct service of their donors' agenda. So what remains of their Palestinian-ness? Nothing. Thus the foreign-supported NGO's destroyed not only the political organizations (parties and factions), but also the grass-roots organizations on whom the NGO's were dependent in order to be able to carry out any positive activity.

The use of the concepts of "civil society" and "civil association" played a role as well. Many leftists thought that the associations and institutions of "civil society" could replace the political party. They appeared to believe in, and act on, the notion that we, the Palestinians, were embarking on a transition to democracy in which the institutions of "civil society" would rule, and eliminate the need for parties organized as revolutionary formations. But those who are marketing the notions of "civil society" and bourgeois democracy fail to see that those notions are mere illusions in conditions of underdevelopment. If development is blocked, democracy will be blocked as well.

Part VI: Human Rights

1. Human Rights are not only Political

This article was intended to be presented in a conference entitled: An Alternative to the Bourgeois Human Rights Conception, 4-6 April 1998 at the University of ex-en Province / France. But I failed to get a permit to leave from the Israeli occupation Authorities .

This paper is based on a historical-materialist approach towards people's rights. A 'people's rights' approach, when activated, is broad enough to include the issue of human rights as a bourgeois or even a neo-liberal tool, designed to cover selective individual rights while ignoring class or national ones. Accordingly, our point of departure is the 'world capitalist/imperialist order' (WCIO) rather than individuals. It is not, however, our premise that the individual is unimportant, but in fact the opposite. The bourgeois approach is a refined human tool to select individual cases here and there, replacing the mere basic rights of classes and/or peoples.

In the last two decades, the bourgeois ideologists in the capitalist West have created a new political terminology. During the so-called 'cold war', terms such as *human rights*, *NGO's*, *democracy*, and *civil society* were increasingly bandied about. Later it was economic terms: *privatization*, *neo-liberalism*, *the third sector*, *globalization*. With this came a new means of approaching culture - namely the exaggeration of cultural diversity to the level of suggesting that wars between nations are based solely on cultural differences, rather than on class or economic interests. Following on from this arises the argument for a continuous and permanent war between cultures, stemming, for example from the exaggeration of Islam, or the feminist bourgeoisie.

It should be noted here that this tripartite campaign runs parallel with the decline of revolution on the world scale. Bourgeois ideology has been increasingly encouraged by the three levels of decline in the world revolutionary camp. This started with decline at the periphery of the Soviet Union's influence, i.e. in Syria, Egypt, and Ghana, and was followed by the decline of states in the inner circle around the Soviet Union, i.e. Poland, Hungary and later the rest of Eastern Europe. Finally came the collapse of the Soviet Union itself. This decline was accompanied by a decline in revolutionary discourse, consciousness, and culture. In this case, as when any movement is defeated, the greatest danger and challenge came from within the internal structure (represented by the ruling class) rather than from the external one. This applies especially when internal structures have deteriorated to the level of internalizing defeat.

The defeated revolutionary forces in the aforementioned countries were encouraged by the resistance of their bureaucratic elites against any attempts to avoid collapse. These attempts would have meant abandoning the ruling social structures. This, in fact, facilitates the role of the counter-revolutionary on one hand and neutralizes the revolutionary supporters inside these societies on the other. That is why, when the counter-

revolution launch its final attack, large numbers of the popular masses in these countries either paralyzed or supported the change.

The collapse of the Soviet Camp crystallized into two discernible phenomena on the level of world conflict. First, the expansion of the bourgeois political, economic and cultural campaign, and second, the open use of military aggression. The failure of the socialist camp to practice the Marxist policy of connecting freedom with democracy paved the way for a false bourgeois democracy to take over. The national liberation movements, the socialist struggle, and the non-aligned movements were branded dictatorships, although all these struggles, in the final analysis, concerned human rights. Accordingly, the bourgeois media showed that its rhetoric about human rights was of its own invention. It is our role to prove that a movement must be judged according to its content rather than the image it tries to project.

