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**THE IMPACT OF THE COMPOSITION AND BEHAVIOUR OF
THE PALESTINIAN LEADERSHIP ON THE OUTCOME OF
THE MADRID AND WASHINGTON NEGOTIATIONS**

1991-1997

Ghassan Khatib

THESIS SUBMITTED FOR THE DEGREE OF

DOCTOR OF PHILOSOPHY

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UNIVERSITY OF DURHAM

SCHOOL OF GOVERNMENT AND INTERNATIONAL AFFAIRS

2007



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TABLE OF CONTENTS

DEDICATION	IV
ACKNOWLEDGMENTS	V
ABSTRACT	VI
ACRONYMS	VIII
DECLARATION	IX
Copyright	IX
INTRODUCTION & METHODOLOGY	1
Methodology	2
Structure of Chapters	9
CHAPTER ONE: The Literature Survey	13
Introduction	13
A Focus on the Process	14
A Focus on the Outcome	20
The Palestinian Leadership and the Peace Process	25
Conclusion	36
CHAPTER TWO: The Emergence and Nature of the Palestinian Leadership	39
Introduction	39
The Formation of the Palestinian Leadership Post-1948: Building the Outside	39
The Impact of the 1967 War: Fatah Wins Over the Arab States	54
1970-1982: The Decline of the Outside and the Rise of the Inside	57
1982 - 1991: The Intifada Consolidates the Inside Leadership and Revives the Outside Leadership	67
Conclusion: One Leadership in Two Parts	74
CHAPTER THREE: Palestinian Participation in the Peace Process: The Madrid Conference and Washington Negotiations	76
Introduction	76
The Palestinian Leadership's Decision to Participate in the Peace Process	78
The Nature of the Palestinian Participation in the Peace Process	87
Strategies to Offset Structural Vulnerabilities: Selecting the Palestinian Delegation	95
Palestinian Negotiation Performance at Madrid and Washington	99
Conclusion	109
CHAPTER FOUR: The Oslo Agreement - 1993	112
Introduction	112
The Oslo Process and the First Agreement	113
The Impact of Internal-External Leadership Relations on the Oslo Process and First Agreements	122
Did Oslo Demonstrate Poor Performance and a Weak Agreement?	132
The Impact of Objective Factors	142
Conclusion	144

CHAPTER FIVE: The Negotiations over the Implementation of the Declaration of Principles	147
Introduction	147
The Palestinian Response to the Declaration of Principles	148
Negotiations over Gaza-Jericho (The Gaza-Jericho Agreement) and the Paris Protocol	154
The Israeli Withdrawal from Gaza and Jericho	157
From Cairo Agreement to the Interim Agreement	172
The Interim Agreement: Negotiations, Content, Analysis and Implementation	176
Implementation and the Deterioration into Violence	193
Conclusion	197
CHAPTER SIX: Palestinian Leadership and Palestinian Authority	200
Introduction	200
The Establishment of the Palestinian Authority	201
The Election of the Raas and the Palestinian Legislative Council	205
The First Palestinian Elections	209
A 'New' Political Elite	212
The Economic Status of the Palestinian National Authority	219
The Council Responds	225
Conclusion	232
CONCLUSIONS	235
BIBLIOGRAPHY	244
APPENDICES	260
United Nation Security Council Resolution 242	260
United Nations Security Council Resolution 338	261
US Letters of Assurances on the Terms of the Peace	261
US-Soviet Letter of Invitation to the Peace Talks in Madrid	262
Declaration of Principles on Interim Self-Government Arrangements	264
Agreement on the Gaza Strip and the Jericho Area	276
Protocol on Economic Relations	286
Israeli - Palestinian Interim Agreement on the West Bank and the Gaza Strip	306

DEDICATION

This thesis is dedicated to my late mother, Fatima, as well as my wife, Salwa, and my children, Rasha, Abdalwahab and Omar. Thank you for standing by me.

ACKNOWLEDGMENTS

I would like to thank profusely the many people who assisted me along the way as I conceptualized and then sat down to write this thesis. First and foremost, Emma Murphy, my supervisor, offered tireless support. Before her, my first supervisor Tim Niblock also provided invaluable guidance. Charmaine Seitz helped me in editing the text, as did Rosemary Barbeau.

I must also acknowledge Isabelle Daneels and Jamil Rabah, who first introduced me to Durham University and encouraged me along the way. The entire staff of the Jerusalem Media and Communications Centre, particularly Manal Warrad, Khader Khader and Samar Hawari, supported me in innumerable ways over the years. And I would also like to express my gratitude to those who gave me their invaluable time in interviews for this thesis.

ABSTRACT

This thesis examines the composition and behaviour of the Palestinian leadership during the peace process, from the Madrid conference in 1991 to the breakdown of Oslo in 1997.

Through an historical survey, an assessment of the structure and documents of the peace process, and an analysis of the strategies of the Palestinian leadership, it demonstrates that the invitation to the peace process arrived when the Palestinian leadership in exile *outside* was at its weakest, simultaneously seeking to further weaken it by restricting participation in the peace talks to Palestinians from the OPT except East Jerusalem. The *outside* leadership decided to fall back on the strong political support and loyalty of the leadership by appointing a delegation from *inside* in order to avoid the political danger of exclusion and marginalization. The Palestinian delegation from *inside* was selected from individuals with credibility and the credentials of struggle, which meant that they were loyal to the *inside*'s main source of power, the Palestinian public in the OPT. Thus the relationship between the *inside* and *outside* leaderships was complementary: the *inside* needed the legitimacy and political access of the *outside*, and the *outside* needed the unity and representation of the *inside*. This mutual opportunism exposed, however, each leadership's differences in structure and priorities, which stemmed from their different realities. Because its priorities and approach prevailed, the *outside* manipulated the *inside* delegation to encourage secret but direct talks between the PLO and Israel in Oslo, in parallel with the talks in Washington. The Oslo talks' lack of structure and terms of reference, the absence of a third party, as well as the missing expertise of the negotiators from the OPT, who had personal knowledge of both the Israelis and the terrain, led to weak Palestinian performance and a weak agreement. This, combined with an unfavourable environment created by Israel's expansion of illegal settlements, the asymmetry of power, and the biased position of the US mediator, led to a flawed implementation of the agreement. Among the unfortunate outcomes was the creation of a Palestinian Authority that was structurally dependent on and compromised by Israel, which thereafter affected the Palestinian leadership's implementation of subsequent agreements. Thus, the thesis concludes that a vicious cycle was created where problematic structure, delegation composition, and the leadership and delegation's behaviour led to poor process,

which in turn brought about flawed agreements, which influenced the Palestinian performance, in turn.

ACRONYMS

DFLP	Democratic Front for the Liberation of Palestine
DOP	Declaration of Principles on Interim Self-Government Arrangements
ISGA	Interim Self Government Authority
JMCC	Jerusalem Media and Communication Centre
JWC	Joint Water Committee
PA	Palestinian Authority
PCP	Palestinian Communist Party
PECDAR	Palestinian Economic Council for Development and Reconstruction
PFLP	Popular Front for the Liberation of Palestine
PISGA	Expanded Outline of a Palestinian Interim Self-Government Arrangement: Concepts, Preliminary Measures and Elections Modalities
PLC	Palestinian Legislative Council
PNC	Palestinian National Council
PLO	Palestinian Liberation Organization
OPT	Occupied Palestinian Territories or the West Bank (including East Jerusalem) and Gaza Strip
UNLU	Unified National Leadership of the Uprising

DECLARATION

I, Ghassan Khatib, the author of this research declare that the content of this thesis is my original work. None of the material contained in this study has previously been submitted by me for a degree in this or any other university. All the material, in this thesis, which is not my own work, has been appropriately cited.

Ghassan Khatib

2007

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INTRODUCTION & METHODOLOGY

This thesis is an attempt to answer the following research question: “To what extent did the composition and behaviour of the Palestinian leadership have an impact on the process and outcomes of negotiations with Israel from Madrid to Oslo II?”

The peace process first attracted the attention of researchers because of its success, first when during the first direct peace conference and direct bilateral and multilateral negotiations in Madrid (1991), and later when the two sides reached agreement for the first time in history in Oslo (1993).

However, after the collapse of the peace process at the Camp David negotiations in 2000, the main question for researchers became why the talks failed, and what went wrong. Needless to say, there are a number of reasons for the failure of the negotiations—some related to the Israeli partner, some to the Palestinian, and some to third parties, including the sponsors of the process, donors and regional powers. Certainly, the failure of the peace process has far-reaching implications for both the Middle Eastern and international studies, on the political reality in Palestine, Israel and the region. Studying the experience of the peace process and evaluating the various factors that contributed to its outcome is an important contribution to solving current problems, and ensuring better chances for future initiatives to bring peace to the conflict and the region.

While all the factors that contributed to the outcome of the process should be studied (and many have been studied), Palestinian internal factors contributing to the failure, including the composition and behaviour of the leadership, have been the least examined and understood. Even when they were researched, the results included basic shortcomings and gaps. In addition – in what is perhaps a contributing factor to these shortcomings – most of the work was done by non-Palestinians who, at the very least, lacked original data and first-hand access to the main events and players.

Therefore, by researching the structure and the behaviour of the Palestinian leadership and their impact on the outcome of the process, with sufficient access to original data, primary resources and main players, this thesis will fill some of the existing gaps in our knowledge, and contribute to a better understanding of the failure of the peace process.



Methodology

In order to complete that task, a number of methodologies have been employed. The first was undertaking a thorough and extensive historical assessment of the peace process. The peace process started with the United States' efforts to get talks going in 1990, Israeli conditions for participating in the talks with Palestinians, and the manner in which the Palestinian leadership dealt with that initiative. It culminated with the establishment of a parallel Oslo track of negotiations directly with the PLO leadership, and the reaching and implementation of an agreement that included the establishment of the Palestinian Authority.

This historical assessment of the above described events helps put the main developments of the peace process and the behaviour of the main actors in context. It also allows better understanding of the motives of the different positions, parties and leaders. Finally, it relates agreements and disagreements between the parties to their relative political contexts, thereby providing a more comprehensive analysis.

Since the structure and behaviour of the Palestinian leadership is essential in this research, the historical assessment undertaken here includes the emergence and the evolution of the modern Palestinian leadership, both *inside* the Palestinian Occupied Territories (West Bank including East Jerusalem and Gaza Strip – hereafter OPT) and in the Diaspora, neighbouring Arab counties in particular.

In addition, the methodology includes extensive textual analyses of almost all the basic documents related to the process including: letters of invitation and assurances, exchanged negotiations proposals, all the signed agreements, and exchanged letters of recognition. More importantly, the research uses published and unpublished minutes of Palestinian-Israeli negotiations, and of meetings between the Palestinian leadership with the delegation. (When the Palestinian and Israeli delegations to the Washington negotiations failed to agree on recording the negotiations sessions, I was assigned by my side to take the minutes. These have not been published and are still in the possession of the author.) Some of the references used might not appear in the appendices, partly because of the length of some of the complete agreements, and partly because some of the minutes remain unpublished.

Furthermore, the methodology of this thesis includes a wide range of qualitative research interviews, including the main leaders and participants in the process. The range of interviewees includes leaders and negotiators from *inside* and *outside* the OPT, from various political perspectives, different geographic locations, different stages of negotiations and varying ages, religions and sexes. These interviews shed light on both the Palestinian leadership and aspects of the negotiations. The interviews were done in two different stages; most of them were recorded and transcribed, the rest were recorded through note-taking. Notes and records are in the possession of the author.

The first stage of interviews was completed in March 2000; the second was conducted between May and July 2007, both with the objective of obtaining the views of participants on the peace process and related matters discussed in this thesis. A representative list was chosen, and a list of questions prepared.

Interviewees were selected in a manner that ensures a representative sample of participants in the Palestinian negotiating delegations to Washington, DC and Oslo. The selection process aimed at including all the relevant political strains between those individuals involved in the negotiations. The criterion included the following: whether participants were from inside the occupied Palestinian territories or outside and where they were from; whether they were PLO officials or not; their political affiliation (Fatah, other faction or independent), their professional background, and their sex and religion.

In addition, some of those participants who wrote about their participation in the peace process were excluded, particularly when those views expressed in the books have been included elsewhere in this thesis. Examples of these are Hanan Ashrawi and Mahmoud Abbas (Abu Mazen).

The total number of the delegation members was not fixed; it can be estimated, however, at about 30 members. Thirteen participants, more one-third of that total, were selected for these interviews.

Following is the list of the participants interviewed, with a brief biography of each:

1. Ahmad Qurei: Born in Abu Dis (near Jerusalem) in 1936; Member of the Fatah Central Committee from 1989; was in charge of the PLO economic department starting in 1982; head of the Palestinian delegation to the multilateral negotiations; head of Palestinian delegation to Oslo negotiation; head of the Palestinian delegation to the Paris economic negotiations; minister of economics from 1996; elected member in, and elected speaker of the Palestinian Legislative Council (PLC) in from 1996 to 2003, prime minister from 2003 to 2005.

2. Hassan Abu Libdeh: Born in Jenin refugee camp in 1954; spent four years in Israeli prisons; graduated from Birzeit University in 1982 with a PhD in mathematics and statistics; head of the department of mathematics at Birzeit University before the peace process; Fatah member; member of the Palestinian delegation to the Madrid conference and the Washington bilateral negotiations; founder and head of the Palestinian Central Bureau of Statistics until 2002; cabinet secretary from 2002 to 2004; minister of labour and social affairs from 2004 to 2005.

3. Saeb Erekat: Born in Jerusalem in 1955; raised and educated in Jericho; MA from the UK; PhD in political science from the US; editorial writer in al-Quds newspaper; associated professor at al-Najah University before joining the Palestinian delegation to the Madrid conference and becoming deputy head of the Washington bilateral negotiations delegation; Fatah member; minister of local councils from 1996 to 2003, elected legislative council member; head of the PLO negotiations department from 2004.

4. Nabil Kassis: born in Ramallah in 1945; PhD in physics from Germany; was associated professor and assistant to the president at Birzeit University before the peace process; Christian and political independent; member of the Madrid conference delegation and deputy head of the Washington bilateral negotiating delegation; founder and president of MAS (Economic Policy Research Institute) from 1996 to 1999; head of Bethlehem 2000 (millennium) project; minister of tourism and planning from 2002 to 2004; president of Birzeit University from 2004 to date.

5. Mamdouh al-Aker: Born in Nablus 1943; medical doctor (urologist) educated in Egypt and the UK, politically independent; was active in the first Intifada and became a public political figure; member of the delegation to the Madrid peace conference and Washington bilateral negotiations; after the peace process he returned to practice medicine; head of The Palestinian Independent Commission for Citizen's Rights from 2003 to date.

6. Sami Kelani: Born in Jenin in 1952; worked as a lecturer at al-Najah University before joining the Palestinian delegation to the Madrid peace conference and Washington bilateral negotiations; was politically affiliated with the Democratic Front for the Liberation of Palestine and active during the first Intifada, spent three years in Israeli prisons; after the Washington negotiations he went back to teaching at the university.

7. Camille Mansour: Born in Haifa in 1945; became a refugee with his family in 1948, lived in Lebanon; educated in France with a PhD in international relations; before the negotiations was professor of international relations at Paris University; Christian; Fatah-affiliated; member of the Palestinian team to the peace process; member of the steering committee of the Palestinian delegation to Washington; he moved to work at Birzeit University and founded and was the first director of its Law institute; is now dean of the faculty of public administration and law.

8. Suad al-Amiry: Born in Amman in 1951, female lecturer in the architecture and engineering faculty in Birzeit University; not affiliated but close to the Democratic Front for the Liberation of Palestine; became part of the Palestinian delegation to the Madrid conference and Washington bilateral negotiations; subsequently founded and became the director of a Palestinian heritage renovation non-governmental institution (Riwaq).

9. Hassan Asfour: Born in Gaza in 1953; was working in the PLO in Tunis; was member of the Palestinian Peoples' Party until Oslo; participated in the Oslo negotiations; was elected to the PLC in 1996, appointed as a cabinet minister in 1998.

10. Marwan Barghouti: Born in Ramallah, in 1958; was head of the West Bank Fatah Higher Committee; was elected as president of the student council in Birzeit University in the '80s and then deported by the occupation to Jordan; was elected to the PLC and became very active in the second Intifada until he was arrested where he remains today.

11. Khaled Sallam: Born in Iraq in 1952; Fatah member; became economic adviser to President Arafat and in that capacity was head of the Palestinian Services Company which dominated Palestinian monopolies in the '90s.

12. Waleed Najjab: From Ramallah; born in 1946; businessman; director of Management Consultancy Company; politically independent.

13. Ali Hussein: Palestinian Jerusalemite; was head of the Jerusalem Electricity Company; politically independent.

The interviews were not intended to be tightly-structured, but a list of questions was prepared as a guide for conducting the interviews. Following is a list of the guiding questions that were used:

What did the PLO 'mean' at the time of the Washington and Oslo negotiations; was it a symbol of nationhood? Or a framework for unity? Or actual leadership taking care of day-to-day leadership requirements? Or what?

What was your understanding of the nature of the relationship between the PLO leadership outside, and the political leadership inside the occupied territories before and after the peace negotiations?

How did this relationship affect, positively or negatively, the negotiation performance of the Palestinian delegations in Washington and Oslo?

During the negotiations, did you notice any differences between the 'inside' and 'outside' members of the delegation, particularly over political positions?

Did you observe that the inside and the outside had different priorities concerning specific political requirements, demands, and positions?

What is your view of the leadership's acceptance of two simultaneous channels of negotiations, Oslo and Washington?

Why do you think the Oslo track came to an agreement while Washington did not? And why did same leadership approve different negotiations positions in each channel?

When, from your point of view, did the Palestinian leadership make unjustifiable compromises: in accepting the terms of reference for the Madrid conference, accepting the Oslo agreements, or in the subsequent implementation of the agreement?

How do you explain that the Palestinian position in Washington insisted on an Israeli cessation of all Israeli settlement activities, while the Oslo agreement did not incorporate that? And why did Israel refuse to talk to the PLO in Washington, but did so in Oslo?

What do you think was the weight of the shortcomings in the performance of the Palestinian negotiations, compared to the weight of objective factors such as an imbalance of power, the biased American position, etc in determining the poor outcome of the negotiations.

The discussion around these questions was intended to introduce the details needed to inform this thesis. However, interviewees were given the opportunity to guide the discussion in the directions they saw as useful and significant according to their special status. The questions and the manner in which the interviews were conducted were flexible in order to extract as much information as possible, while simultaneously guiding the discussion towards the needs of the thesis.