Imperialism is increasingly taking hold of the UN and using the organization as a cover for marketing its own version of human rights. While, if imperialism is accountable to UN Article 55 of United Nations Charter, its spearhead, the,

“United States would discontinue in the 1990s its policies of the 1980s, during which it spent approximately \$1 billion a year on the Pentagon and engaged in covert operations to destabilize governments and liberation movements. Also, if international law prevailed, there would be a conventional understanding of the criminality of the US-dominated financial institutions, which structure economic exploitation so that, for example, each year African, Caribbean, and Latin American nations transfer \$20 billion or more to their historic colonizers, more than they receive in aid and loans.”¹⁴⁸

Areas of Human Rights Struggle/s

Despite the huge machine of imperialist propaganda which assigns itself the role of championing the struggle for human rights we, the Marxists, should not give it the chance to define the areas of that struggle. In this era of history, it is our duty to fight for the right to national sovereignty, which is being crushed by neo-liberalist policies aimed at exploiting the markets of the peripheral countries freely, easily and even to the detriment of the

¹⁴⁸ *Marxism in the Post-Modern Age*, ed by Antonio Callari, Stephen Cullenberg and Carole Biewener (Guildford Publications, 1995) 123.

poorer classes there. It is important to raise *development* as a human rights issue for the countries of periphery. Development in terms of protecting local markets, protecting local surplus, controlling and investing it internally. 'Free outflow of surplus' is simply neo-liberal jargon meaning to facilitate and legalize the draining of wealth from the periphery to the capitalist/imperialist center.

To challenge re-colonization, peripheral countries must renew their national struggles. In some countries reactionary and even racist nationalist struggles have been encouraged by imperialist regimes (and their financial backers the World Bank, and the IMF) in order to disintegrate the ex-socialist states of the former Soviet Union and former Yugoslavia.

Marxists must differentiate between bourgeois/capitalist nationalism (the nationalism of capital), and the nationalism of the oppressed classes/exploited nations (the nationalism of the popular classes). On the internal/local level, the bourgeoisie is consistently trying to fragment human rights into separate issues, with the aim of neglecting the main areas of human rights, i.e. class and national ones. Neo-liberal regimes are trying to neglect class human rights, while exaggerating issues of individual private property. Human rights are, in reality, one parcel. Individual rights are a part of class rights. While they should not be ignored as important in their own right, they also should not be considered as representing class rights. In many cases, individual rights actually contradict class rights, especially the rights of other classes. Private ownership, in capitalist terms, means an individual's right to practice exploitation and slavery over the working class members. Where should we place the human rights issue here? Which of the two is the real human right - the right of exploitation or the right of self liberation and control of one's own productivity?

Human rights in general are on three levels: national human rights which include sovereignty, protection of national resources and wealth; class human rights which means the right of class liberation from another class exploitation; and individual human rights which are personal, i.e. an individual's rights over his/her own body, productivity, and expression.

Since there must be a contradiction between these three levels of human rights in the capitalist society, the only route for humanity's emancipation is socialism, which replaces national competition and war by internationalism; class exploitation by self-management; and individual private property by a personal right to self fulfillment and to work in order to meet all their human needs. It is socialist society which guarantees a

nation's economic rights, the soand economic rights of a class, as well as individuals' economic, political and social rights.

Human Rights in Palestine

The Palestinian people is suffering from various forms of human rights violations on international, local and individual levels.

On the International Level

The Palestinian people has been for more than a century, and still is, under aggression from the core of the world capitalist/imperialist order. The imperialist creation, protection, and continuous arming of Israel with the aim of expelling the Palestinian people from its own land is a blatant example of international violation of Palestinian national human rights.

The international community, represented by the UN, has failed to oblige Israel to implement UN resolution 194 clause III, which states that Israel should let Palestinian refugees return to their homes, and so is in fact violating Palestinian national, class, and individual human rights.

The UN's selective enforcement of its resolutions (i.e. against Iraq, Libya, and Syria but not against Israel) is clear evidence that it is a tool for the leading imperialist countries, which are using it for the class interests of the capitalist regimes in the imperialist centers. The only choice left for the oppressed peoples is a revolutionary struggle to regain their rights. When the Palestinian people practiced this struggle, the imperialist media portrayed them as a nation of terrorists.

Even today, i.e. after the Madrid-Oslo peace negotiations and Accords, the international community is still supporting the Zionist regime in rejecting the Palestinian people's right of return. It is trying to substitute the people's right of return with compensation, and resettlement of the Palestinian refugees in the diaspora.