As such, the interviews flowed with additional questions that arose in discussion. Additionally, some interviews introduced ideas that subsequently enriched the following

interviews. Needless to say, the interviews were not identical, not least because of the different personalities of the interviewees.

The first stage of the interviews incorporated four interviews where written notes were taken. In the second stage of nine interviews, information was fully recorded, including the biographical data. Later, these audio records were transcribed into a text. The audio and the text records, in addition to the notes, remain available.

I myself have been involved in political and public life in the OPT as a political activist and member of the National Front of 1974, the National Guidance Committee of 1979, the Political Committee of the first Intifada of 1987, a member of the negotiations delegation to Washington talks in 1991, and a member of the Palestinian cabinet from 2002 to 2006. This unique experience has given me the necessary contacts and inside information needed for conducting this research.

In addition, native Arabic skills provided the author with access to references, minutes, documents, and persons that would otherwise be impenetrable. Indeed, while Israeli politicians have written and published intensively in English (among them Shimon Peres, Yossi Beilin, Uri Savir and others), Palestinians, who wrote detailed and useful books, published only in Arabic. Examples are books and texts by Mahmoud Abbas (Abu Mazen), Ahmad Qurei (Abu Ala), Mamdouh Nofal and others.

Hebrew references were not necessary for the writing of this thesis. Most Israeli key players have recorded their experiences in English. Israeli newspapers and other means of mass communication exist in English and Arabic. In addition, the negotiations themselves and the negotiations proposals and documents were conducted in English.

I am also the founder and director of the Jerusalem Media and Communication Centre, a research and media organization specialized in conducting surveys and public opinion polls in the OPT. This role provided me with a wealth of data, and enabled me to use the highly credible and widely used survey methodology and results of that centre. These were useful in assessing public opinion reactions to different agreements and leadership positions throughout the period of the research.

Having said all that, and despite this exceptional access to information, I must add that I was aware of the limitations of the chosen methodology. Coming to politics from academia and with a research background put me in the position of being a ‘participant observer’; I was constantly aware of the need to maintain objectivity to protect the integrity of this research.

The persons I interviewed were colleagues or friends that I worked with. Sometimes we agreed; other times we disagreed. I was also aware of the need to maintain objectivity in order to prevent influence from my personal or political relationships. In a same manner, using notes and minutes that I myself took was also tricky; it required vigilance to ensure distance and a critical eye.

Aware of all these risks, I took precautions to maintain objectivity. First, the use of multiple methodological tools and approaches enabled me to minimize the impact of these conditions on my research. My own extensive historical assessment of both the historical development of the Palestinian leadership outside and the history of the peace process were weighed against textual analysis in the form of the documents of the peace process, the minutes of both the Oslo and Washington negotiations, public opinion poll research and finally, qualitative research interviews. The implementation of a variety of methodological tools assures objectivity by allowing for checks and balances against what might be otherwise construed as the researcher’s personal views.

In addition, the extensive interviews with other negotiators were used with the intention of further checking conclusions and observations resulting from my own direct experiences. The design of the questions was intended to examine the views of the interviewees on particular aspects of the research hypothesis, particularly those that might have been influenced by the personal experience and observations of the author.

Structure of Chapters

The thesis is comprised of six chapters, in addition to a conclusion and this introduction.

Chapter One is a literature survey that reviews much of what was written and published on both the Palestinian leadership and the negotiations. It will assess the literature on the

background and structure of Palestinian Leadership in both the OPT and the Diaspora, in addition to the relations between them. It will expose the literature's gaps and weaknesses in understanding the nature of that leadership, particularly the relations between its *inside* and *outside* components. In addition, it will show how the literature dealt with the leadership's negotiations performance during the peace process, which will mean, for our purposes, the Madrid Conference and subsequent Washington negotiations in 1991, and the Oslo negotiations process from 1992 to 1997. It will be structured on the basis of the literature's emphases: the role of the leadership, and the structure and outcome of the process.

Chapter Two will examine the emergence and the evolution of the Palestinian leadership since 1949, and will take an historical approach. It will study the environment and circumstances in which the Palestinian leadership emerged in the Diaspora in the 1960s, and what effect being in exile, particularly in the Arab countries, had on the leadership's immediate objectives and priorities. This chapter will also show how the Palestinian leadership *inside* the OPT ultimately emerged and developed during the 1970s and '80s, and the effect of the hostile environment of the Israeli occupation on the nature and priorities of that leadership. Chapter Two will also focus on the relationship between the two components of the same leadership and, using the conclusions from Chapter One, will attempt to correct some of the flaws observed in the literature. It will ultimately prove that the two leaderships maintained a complementary relationship rather than the competitive relationship hypothesized in the literature.

Chapter Three shows how the Palestinian leadership faced the challenge of the conditions imposed on Palestinian participation in the Madrid peace process by drawing on the complementary relationship between the *inside* and the *outside* leaderships. The confidence and loyalty that existed between these two parts resulted from their common political objectives and were helpful in avoiding the PLO's exclusion from the substance of the process.

The chapter shows, however, that despite their common political positions and objectives, the different realities that shaped the two parts of the Palestinian leadership allowed for different priorities in negotiations. While the *outside* wanted above all to achieve recognition, a direct role in negotiations and financial support, the *inside* wanted to give

the priority in the negotiations to reducing the suffering of the Palestinian population under occupation, stopping expansion of settlements and gradually dismantling the occupation. The flexibility the Palestinian leadership showed in forming the delegation according to Israeli requirements ultimately was not reciprocated; Israel exploited the imbalance of powers by continuing to create facts on the ground that consolidated the occupation.

Chapter Four will focus on the changes in the *outside* PLO leadership's negotiations performance, as represented by the Oslo negotiations. It will show how changes in the composition of the delegation and priorities led to the marginalization and later exclusion of the Palestinian *inside* leadership and its priorities. This chapter will demonstrate the detrimental effects of that change on the leadership's performance in negotiations and on Palestinian interests in general. The Oslo delegations focused on generalities, skipping over vital details, as it lacked the knowledge and expertise of the leadership from *inside* the OPT which had better knowledge of the territories and the Israelis. This ultimately affected the talks' outcome, resulting in a weak agreement.

Chapter Five will show how the PLO leadership *outside* changed the style of negotiation and the composition of its delegation after reaching the Oslo agreement. It used the strength and popularity that resulted from achieving an agreement with Israel, together with its status and position as leader and legitimate representative, to further marginalize and almost exclude the *inside* leadership in the following negotiations. In addition, it will also show the negative effect of that process on subsequent agreements and their implementation.

This chapter will also explain in detail the formation of the new Palestinian elite that followed and shaped the agreement. This was composed of leading Fatah personalities who controlled the security forces, the ministries and bureaucracy, and newly-established monopolistic companies. In addition, it chapter will show the patrimonial nature of the leadership after its return to the OPT, and the negative effect of all these changes on subsequent relations with Israel, including negotiations.

Chapter Six will show how the return of the Palestinian leadership in accordance with the weak agreements ended the dichotomy of the *inside/outside* leaderships, and created a dependant, compromised and transformed leadership that started to lose its public support

to the benefit of the opposition. The failures of the leadership, found in expressed in dwindling public support, economic decline and an inability to prevent Israeli oppressive and illegal measures, made the PA hostage to Israel. This further deterioration in the balance of powers was reflected in the negotiations that followed, and resulted in even weaker and more flawed agreements. This chapter will show that the structure and behaviour of the leadership, both in governance and negotiations, had a clear effect on the negotiations and their outcome.

The overall conclusion of this thesis is that the continuous changes made by the leadership in the composition of its negotiating teams, in particularly the marginalization of the internal leadership (and later its exclusion), displaced previously complementary relations and led to subsequently poor negotiating performance and ultimately flawed agreements. These, in turn, (and bearing in mind a continuously hostile negotiating environment) led to a still poorer performance in the on-going negotiations. A vicious cycle of weak performance and flawed agreements was established, which is – *at least in part* – attributable to the composition and behaviour of the Palestinian leadership as it was represented in the negotiating teams.

The composition and behaviour of the Palestinian leadership were not the only factors that had an impact on the process and outcome of the negotiation. As this thesis will show, there were other factors that impacted the outcome of the process, including the imbalance of power with Israel, Israeli pressure on Palestinians in the OPT, American bias in favour of Israel, and Arab financial pressure on the PLO. These factors will be indicated in the research when relevant, but will not be elaborated upon as they are beyond the scope of the thesis.

CHAPTER ONE: The Literature Survey

Introduction

This chapter will look at the current literature on the peace process, which has been the subject of extensive reporting and analysis. For our purposes, 'peace process' means the Madrid Middle East Peace Conference in Madrid (October 1991), the subsequent Washington bilateral negotiations (December 1991- July 1993), and the Oslo negotiations' process and agreements (December 1992- September 1993). The reason for examining the two tracks of peace negotiations together is that both Madrid and Oslo, though carried out through different delegations and in different locations, were ultimately supervised and led by the same Israeli and Palestinian leaderships that dealt with them as related processes.

For practical and methodological reasons, the chapter will be divided into sections based on the areas emphasized by the various writers. The chapter will demonstrate that the existing literature examines three aspects of the peace processes: the actual processes of negotiation and their structures; the outcomes of the negotiations, and the relative 'blame' that could be attached to the Israeli or Palestinian sides – and therefore, implicitly, aspects of leadership – for failures of the peace process. The chapter will argue that, while all three aspects are relevant, there has been a general failure to properly understand the nature of the Palestinian leadership and therefore to appreciate fully the relationship between the three aspects of the process. The currently available literature will be presented here with its weaknesses and strengths in mind, as it explores these select aspects of the Middle East peace process.