On the National Level

The international level human rights violations have bred violations at a national level for the Palestinian people, by planting a Jewish colonial and capitalist state in Palestine. This human rights violation encompasses the national, class, gender, geographic, economic and cultural aspects of the Palestinian people and land. In 1948 it resulted in the occupation of three quarters of the total land of Palestine, the rest being annexed by Jordan (the West Bank) and Egypt (the Gaza Strip). Three quarters of a million of

Palestine's population was evicted from the part which was occupied by Israel. The Palestinian social fabric disintegrated on the national, class and even family level, with Palestinians being scattered all over the world. Accordingly, the Palestinian personality, identity and economy have been totally dissolved.

Some 180,000 Palestinians stayed in the area of Palestine occupied in 1948, and have become a national minority. Until today, after nearly fifty years of carrying Israel IDs, Israel still violates their human rights through discriminatory policies. The schools of these Palestinians are deprived, the budgets of their municipalities lower than those of Jewish ones. There are 150,000 Palestinians of 1948 living as refugees inside Israel because Israel has not allowed them to return to their original 40 villages which it occupied in 1948. They are refugees inside Israel, carrying Israeli IDs and often on the peripheries of their own villages. Israel is still the state of the Jews, and not the state of its population

In 1967, Israel expanded its occupation to cover the rest of Palestine and some parts of its Arab neighboring countries. Following that, all the West Bank and Gaza Strip economies were integrated into the Israeli economy.

Under the Israeli occupation, Israel imposed on the West Bank and Gaza's population a military regime. All banks were closed and substituted by Israeli ones. All exports and Palestinian imports now came either from Israel or through it. Very few industries were licensed per year. No political parties were allowed to be active. Trade unions were required to obtain permits from the military governor. All the land in the West Bank and Gaza strip was made vulnerable to open confiscation by Israel. Hundreds of Jewish settlements were planted in the West Bank and Gaza strip, on the whole populated by those advocating fundamentalist, even racist ideologies and will armed 300,000 settlers. Nearly 60% of the land was either confiscated for settlements or closed for so-called 'military purposes'.

All Palestinian social classes were subjected to an economic integration into the Israeli economy. Palestinian industrialists had to export and import through an Israeli mediator, who later became a partner through sub-contracting. The lack of building licenses granted paralyzed Palestinian infrastructure, resulting in the inability of local industries to employ a labor force. This led to an extremely unbalanced labor/capital equation. The local market failed to employ most of those who were of working age. Nearly 40% of the Palestinian labor force was obliged to find work inside

Israel, and more than 20% left to the other Arab countries. As land has been confiscated, and/or closed for military purposes, Palestinian peasants transferred, by necessity rather than by capitalized/industrialized economy, to being day laborers inside Israel.

In other words, all human rights, national, political, economic, cultural and individual were suppressed, and violated by the Israeli occupation of the West Bank and Gaza. Nothing has been done by the UN against these Israeli violations. Even after the 'peace' settlement between the right-wing PLO leadership and the Israeli government, Israel failed to apply the Oslo Accords, despite the fact that these accords did not even guarantee the minimum rights of the Palestinian people. It is worth noting that Israel refused to let a representative of the UN attend its negotiations with the Arab and Palestinian delegations.

On the Local Class Level

While some of the human rights violations are common across the world order, and not specific to the Israeli bourgeois and the local Palestinian comprador ruling class, other violations are related to this comprador class alone. It is true that the Palestinian comprador is in some ways at odds with the Israeli Zionist regime (e.g. regarding land control) but these same Palestinian rulers have been wooed and supported by the Israeli regime, especially when it comes to the basic human rights (e.g. democracy, freedom from corruption, fair taxation, gender equality).

The Palestinian leadership is an alliance of three capitalist factions: the comprador faction (the Palestinian capitalists from inside the West Bank and Gaza); the bureaucratic capitalist faction (the ex-PLO leadership); and the financial capitalist faction (wealthy Palestinians in the diaspora). These three factions have realized that they, as Palestinian bourgeois, are unable to carry out the national mission of creating an independent Palestinian state, which includes the control of the local market. Since they are motivated by acquiring the maximum rate of profit, they decided to accept a form of self-rule which guarantees the highest possible rate of profit for them, while relieving them of carrying the burden of independence, which their social structure is unable to bear. Their ambition is beyond their capacity.