Generally, the literature leaves the impression that many researchers and writers approached the peace process by examining where the blame lay for difficulties in the process, and its ultimate failure. Another approach was to concentrate on the role of the major players in the process, with special focus on the Palestinian side and the dynamics of the relationship between the *inside* and *outside* leadership. The third approach was to analyze and evaluate the process based on its outcome. In other words, optimists judged the process positively due to the positive aspects of its outcomes, and pessimists (justifiably) deemed the process a failure because of its negative results. In fact, these writers missed or misunderstood key issues pertaining to the process. One of these

inaccuracies appeared in analyses of the relationship between the Palestinian leadership *inside* and the leadership *outside*. Most writers presented one in opposition to the other, exaggerating their differences and thereby missing their complementary roles and common denominators. There was also a great deal of misunderstanding about the impact of the process' structure, and how the various leaderships manoeuvred within this structure. The isolation of the Oslo talks and the absence of third-party terms of reference and transparency played an important role and contributed to its outcome. This aspect was missing in nearly all of the literature. In conclusion, a review of the literature leaves the impression that few authors recognized the actual defects in the process and causes for its failure, such as the isolation of the negotiations and negotiators from actions taken on the ground. In particular, the crucial element of Israel's settlement expansion gets barely a mention.

A Focus on the Process

Many writers approach the peace process as one determined more by leadership issues than by structure (structure might include issues such as whether the negotiations were bilateral or multilateral, secret or open, involving a third party or not).

David Makovsky was among the first to research and publish on the process of Palestinian-Israeli peace talks. His book *Making Peace with the PLO* provides a typical example of how the process has been analyzed and assessed through the moves made by Palestinian and Israeli leaders. In his analyses, the move from Washington to Oslo was a decision made by the Israeli government, motivated by the behaviour of the Palestinian leadership. Makovsky wrote:

A critical element in [then-Prime Minister Yitzhak] Rabin's decision to pursue the Oslo track seriously was the fact that [Palestinian negotiator Faisal] Hussein showed no inclination to making new proposals when the Washington talks resumed; half the time the talks were in session, Hussein was in Tunis at Arafat's behest.¹

¹ David Makovsky, *Making Peace with the PLO: The Rabin Government's Road to Oslo* (Washington, DC: Westview Press, 1996) p. 38.

In addition, he fell into the habit of blaming the behaviour of the other interlocutor, specifically how the other side handles the process or the implementation. When Makovsky was trying to examine why the public was not satisfied with the implementation of the Oslo agreements, he wrote: “For the Rabin Government, [the agreement] meant reducing violence and Arafat’s failure to prevent terrorist attacks against Israelis resulted in friction with the PNA and widespread Israeli dissatisfaction with the peace deal that increased with every attack.”²

In spite of the fact that Dennis Ross, James Baker’s undersecretary of state, took part in designing the peace process, he also did not consider relevant the structural differences of the Oslo negotiation process as compared to those in Washington. His book summarized the reasons for the process’ failure by blaming Palestinian President Arafat for not accepting the ‘offer’ of then-US President Bill Clinton. In his conclusions of the reasons why peace was not realized, Ross wrote:

By this time, however, I had grave doubts that an agreement remained possible. After all, Arafat was equivocating in circumstances in which there was no more time, at least for Clinton; in which he had the backing for accepting the Clinton proposal from nearly every significant Arab leader...; and in which [then-Israeli Prime Minister] Ehud Barak’s acceptance of Clinton’s ideas would disappear in the near-certainty of his looming election defeat – a defeat that might only be averted by Palestinian acceptance of the president’s ideas and the conclusion of a peace agreement. The stakes were clear and the choices stark, or so they should have been to Yassir Arafat.³

Dennis Ross says that he wrote this book not only to provide a source of information and a chronology, but to make sure that the participants’ roles are known: “Ultimately, that is why I have to tell this story”⁴. Ross was careful to distribute blame to both sides, albeit disproportionately.

The lack of public conditioning for peace, the reluctance to acknowledge the legitimacy of the other side’s grievance and needs, the inability to confront comfortable myths, the difficulty of transforming behaviour and acknowledging mistakes, the inherent challenge of getting both sides ready to move at the same

² Ibid., p. 143.

³ Dennis Ross, *The Missing Peace* (New York: Farrar, Straus and Giroux, 2004) p. 5.

⁴ Ibid., p. 14.

time, the unwillingness to make choices, and the absence of leadership, *especially among Palestinians* [emphasis added], are all factors that have made peace difficult to achieve.⁵

Another original source of information and analysis is *The Process*, by Uri Savir, the chief Israeli negotiator in the secret Oslo negotiations. Savir gives a very thorough description of the contacts that led to the talks. In addition, he describes the internal Israeli orchestration of the two tracks, those managed in secret in Oslo alongside the more open Washington negotiations. His analysis combined the structural aspects of the process with issues regarding leadership. In one example, he refers to a difference in the Palestinian position between the two tracks: "Nevertheless, they [the Palestinians] sharpened their demand to include Jerusalem in the autonomous area. Once again, we sensed that Arafat was signalling to us that only in Oslo, only in direct talks with the PLO, only with Abu Ala and his colleagues, would it be possible move forward."⁶ In addition, he is perhaps the only observer to describe the internal dynamics in the relationships that developed between the relatively-isolated individual negotiators in Oslo.

Hence, *The Process* is very valuable in explaining the internal goings-on of the talks, as well as the internal dynamics between the parties and negotiators, particularly on the Israeli side. However Savir also places blame: "Arafat failed to understand the effect of these scenes. He was obsessed with his own domestic predicaments, and we ourselves did not attempt to enact a dialogue with Palestinian public opinion for similar reasons of self-centeredness."⁷

On one hand, Savir illustrates some of the constraints on each side, and on the other hand, he shows explicitly how Israel took advantage of some of the Palestinian limitations, as well as their weaknesses and the weakness of their leadership. For example, Savir describes how the Israeli side tempted the Palestinians with possible Israeli recognition of the PLO as a way out of a major crisis in the negotiations: "What do you think about

⁵ Ibid., p. 14.

⁶ Uri Savir, *The Process* (New York: Random House, 1998) p. 27.

⁷ Ibid., p. 252.

holding parallel talks on mutual recognition between Israel and the PLO?”⁸ Savir asked Ahmad Qurei at a crisis point in the Oslo negotiations.

Behind Savir stood a group of like-minded Israeli politicians who led the negotiations in Oslo, one of which was Yossi Beilin. He was obsessed with the idea of the secret negotiation process of Oslo. Admitting that the Oslo talks were introduced to supersede the Washington track, he wrote: “The road (Washington) was too exposed to the media, too official, too orderly, whereas the bypass route (Oslo) enabled us to skip the sloganizing and talk to the point.”⁹ This admission raises a very important point about the structural aspects of the process of the Oslo talks. In Washington, surrounded by the press and with the public feedback from their constituencies, Palestinians were close to their sources of power: international legitimacy, third party intervention, and the important truths of what their public would accept. Isolated in Oslo, Israeli negotiators were able to better wield Israeli sources of power: facts on the ground, military strength and economic force.

Beilin was very confident at the time he wrote his book of the success of the Oslo process. He wrote: “We could have done more in the period of the Rabin-Peres government. But we did make it very hard, if not impossible, to turn the clock back.”¹⁰ Why then was he wrong? Beilin himself has a possible answer. “We were... mistaken in that we didn’t show the public what we envisaged at the end of the process, and we thereby exposed ourselves to unnecessary accusations and questions.”¹¹ (Indeed, both leaderships left the process open-ended. They told the public whatever could make their leaders more popular).

The Israeli politician most involved in the peace process and most enthusiastic about the Oslo secret channel was Shimon Peres, deputy prime minister at that time. He began his *Memoirs* by confirming his renowned positive attitude: “I was born an optimist and have remained one through my life.”¹² The optimism in his book, and writings of this group of

⁸ Ibid., p. 49.

⁹ Yossi Beilin, *Touching Peace* (London: Weidenfeld and Nicolson, 1999) p. 268.

¹⁰ Ibid., p. 268.

¹¹ Ibid., p. 3.

¹² Shimon Peres, *Battling for Peace* (London: Orion Books Ltd, 1995) p. 415.

politicians, seems to stem in part from what was perceived at the time as the success of the Oslo channel.

Peres acknowledges one important structural feature of the Oslo process: that the Israeli side was able to take advantage of Palestinian weakness and isolation due to the secret nature of the talks in Oslo. In his memoirs, he states: "I began by pointing out that the PLO had made significant concessions which the Palestinian delegation had constantly rejected in the 1 Washington talks."¹³ (As this thesis will demonstrate, this proved to be a short-sighted policy, because the Washington delegation was more reflective of what could work in the OPT and in wider Palestinian society).

A conceptual problem laid the ground for these mistakes. The Israelis seem not to have had any sense of the illegality of their control of the Palestinian people and land. They believed that their 'giving up' of any part of Palestine should be considered a gift by Palestinians. It is ironic to read Peres musing, "How strange it is, I found myself thinking, that we Israelis are now the ones granting the Palestinians what the British had granted us more than seventy years ago, a 'homeland in Palestine', in the words of Balfour Declaration of November 1917."¹⁴ Peres' quote is indicative of a further structural aspect of the process: the fundamentally-differing perspectives from the two sides as to what was being negotiated.

A further structural consideration in the literature refers to the presence of a third party. Some observers have attributed the initial success of the Oslo process to the Norwegian government and its strategy. Jane Corbin described a number of factors contributing to the breakthrough in the Oslo track. Among these are well-known factors such as the weakness and isolation of the PLO after the Gulf War, the fall of the Soviet Union, and Israel's need for political and economic stability. In addition to these conventional factors, Corbin appends the Norwegian diplomacy and approach, including secrecy, neutrality and intensity. "This was essential for creating the sense of mutual dependence and intimacy

¹³ Ibid., p. 411.

¹⁴ Ibid., p. 409.

that were the talks' special trademark."¹⁵ (The constructive role of Norway must be appreciated. However, it should not be exaggerated. It is possible to agree that these features of Norwegian involvement were influential, but we cannot attribute it with the breakthrough. There were other substantial factors that made the Oslo channel more successful. These factors will be discussed later in this thesis).

A less positive external influence is recognised in pessimistic assessments of the peace process. Edward W. Said, in *The End of The Peace Process*, attempted to explore the prospects of the Oslo process, predicting that "it can neither lead to a real peace nor likely provide for one in the future."¹⁶ This is a common view of Said's expressed in this compilation of articles. He suggested that Yasser Arafat and his supporters would not be able to resist American (and Israeli) pressure and were therefore doomed to give concessions compromising the basic rights of the Palestinian people. He incorrectly predicted that the Palestinian leadership would accept "a 'permanent interim agreement' – minus any resolution to the problem of refugees, the status of Jerusalem, exact borders, settlements, and water in the year 2000."¹⁷ (What Said described was indeed the maximum that Israel was willing to offer at that time, but it is difficult nevertheless to justify his conclusion that the Palestinian leadership would have accepted that. Looking backwards, and taking into consideration the fact that the Palestinian leadership was by then once more living within and amongst the Palestinian society, and that Palestinian society was establishing a democratic political regime and had held an uncontested election, it is difficult, if not impossible, to predict as Said did that the Palestinian leadership would accept this offer. In fact, subsequent developments showed that the leadership would reject such a deal. Moreover, this leadership paid a heavy personal and political price for this position.) It is interesting to note that Said, too, links questions regarding third-party political pressures with questions regarding the leadership (in this case, the Palestinian leadership).

¹⁵ Jane Corbin, *Gaza First: The Secret Norway Channel to Peace Between Israel and the PLO* (London: Bloomsbury Publishing, 1994) p. 212.

¹⁶ Edward W. Said, *The End of the Peace Process* (New York: Random House, 2000) p. xii.

¹⁷ *Ibid.*, p. xii.

In the end, it can be said that most writers were initially excited by the Oslo negotiations because they led to an agreement. Their assessments of the process by which negotiations took place and agreement was reached focused on a combination of leadership issues and other structural aspects (such as secrecy versus openness, the relative power/weakness of the parties, and the role of external actors). Discussions of the Palestinian leadership raise the question as to the roles and relative status of the Madrid/Washington negotiating team and the Oslo 'team', which may be thought of already as an *inside-outside* dichotomy.

A Focus on the Outcome

Many writers evaluated the peace process on the basis of its outcome, rather than the leadership or the process of the talks. Savir writes that, from an Israeli point of view, the venture was a great success. "Not a week went by without the visit of a foreign prime minister or foreign minister to Jerusalem. The State of Israel had left the West Bank towns, but more important, it had emerged from the international wilderness to which it had been exiled for twenty years. In the Middle East, our delegations in Oman, Qatar, and Tunis commenced diplomatic activities."¹⁸

Edward W. Said, on the other hand, pointed out that – for the Palestinians – it was not. Critical of the Palestinian negotiators' performance, he argued that the PLO gave unnecessary concessions, thereby removing leverage from its negotiators' hands. He then went on to argue that, judging by its outcomes, the peace process was not successful for either Palestinians or Israelis. He measured this in three ways: the continued deaths and other kinds of suffering; persistence of illegal and harmful Israeli settlement policies; and finally, the emergence of an authoritarian Palestinian regime in the Palestinian "autonomous areas". "Far from bringing peace, [Oslo] brought greater suffering for Palestinians," he wrote, "and assured harm to the long-term interests of the Israelis and their people."¹⁹

¹⁸ Savir, *The Process*, p. 253.

¹⁹ Edward Said, *Peace and its Discontents* (London: Vintage, 1995) p. 147.

Jimmy Carter adopted a similar approach in his latest book, *Palestine: Peace Not Apartheid*. Criticising the negotiation performance of the PLO, which he judges by its results, Carter writes that:

Arafat had failed to obtain other specific concessions concerning a timetable for Israeli withdrawal from the occupied territories. In effect, what he got from the Oslo Agreement was the assurance of organizing a form of Palestinian government and staying in power so that he could administer Palestinian affairs in the West Bank and Gaza. The Israelis wanted and achieved much more.²⁰

Carter argues clearly that the Palestinian side was disadvantaged in the negotiations. He writes that: “A key advantage that the Oslo Agreement gave to Israel was the shedding of formal responsibility for the living conditions and welfare of the territories’ rapidly increasing population, still completely dominated by Israeli forces.”²¹ Carter also observes that even Rabin expressed the position that the Oslo Agreement was an improvement on the Camp David accords, from the Israeli point of view. He thus argues that Palestinians, who rejected the Camp David agreement, later accepted a worse deal.²²

Carter notes the impact of Jewish settlement expansion in the territories. “As President Clinton made efforts to promote peace, there was 90 per cent growth in the number of settlers in the occupied territories, with the greatest increase during the administration of Prime Minister Ehud Barak.”²³ In a more explicit reference to the Israeli policy of consolidating the occupation through these settlements, Carter quotes Ariel Sharon, then-foreign minister, stating during the Oslo peace process that “Everybody has to move, run and grab as many hilltops as they can to enlarge the settlements because everything we take now will stay ours... everything we don’t grab will go to them.”²⁴

Menachem Klein raises an interesting aspect of the outcome of the peace process. The agreement laid a trap for the Palestinian leadership, he writes. The PLO derived its popularity and power from its role in leading the Palestinian struggle for political, social

²⁰ Jimmy Carter, *Palestine Peace not Apartheid* (New York: Simon and Schuster, 2006) p. 135.

²¹ Ibid., p. 137.

²² Ibid., p. 136.

²³ Ibid., p. 151.

²⁴ Ibid., p. 147.

and economic rights. The agreements created high expectations among the Palestinian people, but gave little powers to the Palestinian Authority. The result was a dramatic decline in the public position of the leadership. Kline says in this regard:

The dilemmas that the PLO has faced since the [Declarations of Principles] stem from the need to change its *raison d'être* from representation to administration. In more than thirty years existence, the most impressive success of the PLO was to re-establish the political centre of the Palestinian people after the 1948 catastrophe. Indeed the PLO failed to liberate Palestine by using the armed struggle but succeeded in building a legitimate and recognized authority in Palestine, hoping to transform that authority into statehood.²⁵

Indeed this new role adopted by the PLO under the agreement required it to care for not only the political and symbolic needs of its people, but also their day-to-day social and economic needs. Kline describes: "...Palestinians have become confused and frustrated with the wide gap between their expectations and the misery of the quality of their lives."²⁶

It is rare to find observers who state that the peace process failed due to Israel's continuing expansion of illegal Jewish settlements in the OPT. Jerome Slater concludes, however, that, "Contrary to the prevailing view, Israel rather than the Palestinians bears the greater share of the responsibility, not only for the latest breakdown of the peace process but for the entire course of the Israeli-Palestinian conflict since 1948."²⁷ Slater further observes:

Astonishingly, under Rabin the growth of the Jewish settlements was greater than it had been under the previous hard-line government of Yitzhak Shamir. And even the most fanatical settlements, located in the heart of heavily Palestinian areas and presumably destined to be removed in a permanent agreement, were maintained. Rabin rejected the recommendation of his own cabinet to remove small settlement in the Palestinian city of Hebron, following the Massacre by Jewish fanatic of twenty-Seven Palestinians praying in a mosque.²⁸

Slater also remarks on the Israeli policy of weakening the Palestinian leadership, thus making it more difficult for it to fulfil obligations. He says, "By the time Ehud Barak took

²⁵ Menachem Kline, "Quo Vadis? Palestinian Authority Building Dilemmas since 1993," *Middle Eastern Studies* 33, no. 2 (April 1997) p. 401.

²⁶ Ibid., p. 402.

²⁷ Jerome Slater, "What Went Wrong? The Collapse of the Israeli-Palestinian Peace Process," *Political Science Quarterly*, vol 116, no 2 (Summer 2001) p. 171.