These three capitalist factions were supported by two groups of intellectuals. The westernized bourgeois intellectuals and the ex-communist/Marxist ones who marketed the 'peace', an offshoot of which meant the creation of numerous jobs in the PA, NGO's, and the World Bank. This regime practiced power over its citizens, though not its resources, i.e. land and markets. The PA regime might be the first in history to apply World Bank and IMF prescriptions in adopting, from its inception, the free market, exclusive support of the private sector, heavy taxes on the popular classes, and large scale corruption - and all this in the absence of sovereignty.

As for the PA's way of ruling the Palestinians who are under its administration, there are some areas of human rights in which this authority has the power to act as a 'civil' government, but it is doing the opposite. This paper is not into survey the PA's violations of human rights, but to mention some is beneficial for the sake of clarification.

The Palestinian General and Independent Association for Citizen's Rights was created by decree from Chairman Arafat in 1994.¹⁴⁹ For such a committee to be independent, it surely should not have been created by the head of the regime. This should be a popular committee created by citizens so as to protect them from the regime. As long as it is licensed by the regime it can be seen as no more than an arm of that regime. Continuing this deformed understanding of human rights, the head of the committee, Hanan Ashrawi, did not hesitate to become a minister in Arafat's cabinet. The regime drafted in women leaders to high ranking jobs in the PA and accordingly deflected protests against PA's decrees which discriminate against women (e.g. that any woman is only able to apply for a Palestinian passport if supported by a male, even her son). Women's organizations, in general, decided to limit their demands to seats on the Palestinian legislative council to one third. This implicitly suggests an acceptance of the Islamic position that a man has the right of two women.

The committee protested to the authorities about two sentenced citizens, Omar Shallah and Aziz Shami,¹⁵⁰ and applied to the authorities to re-examine their cases. As a result Chairman Arafat issued a decree to shorten their imprisonment. It would have been understandable if the appeal had been made by their families, but as a human rights committee it should

¹⁴⁹ A speech by Hanan Michael Ashrawi at the Muwaten research center, Ramallah, 1996.

¹⁵⁰ *The Bulletin of the Palestinian General and Independent Association for Citizens' Rights*, no.1, Jan 1998.

have insisted on a repeat trial, rather than an arbitrary decree, if it is to strengthen the rule of law.

Throughout the period of PA rule, nearly five years, Palestinians have suffered from widespread corruption. News about this corruption has been published outside the PA's areas, i.e. in Israel and abroad¹⁵¹. In most places in the PA areas and the Occupied Territories this corruption is acknowledged and discussed by the public. In 1997, the PA itself was obliged to address the issue. A special committee was established and produced a long report. The Palestinian legislative council made recommendations on the report, but no changes took place. All those who are accused of corruption, regardless of rank are still in their jobs. The resignations of those who resigned because their corruption became public knowledge, and those who resigned protesting against corruption, were not accepted by Arafat¹⁵².

So who is responsible here? Is it the PA only?. Why are the so called 'donor' countries not held responsible? Why they are still supporting the regime without following up on the misuse of donations? Are the donors actually funding the corrupt leadership rather than the people. Why are the members of the Palestinian council (the so-called 'legislative council') not responsible with their recommendations against corruption never applied? Why do they endure the regime's neglecting of their decisions? Is it because they know that they are indebted to Arafat for their chairs, or because they know that their council has no real legislative power in a country without sovereignty - perhaps both?

Once I was parking my car in a street in Ramallah. An old man came and told me: "Be careful, your car is not parked properly, they are our enemies, they are torturing us more than the Israelis do, they arrested my son who is 16 years old because he is not a member in Fatah organization..." The man spoke for a continuous fifteen minutes, to my wife and myself without even knowing me. What does that reflect?

The Palestinian people knows very well that the Oslo Accords are unacceptable. Despite that, what people is asking for now is to be treated

¹⁵¹ Sara Roy, Interview with US Department of State and United States Agency for International Development (USAID), Tel Aviv and Washington, 'Deterioration in the Gaza Strip', *The Middle East Report*, July-Sept 1996, 38.