²⁸ Ibid., p. 178.

office in 1999, not only were Israel actions nullifying the Oslo process, but they had also gravely undermined Arafat's position among Palestinians, who were now in worst shape – politically, economically, and psychologically – than they had been when the agreements were signed in 1993.”²⁹

Joel Benin and Rebecca L. Stein are another exception in blaming Israel: “The Oslo process consigned Palestinians to an inferior status for at least the five-year interim period and established no countervailing mechanism to prevent Israel from taking unilateral measures – such as the expiation of the West Bank settler population by 70 percent – to extend its domination indefinitely.”³⁰

They come to this conclusion after reviewing the history of the process between 1991 and 2000. Their study showed that Arabs and Palestinians, especially after the Gulf war, needed a solution to the Arab-Israeli conflict that would lead to stability. The Palestinian problem was seen as a factor of instability. The American administration felt obliged to its Arab allies “and pressed a reluctant Israeli Prime Minister Yitzhak Shamir to open negotiation with the Palestinians and the Arab states at a multilateral conference convened in Madrid in October 1991.”³¹

Although only a few observers noticed the significant impact of Israeli settlement expansion on the peace process, those who had access to the real players were alarmed. Graham Usher wrote that the most dangerous crisis facing the peace agreement since its inception in September 1993 was the Israeli plan to build new settlements in the West Bank. In March 1997, at the climax of the implementation of the interim agreement, Israel decided to construct the Har Homa settlement in the occupied West Bank on Jebel Abu Ghneim. According to Usher, that move sparked Palestinian public protests over the following four months. He also observed that this development led to a decline in the public support of the Palestinian authority and leadership, including President Yasser Arafat, in opinion polls.

²⁹ Ibid., p. 179.

³⁰ Joel Bein in and Rebecca L. Stein, “Histories and Futures of Failed Peace” in Joel Benin and Rebecca L. Stein (eds) *The Struggle for Sovereignty* (Stanford: California, 2006) p. 35.

³¹ Ibid.

Usher was able to come to these conclusions because he lived in Israel and Palestine for years as a writer and journalist. He quotes Palestinian leader Marwan Barghouti as saying:

...[Israel is] committed to increasing settlements, especially in Jerusalem and regardless of Palestinian, Arab and word opinion.... Many Palestinians – including inside Fatah – are questioning whether we are right in making the strategic choice of peace with Israel... Netanyahu's policy is to strengthen Hamas and the opposition on the Palestinian street... Only Netanyahu can stop this escalation, by reversing his policies on settlements and adhering to the agreements."³²

As in any political process, the financial aspect, including foreign aid, played a significant role. Scott Lasensky tried to study the limitations that American foreign aid placed on the Oslo process. He explained the primary objectives of American aid as that of building public constituencies that would support the negotiations. With the peace process' deterioration, the role of foreign aid became to stop this deterioration. He believes:

It could be argued that the more than one billion dollars America has spent on Palestine since 1994 has been wasted. But, as this article argues, during the Oslo years aid was a necessary and important instrument of American diplomacy. Given the watershed of Oslo in Israel-Palestinian history, the positive knock- effect it had on wider Arab-Israeli relations, and the prospect of a full and final Arab-Israeli settlement, on the whole US aid was a sound and logical, if ultimately sour investment.³³

In conclusion, judging the peace process through its outcomes is tricky. The positive outcomes for one party might be negative for the other. And, as will be argued later, the assessment of the outcome can change over time, being positive initially but then souring. What the literature on outcomes does show, however, is the persistence of questions regarding the blame that can be attached to leaderships, and the importance of environmental factors beyond the negotiations themselves but intricately connected to the aspirations of the parties engaged in the negotiations, in this case most explicitly the question of continued settlement expansion. Structural aspects such as the greater relative power of the Israeli side and the impact of external forces (US support) also played a role in determining outcomes. Thus, as with literature on the *process*, we see in the literature on

³² Graham Usher, "Fatah, Hamas and the Crisis of Oslo: Interview with Marwan Barghouti and Ibrahim Ghosh", *Dispatches from Palestine* (London: Pluto Press, 1999) p. 138.

³³ Scott Lasensky, "Paying for Peace: The Oslo Process and the Limits of American Aid," *The Middle East Journal*, vol 58 no 2, (Spring 2004) p. 233.

outcomes, that the relationship between issues of leadership, structure and environment is complex, yet remains to be properly explored.

The Palestinian Leadership and the Peace Process

When it comes to the coverage of the Palestinian leadership in literature on the peace process, the leadership is characterised as having two principal dimensions: it is a target for *blame* and it is considered to have been divided. In the case of the first dimension, from a Palestinian viewpoint, the leadership performed badly, while from an Israeli perspective, the leadership was a poor partner for peace. From both viewpoints, an emphasis on performance suggests some responsibility for the outcome. In the case of arguments that there was a divided leadership, the emphasis is on an *outside* and an *inside* leadership, characterised by competition rather than complementarity.

A good example can be seen in the work of Jamil M. Hilal, who suggested that the PLO was convinced to enter into peace negotiations with Israel as a result of weaknesses, including the impact of its position on the Gulf War, Israeli policies in the OPT, and other pressures upon the movement.

The main import of the changes in Diaspora communities was the shrinking (in some cases, the obliteration – as witnessed in some Palestinian camps in Lebanon and the Palestinian community in Kuwait) of socio-political space on which the PLO relied for political mobilization. Support and influence in the occupied territories, all attempts by Israel to weaken the influence of the PLO and create alternatives to it.³⁴

Hilal, like many writers overestimated the political differences between Palestinians, and failed to notice their common denominators, particularly the loss of their homeland and the desire to return to it. In addition, the PLO was mistakenly perceived as a bureaucratic entity, rather than a movement backed by public opinion. Thus political pressures could (mistakenly) be deemed to weaken it fundamentally rather than simply pose strategic dilemmas for the movement. (This thesis will argue conversely that the PLO, in fact, had

³⁴ Jamil Hilal, "The PLO: Crisis of Legitimacy," *Race and Class*, vol. 37 (October-December 1995) p. 5.

replaced the lost homeland as a source of unity and a common reference point, giving the Palestinians' cause legitimacy and recognition. The emergence of a 'distinct' *inside* leadership was therefore not so much a competitive alternative as a complementary appendage).

Hilal concludes that signing the Oslo agreements with Israel weakened the PLO further, especially among Palestinians in the Diaspora. The Oslo agreements deferred the refugee issue, and the PLO's legislative and bodies were marginalized in favour of new Palestinian National Authority institutions.

To suggest that Hilal overstates the decline of the PLO leadership is not to deny the emergence in the 1970s of a leadership within the OPT that was operationally identifiable from the PLO leadership in Jordan, Lebanon and later Tunis. The emergence of the *inside-outside* dichotomy will be examined in depth in the next chapter. However, it is important to note that much of the existing literature on that dichotomy misunderstands its origins, nature and relationship, particularly when it comes to the *inside*.

Although a great deal of academic work covers Palestinian society in the West Bank and Gaza Strip under occupation, emphasising its political elites and their behaviour, the bulk of this work has been carried out by non-Palestinians (a great deal of them Israelis). Often these writers grasped certain aspects of the Palestinian political reality, but failed to perceive others. In the early stages of the occupation, for example, most Israeli writers and researchers failed to discern the attitudes and political realities of Palestinians in the OPT. Symbolic indicators of this lack of understanding are glimpsed in the common reference at that time to 'Israeli-administered territories' or to the 'Arab population in the West Bank and Gaza' or 'the inhabitants of the territories' rather than referring to 'Palestinians' with a common identity under Israeli military occupation.

Part of this scholarly misunderstanding grew out of the broader Israeli illusion that the defeat of Arab governments in the war of 1967 would bring about changes in the attitudes and political positions of Palestinians in the occupied territories. A moderate but prominent Israeli writer expressed that: "Nevertheless, we can safely conclude that following the Arab defeat in the Six-Day war, a considerable number of the Arab population on West

Bank concluded that it is in the best interest of the Palestinians to recognize the reality of Israel and strive for peaceful relations with her.”³⁵

This view was typical in Israeli literature at the time. “Later, after the Six-Day War we assumed that we could compel them to make peace within a number of weeks,” wrote Israel Kollat.³⁶ It also appears in the writings of Shlomo Avineri, Yehoshafat Harkabi, Chaim Hertzog, Elad Peled, Arie L. Eliav, and Mattityahu Peled. These writers did not observe a Palestinian sense of nationhood, desire for self-determination and the implications of international law. The writings also failed to link Palestinians in the OPT with those *outside* Palestine as part of the same people. This resulted in a skewed view of the PLO, which actually illustrated that unity as a body representing all Palestinians.

Further, it might be argued that this Israeli perspective actually contributed to the sense of unity among Palestinians in the Occupied Territories, as they sought to protect their cohesion with the *outside* as a means of pursuing freedom and self determination.

Most Israeli observers of Palestinians in the West Bank and Gaza Strip failed to understand the effect of occupation on the behaviour and positions of the Palestinian leadership in the Occupied Territories. This was reflected in a common theme that sought to ‘make good’ with ‘moderate’ Palestinians. At the same time, these observers did not discuss the impact of Israeli control and occupation. Moshe Dayan, member of Knesset and defence minister during the early stages of the occupation, put it this way:

We have to see the inhabitants of Gaza, Judaea and Samaria as citizens and not enemies. There are enemies among them, and all of them would like to get rid of us. But if we, on our part, do not want to see another government there, we have to be their government. And if we are the government, we have to supply the people with employment and services, give them civil rights, and not treat them as enemies.³⁷

³⁵ Shimon Shamir, “The Myth of Arab Intransigence”, in Shlomo Avineri (ed) *Israel and the Palestinians*, (New York: St. Martin’s Press, 1971) p. 28.

³⁶ Israel Kollat, “The Chance for Peace and the Right to a Homeland” in Shlomo Avineri (ed) *Israel and the Palestinians*, (New York: St. Martin’s Press, 1971) p. 74.