¹⁵² Recently, Mr. Arafat announced a long-awaited government reshuffle. In fact the 'new' arrangement retained the previous cabinet but added to it another ten ministers.

humanely. But this is impossible. The reason is not that democracy, even of a bourgeois ilk, is impossible with underdevelopment, colonialism and dependency; the barrier is that the sponsors of the 'peace' process, the donors, are actually supporting the repression of the Palestinian people to avoid refusing the imperialist peace settlement in their country. They want to re-educate the Palestinian people to forget its revolutionary traditions and to adopt their neo-liberal ideology politically, economically and culturally.

PART VI: Human Rights

2. Media as National and Class Tools

This paper was supposed to be presented to a media conference titled the Media's Dark Age sponsored by the Women Mutual Security: Global Coordination Office which was held in Athens/Greece on May 24-28 this year. But I failed to attend because the Israeli occupation authorities refused to give me a permit to leave. The paper will appear in a book which contains other conference papers

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To begin with, I would like to mention two ironies regarding the role of media in this era of the World Order's development:

Firstly, it is ironic that at this time there is a decrease in social resistance against the capitalist system, or in Gramsci's words a "a consenting acceptance of capitalist society".

Secondly, it is, to a certain extent, ironic to speak of the era of information and of globalization as being in the media dark ages. For many writers, scientists, historians, journalists and economists, the world has become one global 'village'. This *should* facilitate and offer greater access to every human being to know every single inch in the globe.

But, what is taking place on the ground is different: the number of illiterate people in the world is increasing rapidly; the understanding of the new generation about the world is deteriorating; economic analysts are talking about boom, while the number of poor people is increasing rapidly and the victims of famine are higher than at any time before. Something is wrong, and it has been deliberately engineered.

Today's media is supposedly based on the premise that humans (individuals, groups, classes, and nations) should have the right to freedom of expression, be it speaking, reading, writing, hearing or watching. It ranges from being able to speak freely on the street to being able to use e-mail facilities. But in practice, does the policy of those who are controlling media reflect that right. On the national level, is media for all the people, or for one class, group, or even a select handful of individuals? Is it dominated by an enemy as it is the case under the Israeli occupation of Palestine? Premise and practice must integrate or they will have to confront each other.

When the media machine is controlled by a local dictatorship or ruling class, it destroys the civil, human, and individual freedom of the majority - the popular classes. When it is controlled by an occupier, it destroys the freedom of the whole people (with few exceptions) and the society's culture as well. In the case of Palestine, the Zionist media is working to justify the destruction of the Palestinian land, culture, and physical existence.

It is media as a class machine which is shaping and re-shaping the mentality of the American citizen towards supporting space warfare regardless of its huge costs; repeated aggression against Iraq; sieges against Cuba, Libya and Sudan; and Jewish colonialism in Palestine. There is heavy emphasis on foreign affairs, while most of the US's Afro-

Caribbean population is living below the poverty line.¹⁵³ It is the media machine which empties the citizen's mind of its natural abilities to criticize, protest, and articulate. Why would an Israeli-Jewish 'Marxist' fail to support the Palestinians' right of return? What kind of machine is it that is so successfully perpetuating this deformation of human thinking and behavior?.

A striking example of the capitalist world media's hegemony over people is its role following the collapse of the Soviet Union. During these events, it was the superficial journalistic reports and propaganda, and not deep analysis, which led public opinion in the socialist countries and the world in general. Many intellectuals and writers, who are supported by and linked to the US state department, i.e. Fukuyama¹⁵⁴ jumped to final conclusions and generalizations. For Fukuyama, history stopped and was capped by capitalism. For Huntington, 'culture' is understood as being of the western capitalist form alone; other forms, especially Islam, were to be destroyed, or at least besieged and pre-empted, by a 'holy crusade'.

Following the collapse of the Soviet Union, the official media throughout the world became, relatively speaking, a capitalist media (although there are some contradictions between the advanced capitalist social formations and the peripheral capitalist ones). Socialist media are not included. The capitalist media's role is to destroy the remaining socialist countries, socialist culture, its organizations and even individuals.

Media Under Occupation

Since its very beginning in June 1967, the Israeli colonial regime imposed a military administration over all aspects of life in the West Bank and Gaza Strip. All local radio stations, newspapers, magazines and publishing houses were closed, and or transferred to Amman. The only radio and television broadcasting continuing in these areas was Israeli. They broadcast programs controlled and designed by the Israeli security police aimed at physiological war and brain washing. The Israeli authorities effectively produced al-Ayyam daily, which was published under the supervision of the Israeli security police.

¹⁵³ Seventy six of the black families in the United States are living under the average of American family income,. Most of state benefits are going to the whites, while most of the poor people are blacks. See Michael Moore, *Downsize This!* (Harper Perennial, 1997).

¹⁵⁴ Francis Fukuyama, *The End oh History and the End of Man* (Hamish Hamilton: London, 1992).

By the beginning of 1970s, some Palestinians obtained permits from the Israeli military administration for producing newspapers. These licenses were limited to Palestinians from occupied East Jerusalem, whose land was annexed by the Israeli occupation. The Palestinian population of East Jerusalem were considered a special case, having a status in limbo - 'lower' than full Israeli citizenship but with more privileges than the population of the West Bank and Gaza Strip. None of the ID cards issued to Palestinians carried a nationality. All those who succeeded in obtaining a newspaper or magazine license were from East Jerusalem, and the publication itself had to be printed and produced in Jerusalem. For the publication to be distributed in the West Bank and Gaza Strip, another permit had to be obtained. This permit then had to be renewed annually, and the Israeli authorities were able to cancel it temporarily or totally. The granting of licenses for producing a publication was decided only according to whim of the Israeli security police and with no regard for the basic right of expression by the applicant.

Newspapers and magazines had first to show all their material: news, analysis, advertisements, and even notices of deaths to the Israeli military censorship in West Jerusalem. This military censor would assign one of three stamps to each article: passed; to be doctored; or to be cut entirely. All words, terms and expressions in newspapers, which referred to the Palestinian rights in Palestine, even in a metaphoric manner, were prohibited. Even in pieces of poetry the words 'lover' or 'darling' were canceled because the Israeli military censor feared it might mean 'Palestine'. On the external level, any political criticism against the Shah regime of Iran was prohibited, even if it was about the internal situation in that country. While criticism against the United States was not.

In order to squeeze in some analysis, Palestinian journalists would delay submitting their pieces until Friday afternoon. As the Jewish day of rest approached, staff would aim to leave the office early, material would be skimmed through, and accordingly marked 'pass' more often. While some articles were stamped and passed, the newspapers were warned and punished later for publishing the same passed articles. The Israeli argument always was : 'you know what is acceptable to us'. For us, this meant having to impose self-censorship, by putting an 'Israeli censor-chip' inside our minds while writing. It meant a call for us to colonize our minds ourselves.

When the Israeli court decided in a secret session to close al-Shira⁷ biweekly in 1983, the judge lodged against the editor of this magazine 60 accusations over different articles, all of which had been passed and stamped by the Israeli military censor. Most of them were articles and analysis against Palestinian moderate leaders in the PLO Jordanian and local notables loyal to the Hashemite Kingdom of Jordan.

Every book had to be sent to the military censor as well. All books which were not passed by the military censorship were prohibited. The Israeli occupation authorities produced an annual list of prohibited books, which would be confiscated if found and the book store owner fined for marketing them.

Until today, after five years of the Imperialist designed Oslo peace settlement, Israeli censorship is still affecting the Palestinian newspapers which distribute in the West Bank and Gaza. My article *The Palestinians of 1948 vs. a State of All its Citizens* was published in al-Quds daily May 17, 1998, but without any radical/leftist term, i.e. imperialism, or capitalism. The editor told me that with these terms the article would be canceled by the Israeli censors.

While this is a destructive war against the very basic right of expression on individual and national levels, and despite of the fact that the Jewish state is occupying almost all of Palestine, most of US public opinion still supports Israel against the Palestinian people. A poll conducted by New York Times May 26, 1998, showed that 58% of Americans support Israel, while 13% support the Palestinians. I have no doubt that media is more responsible than ideology for this.

Media in Jail

I was arrested for the first time by the Israeli army on December 15, 1967. I met with the leader of the prison many times asking for books, copy books and pens for the prisoners, with no result. Instead we stole pens from the jail guards. For paper we used small white sheets gleaned from inside the boxes of an Israeli brand of cigarettes called Degel, which the jailers smoked. We started connecting these papers together to make copy books. When the jail's military administration inspected the rooms, they confiscated these simple pieces of papers though all that was written there were Arabic-Hebrew vocabularies.