³⁷ Moshe Dayan, “The Challenges of Coexistence,” in Shlomo Avineri (ed) *Israel and the Palestinians* (New York: St. Martin’s Press, 1971) p. 72.

In this way, many Israeli researchers missed the developing Palestinian consensus within the OPT that rejected Israeli occupation and was creating a political leadership that would resist it and its expressions.

An exception was perhaps Moshe Ma'oz, a professor of Middle East history at the Hebrew University of Jerusalem, who rightly argued that the formation of the political elite in the OPT was based on its function of rejecting and resisting the occupation.

Until their ouster by the Israeli government in March 1982, this leadership strived to achieve the following objectives: to crystallize the Palestinian national community; to organize and carry out an intense struggle against the Israeli occupation; and to prepare the political infrastructure for a future Palestinian state on the West Bank and in the Gaza Strip.³⁸

But Ma'oz went on to incorrectly link the intensification of the Palestinian struggle against the Israeli occupation with the practices of Israel's Likud-led government, which according to him sought continuous and complete Israeli control over the occupied Palestinian territories. "Thus, the West Bank, which is considered by most Israelis as the underbelly of Israel," Ma'oz writes, "should be, according to the Likud, devoid of an Arab military presence of any kind and indefinitely controlled by the IDF [the Israeli military]."³⁹ (In other words, Ma'oz is implicitly criticizing the Likud, suggesting that other policies [Labour policies] would ease Palestinian resistance to the occupation and thus stymie the new leadership in the OPT.)

In fact, Palestinians in the OPT have been virtually unable to distinguish between the political positions and behaviour of Israel's centrist left, as represented in the Labour Party, and its centrist right, as represented by the Likud. For example, both parties have been consistent in their support for expanding illegal Jewish settlements in the OPT, which have been viewed by the Palestinian people as Israel's main tool for consolidating Israeli control over the land. For that reason, Palestinian rejection of and resistance to the occupation did not fluctuate according to changes of governments from Likud to Labour or visa-versa.

³⁸ Moshe Ma'oz, *Palestinian Leadership in the West Bank* (London: Frank Cass, 1984) p. xii.

³⁹ *Ibid.*, p. 203

A new Palestinian elite had begun to emerge in the 1970s (this will be fully discussed in the next chapter). The early assessments that it would prove to be more moderate than the PLO leadership in exile, and that it might serve as an alternative leadership to be cultivated by Israel, were disproved by its close association with the PLO, by the positions taken by the National Front in 1974, the municipal elections in 1976, the National Guidance Committee in 1978, and then, finally, by its role in directing and sustaining the Intifada in 1987.

The Intifada changed that situation and created a new emphasis for Israeli researchers. The popular Palestinian rejection of Israeli occupation, boldly expressed in the new uprising, challenged Israeli academics to produce explanations (and, by implication, suggest solutions). One of the most prominent approaches taken in this quest was to explore the periodically difficult relationship between the *inside* and *outside* leaderships of the PLO.

A typical example of this focus can be found in the work of Matti Steinberg, as illustrated in the following quote, which places the onus for the uprising on Palestinians *outside*. “The PLO originated outside of Palestine,” writes Steinberg. “The liberation of Palestine was envisioned by the leaders to be a dynamic process which would devolve ‘from the outside inward,’ with the Palestinian armed struggle serving as the main catalyst.”⁴⁰

Steinberg argues that the PLO, which gained legitimacy through recognition by Arab states as Palestinians’ sole legitimate representative, influenced Palestinians *inside*. He writes, “The direction of influence was thus from the outer environment inward.”⁴¹ Steinberg later goes on to argue that it was the PLO *outside* that opposed implementing the Palestinian part of the Camp David agreement between Israel and Egypt. Steinberg then repeats an argument that appears frequently in the literature, that the *inside*, which gained some strength as a result of the Intifada, influenced the *outside* towards moderation on this issue.

⁴⁰ Matti Steinberg, “‘You Can’t Clap with Only One Hand’: The Dialectic between the PLO ‘Inside’ and ‘Outside’” in Barry Rubin, Joseph Ginat and Moshe Ma’oz (eds) *From War to Peace: Arab-Israeli Relations 1973-1993* (Brighton: Sussex Publishing, 1994) p. 112.

⁴¹ *Ibid.*, p. 113

Another typical example is found in the work of Barry Rubin, who wrote: "For the PLO, the *Intifada* (uprising) came out of the blue and forced the organization for the first time to consider seriously, albeit hesitantly and inconsistently, recognizing Israel, rejecting terrorism, and accepting a two-state solution."⁴² He insisted that the PLO leadership *outside* was generally extremist, while the *inside* was genuinely moderate, and that 'new' moderate tendencies in the leadership *outside* resulted from pressure from the *inside* – now more influential as a result of the Intifada. Another reason Rubin gives for the periodically moderate positions of the PLO is that these were tactical, resulting from weakness and desperation, rather than genuine transformations.

Other writers closer to the Palestinian political experience observed that, in fact, the *outside* was undergoing a healthy and vigorous debate between moderates and non-moderates, in parallel with a similar debate underway in the Palestinian Occupied Territories. Instances of 'moderation' of Palestinians in exile may have stemmed from the *outside* leadership's specific circumstances.

Indeed, if one of these two expressions of Palestinian political leadership was more moderate than the other, it was the leadership *outside*. The best example for this is the leadership's position vis-à-vis the Camp David agreement between Israel and Egypt. The Palestinian leadership *outside* was fraught with debate and hesitation over to how to approach the Egypt-Israel talks, while the political *inside* took the initiative and organized widespread public conferences and demonstrations against the visit of Egyptian President Anwar Sadat to Israel and the subsequent Camp David Accords. This, in turn, made it very difficult for the PLO's top leadership to take a contradictory stance.

One could argue that the fundamental problem that persists in much of the literature is the pitting of the Palestinian *inside* against the *outside*. For example, Steinberg writes that "the uprising blunted the dimension of coercion and veto power in the leadership in the *outside* on the *inside*."⁴³ As subsequent chapters of this thesis will show, this is not how Palestinian leaders perceived their mutual relationship; they saw their roles as

⁴² Barry Rubin, "The PLO and the Palestinians: A Revolution Institutionalized" in Robert Satloff (ed) *The Politics of Change in the Middle East* (Boulder, Colorado: Westview Press, 1993) p. 146.

⁴³ Steinberg, "You Can't Clap...", p. 119.

complimentary rather than competitive, despite natural differences. *Indeed*, when one carefully examines the real political positions of the political *inside* and *inside*, it is difficult to perceive fundamental political differences. But before looking at the political common ground, it is useful to fully explore how researchers have analyzed the *inside-outside* relationship.

The first Palestinian uprising was interpreted in ways that further illustrate problems in the literature covering *inside-outside* PLO relations. Some writers exaggerated the independence of the *inside* leadership during the Intifada and considered it more empowered than the *outside*. A typical example lies in the analysis of Zeev Schiff and Ehud Yaari, who argued that the Intifada was invented and led by the *inside* and that the *outside* attacked this internal leadership politically, in parallel with Israeli arrests and deportations. Schiff and Yaari viewed the growing role of the Palestinian leadership *inside*, which resulted from the Intifada, as a sign of a changing balance of power between the 'rival' *inside* and *outside* leaderships, in favour of the *inside*.⁴⁴

Other observers took the other extreme; a representative example is Hillel Frisch who argued that the Palestinian leadership *outside* was in complete control of the Intifada. The Palestinian leadership, according to him, neutralized the role of the top leadership in the occupied territories *because of* its potential independence from the PLO. This, he says, coincided with Israeli attempts to weaken this top leadership *inside* through deportations and other means. Frisch also argued that the PLO encouraged what he refers to as the "middle command" – insiders that were more 'controllable'. These "were not 'new men' but veteran members of PLO factions involved in Palestinian institution-building and political mobilization long before the outbreak of the Intifada."⁴⁵

⁴⁴ See Zeev Schiff and Ehud Y'ari, *Intifada* (New York: Shoken, 1990).

⁴⁵ Hillel Frisch, "The Palestinian Movement in the Territories: The Middle Command," *Middle Eastern Studies*, vol. 29 no 2 (April 1993) p. 254.

This middle command had little chance of acting independently of the PLO, with neither the status nor the financial resources to do so. His study led him to conclude "that the PLO succeeded in creating a middle command long before the Intifada."⁴⁶

Another example of this view is found in the writing of Glenn E. Robinson, who went so far as to state that the authoritarian nature of the post-Oslo Palestinian Authority derived from the earlier policies of the PLO. The Palestinian *outside* had given the *inside* leadership the freedom to manoeuvre, and the flexibility necessary for it to carry out the Intifada, he argued. That, in turn, empowered this *inside* leadership. Therefore, "the PLO's first act upon returning to the Occupied Territories was to suppress the local institutions that were the sources of power for the internal leadership."⁴⁷

Likewise, Muhammad Muslih, in his study of Palestinian civil society in the OPT, exaggerated the competition that existed between the *inside* and *outside* leaderships vis-à-vis Palestinian civil society institutions and argued that "the PLO began to refocus its attentions on the occupied territories especially after its defeat in Lebanon in 1982. The PLO's growing influence thereafter resulted in sharp rivalries that culminated in major contests to control the labour movement."⁴⁸ He also wrote that "the PLO's methods of cooptation are a typical case of patronage politics..."⁴⁹

One would conclude from these and other writings that the relationship between the *inside* and *outside* Palestinian leadership was mechanical and one-way, and that each was separate and competing to control the other. If one party happened to agree with the other, an observer could conclude that the consensus was formed through domination and co-option.