I applied to the prison administration to be allowed to continue my study by correspondence with the Lebanese University. I was refused. I applied to the British Council to study by correspondence, the reply was also negative. I staged my first hunger strike over books in August 15, 1968. After seven days I received the first book allowed in jails under Israeli occupation. It was Maurice Dauverge's book *The Political Parties*. But the story did not end there.

Even when books were permitted, all of them had to pass through the censorship of the jail's administration. All Marxist and nationalistic books were prohibited, though books on Islam were welcomed at that time. We told our families to change the covers of the refused books and to re-cover them to look like poetry or literature. In order to pass Lenin's book *What's to be Done*, one prisoner's family changed its cover to *Alf Lila wa Lila*.

Even our personal letters were tightly controlled. The officer Mar Habba in Beit Leed (Kfar Yona) jail called me for investigation on July 12, 1968 asking me why I wrote to my family telling them that by forbidding us to reading, they (without specifying who 'they' were) are trying to make us into zombies. Since political news and analysis were prohibited in letters, my sister found that the best thing was to copy passages of poetry to fill her two-page letters. Most of it she took from the late Iraqi poet Bader Shaker al-Saiyab.

Despite all this repression, we were producing one hundred, hand-written, monthly magazines, translating books, and writing articles.

Later, in 1978, after my release from prison, I applied to open a theoretical periodical journal to be published in Ramallah. The answer was no. When I was arrested for the second time on November 23, 1978, the Israeli army confiscated 80 books from my own library. Despite my lawyer's protests, the books have never been returned.

Leaders Created by the Occupation's Media

The lack of local and national Palestinian radio and television during the era of total occupation, meant that Israeli radio and TV became the only channel for those who enjoyed being in the spotlight. The Israeli

authorities used this to their advantage. Its media facilities became a tool to create leaders, to push this and to ignore that. Through this media machine, Israel created most of the Palestinian negotiating team for Madrid and Oslo. The self confidence of the Israeli journalists in radio and TV reached a point where they would be astonished if a Palestinian activist, militant, or thinker refused to appear on their show, or to give them an interview.

The Palestinian Media

A. Under the PLO

During the semi-formal resistance movement era, 1967-1993, the Palestinian media was never a creative revolutionary one. It was a media related to the PLO's political and ideological stand. The writer, intellectual and even academic were tied to the formal position and understanding of the PLO in Lebanon which was a small Palestinian government in exile. It was a political leadership and a source of income. This re-channeled the intellectuals, who were mainly refugees, to look for jobs in its bureaucracy. Those who worked in the media sector became similar to their Arab counterparts in the Arab regimes. The Palestinian media people in newspapers, magazines, and in radios broadcasting from Arab countries worked according to the political relationship of their organizations with Arab regimes. The result of this was that the PLO remained a resistance movement, not revolutionary one, and the Palestinian intellectual was frozen at the level of a formal employee by the PLO not as a revolutionary intellectual.

While the popular and grass roots organizations developed from inside the Occupied Territories, i.e. writers and journalists' unions, theater groups, volunteer work groups etc., the PLO leadership decided to bureaucratize these naturally developing groups by transferring money to them, so terminating their mentality of self-reliance and integrating them into the bureaucratic structure of the formal PLO organizations.

The successive policy of the PLO to make the Palestinian media similar to that of other Arab regimes led to a situation in which the Palestinian was even worse of than the media they were trying to emulate. While any Arab intellectual, by supporting the regime, is in fact supporting repression, harming democracy and slowing development, the Palestinian intellectuals are doing the worst. In addition to what Arab intellectuals did against their nations, the Palestinian intellectuals terminated their people's historical rights and memory by supporting Oslo agreement. All Palestinian intellectuals, writers, and media workers, who were related to the formal

PLO institutions before Oslo, continued working for the same leadership and came back to the West Bank and Gaza practicing ‘normalization with the occupation’, either by defending Oslo, or by keeping silence.

B: Under the PA.

After Oslo, the PA established its own radio and television in areas A, which cover 3% of the West Bank and Gaza strip. More newspapers, magazines, and local private radios and television stations have since started operating. All of these are supervised by PA authorities. Many of them have been closed several times for broadcasting pieces of news which the PA is against.

In fact, the formal Palestinian media is no more than the mouth of the regime. There is a great deal of rhetoric about independence, development, and self-reliance on the one hand, and the call for Israel to absorb more Palestinian workers in its economy on the other. This runs parallel to the expanding corruption within the PA. The Palestinian media was the last to talk about PA’s corruption and when they did it was in a very coy manner. (See Chapter on Palestinian Economy)

The most dangerous aspect of the Palestinian media is its participation in the US, Israeli, and World Bank program for ‘re-educating’ the Palestinian people. It is a plan designed to vanquish deeply rooted Palestinian traditions (the revolutionary spirit, cooperation, and readiness for resistance) and to replace them with individualism, free market ideology, competition, the regime’s support for the private sector etc. The PA autonomous areas are the first in the world which, from the beginning, have followed the World Bank and IMF prescriptions of open door policy. This means putting all key economic issues in the hands of the dependent private sector, whose most activities are sub-contracted to Israeli factories. The Palestinian formal and private media are devoted to this program of re-education and are supported by the well financed foreign and local NGOs, UNDP and the World Bank

In a workshop on April 14, 1998, called “Financing Development in Palestine”, supervised by the Ministry of Planning and International Cooperation and the Development Studies of the University of Bir Zeit, the speakers of the UNDP and the World Bank gave a very rosy picture of the PA’s economic state, regarding its potential to compete on the world scale, and its highly skilled work force. By contrast, all the independent

Palestinians present at the workshop emphasized that the situation is catastrophic.

By cutting off Palestinian youths from their revolutionary traditions, media is increasing the nihilist, consumerist and anarchist trends between them. These youths have become unable to build a connection between their recent role of resistance during Intifada, and their current situation as an idle and careless people; or between their struggle against the occupation and the real existence of the occupation despite of the so-called 'peace agreement'.

Cooperation Between Formal Media

The role of the Palestinian formal media is varied according to the PA's political and class interests. On the national level, PA radio and television has started calling the West Bank and Gaza Strip 'Palestine', in a move to re-educate the Palestinian people towards the imperialist-Zionist peace agreement. This is not a mere recognition of Israel; it is a destruction of the people's memory and historical rights throughout Palestine, especially their right of return. On the class level, as mentioned above, the Palestinian media is supporting the private sector, market ideology, and an open door policy. All of these are for the sake of the peripheral capitalist comprador and dependent capitalist class in the West Bank and Gaza Strip.

On the pan-Arab national level, the PA media is re-educating the Palestinian people away from Arab unity, cooperation, and economic integration. Arab regimes too are exploiting the current situation of unequal development between Arab countries, in a process to terminate the necessity of Arab Unity. What these regimes do maintain is cooperation between Interior Ministries and police through annual conferences, and recently an agreement to fight 'terrorism', a step which has been demanded by the United States and Israel. Following the collapse of Arab radical regimes in the late 1960's, Arab regimes decided to make a joint reconciliation, since media campaigns between them are, in fact, supporting the revolutionary popular movements. In an Arab order which has no democracy, no free press, and which integrated into the World Order in a dependent manner, a media coordination between these regimes became a necessity for self defense. The PA became part of this Arab bourgeois monopoly.

An example of this formal bourgeois alliance comes from Jordan. The government recently warned Jordanian newspapers and the Islamic opposition that they should not criticize the PA and its president, Arafat.

The Jordanian prime minister will take the necessary measures to pass a new law for press and journalism, which will prohibit any 'harm' to Jordan's Arab relationship"(al-Quds 16-4-1998).

Arab satellite TV channels have also come the regimes' censorship. None of these stations is able to criticize any other Arab regime, although the consensus of most of them is against Iraq - a direct proof that this is the will of the US. The only area of media which is not controlled by Arab regimes is the internet. But, even if this continues to be free, it will be a long time until it becomes a popular phenomenon.

In short, media in the Arab regimes, including the Palestinian self rule areas, is not only devoted to the ruler, it is his own domain. Every TV and radio news broadcast should start with an item about the ruler, even if the news about him is unimportant. In all newspapers, the ruler's picture should be daily on the front page. The share of the ruler in media is more than the share of the people. The aim is to persuade the people that the ruler is the source of their existence. The ruler is not representing God, but replacing him in earth.