These impressions could have been created through the manner that the PLO sought to produce political gains and achievements out of the Intifada in favour of the Palestinian cause as a whole, rather than on behalf of the *outside* leadership and at the expense of those

⁴⁶ Ibid., p. 257

⁴⁷ Glenn E. Robinson, "The Growing Authoritarianism of the Arafat Regime," *Survival*, vol. 39 no 2 (Summer 1997) p. 42-56.

⁴⁸ Muhammad Muslih, "Palestinian Civil Society," *Middle East Journal*, vol. 47 no 2 (Spring 1993) p. 262.

⁴⁹ Ibid., p. 272.

leaders *inside*. Mohamed Heikal described how the Palestinian leadership postured for greater political gains. He wrote, "In the early stages of the Intifada, Arafat said that orders for the uprising had come from himself..." Heikal then quoted Egypt's President Mubarak as telling the Palestinian leader, "Abu Ammar, I doubt that you gave the orders, but even if you did you should not say so openly. Let the people take the credit."⁵⁰

One of the general problems of the literature on the *inside-outside* Palestinian leadership dichotomy is that it fails to appreciate the effect of a very major factor in shaping the position and behaviour of the Palestinian leadership: the Israeli occupation and its behaviour. On the one hand, the Israeli occupation created the same challenges for the Palestinian leadership, whether *inside* and *outside*, and on the other hand, it created complementary roles for both. The Palestinian leadership *inside* never felt that there were serious political differences between its politics and the politics of the Palestinian leadership *inside*. The writer who expressed this best was Emile Sahliyah, writing that "many continue to identify and extend support to the PLO's mainstream, Fatah. Indeed, many West Bank politicians believe that Fatah's political stance is realistic and reasonable and reflects their own political attitudes."⁵¹ Sahliyah rightly expected that the *inside* was in need of maintaining a complimentary relationship with the leadership *outside*, especially because of its "psychological, physical and political vulnerability in the face of a formidable adversary – the occupation – and because of the mounting Jewish threats to the culture and physical presence in the West Bank and Gaza Strip."⁵² He concludes:

it is unlikely that the West Bank urban elite, moderate and hard-line alike, will develop an indigenous leadership that can address the narrow interests of the Palestinian community in the West Bank and Gaza Strip. Over the years, the West Bank political elite has been sensitive to charges that they were attempting to pursue a separate solution to the problem of the occupied territories, independent of the majority of Palestinians. Indeed, this sensitivity has been behind their frequent assertions that the Palestinian question is indivisible and that Palestinians *inside* and *outside* the occupied territories are united.⁵³

⁵⁰ Mohammad Hasaneen Heikal, *Secret Channels* (London: HarperCollins, 1996) p. 386.

⁵¹ Emil Sahliyah, "The West Bank Pragmatic Elite: The Uncertain Future," *Journal of Palestine Studies* 15, no. 4 (Summer 86) p. 44.

⁵² *Ibid.*, p. 45

⁵³ *Ibid.*, p. 44

In addition, being under the direct control of the occupation, the *inside* leadership has always understood that it cannot negotiate politically with its occupier. Sahliyeh wrote: "Moreover, they are concerned that they cannot negotiate effectively and freely as long as they live under the conditions of military occupation."⁵⁴

Sahliyeh noted some changes, however, in *inside-outside* relations during and after the Intifada. He explained in later writings that the Intifada empowered the *inside* leadership, but left it disadvantaged through its likely exclusion from any future political process. But even in these new conditions, he argued:

[T]he vast majority of these Palestinians envisage the PLO as a symbol of Palestinian national unity. Many West Bank youths strongly identify with the ideology of Palestinian nationalism, are firmly committed to finding a solution to the problem of the Palestinians in and outside the occupied territories, and consider the PLO their legitimate representative.⁵⁵

There were, however, subtle differences between the leaderships *inside* and *outside* in their prioritization and attention to various issues. These differences grew out of immediate concerns driven by daily life realities. The need to confront Israeli settlement expansion, for example, which was an immediate threat to Palestinians *inside*, was only an abstract political problem to those Palestinians living *outside*. The refugee issue, on the other hand, is a converse example, with the *outside* being more concerned with its immediate implications than Palestinians in the occupied territories. Fundamentally, however, both groups maintained similar political positions on these two issues, despite differences in immediacy or application.

It can be argued that observers' weaknesses in understanding the leadership's behaviour and positions resulted in part from a failure to understand exactly who the leadership was.

In the Palestinian public's perception (and especially in the '80s with the intensification of both Israeli occupational oppression and Palestinian resistance) the role of individuals and groups in the struggle against occupation increasingly became its most important driving

⁵⁴ Ibid., p. 45

⁵⁵ Emile Sahliyeh, *In Search of Leadership: West Bank Politics Since 1967* (Washington, D. C.: The Brookings Institute, 1988) p. 184.

factor. Those who had a prominent role in the resistance had a higher chance of playing a role in leadership. Similarly, the clearer leaders were in rejecting the occupation, the more credible they were considered to be. As the Intifada approached, the struggle against the occupation was widely organized by 'the political forces', a general term used at that time to refer to political factions in and out of the PLO.

As such, those Palestinians who were interacting or collaborating with Israelis, including researchers and journalists that promoted moderate tendencies, were not rising leaders. Those political scientists better able to understand this phenomenon are likely those living the complicated Palestinian political reality. Writings describing the Intifada from within were collected in a volume edited by Nassar and Heacock, *Intifada: Palestinians at a Crossroads*. Ali Jarbawi wrote there that the leadership *inside* had credence due to:

...prestige born from its long history of struggle against the occupation. Most of the element of this leadership have long been in confrontation with the occupation, which has used various means against them, including town arrest, imprisonment, and deportation. This increased respect for them on the part of broad sector of Palestinian society in the occupied territories and abroad."⁵⁶

To consolidate that leadership role, and to heighten the opportunity to achieve the national objectives of the Palestinian people, leaders in the OPT genuinely needed good relations with the PLO leadership *outside*. Both sides understood the importance of unity and clear political positions. Indeed, this unity and clarity was responsible for Israel's failure to promote an alternative leadership with alternative political views. This in turn convinced first the international community, represented by the United Nations, and then Israel, to recognize this leadership and what it stood for: Palestinian identity and self-determination.

Many observers missed what the PLO meant to Palestinians *inside*, and thought of it as a bureaucracy or organization existing *outside*. In fact, Palestinians in the West Bank and Gaza Strip saw the PLO as an expression of unity, legitimacy, representation, and nationhood. Moreover, they saw themselves as partner to it, rather than its opponent or competitor. Understanding this helped Jarbawi to come to the correct conclusions as to

⁵⁵ Ali Jarbawi, "The Palestinian Elite in the Occupied Territories", in Jamal R. Nassar, Roger Heacock, (eds) *Intifada* (New York: Praeger, 1990) p. 289.

how the Intifada had impacted the Palestinian leadership, writing that “(1) The national forces, and particularly their organizational leadership, maintained predominance over all other Palestinian elites; (2) the relationship between the PLO on the *inside* and the PLO *outside* is stronger than ever; (3) the attempts to foster an alternative leadership is therefore doomed to failure.”⁵⁷

To sum up, most writers exaggerated the political differences that existed between the *inside* and *outside* leadership. They also failed to appreciate their complimentary and mutually beneficial roles. It will be argued later that the political commonalities between the *inside* and *outside* Palestinian leadership were greater than the differences. Moreover, the umbrella of the PLO embodied the legitimacy required by both. In addition, the consensus that grew between the *inside* and *outside* resulted from a dynamic, healthy and two-way relationship – not one of domination. As we will see later, the support of the *inside* for the broader offices of the PLO empowered the organization, protecting it from those who would pressure it, especially during negotiations.

Conclusion

This chapter has shown that the literature on the peace process from Madrid to Oslo adopts a number of approaches, focusing variously on the processes of negotiation, the outcomes and the apportioning of blame when outcomes are deemed to be negative. Throughout these approaches, the impact of leadership appears to be crucial. Leaderships are at least in part responsible for their performance within processes of negotiations and thus – to some extent at least – for outcomes. When it comes to the Palestinian leadership, the literature available demonstrates a great lack of understanding over its real nature and characteristics, notably in terms of the leadership from within the OPT but also in terms of that leadership’s relationship to the leadership *outside* Palestine. Most researchers assumed that the two groups had contradictory political positions, rather than a unified stance, and competitive roles rather than complimentary activities. Many writers also wrongly confused public figures with a great deal of media visibility or those who had a social, economic or charitable role with the real leadership, which grew out of the networks that

⁵⁷ Ibid.

managed the lives of the Palestinian people under occupation in ways that sought to end that occupation.

This thesis will demonstrate that, while there are sometimes significant political differences between different factions and tendencies within the Palestinian leadership *inside* and *outside*, there was no significant political difference between the *inside* and the *outside* as distinct groups during the peace process from Madrid till the Interim Agreement in 1996.

Observers also seem to have misunderstood the meaning of the PLO for Palestinians in general, including those Palestinians in the West Bank and Gaza. They approached the PLO as an organization defined by its being located physically *outside*. In fact, both Palestinians *inside* and *outside* had the same feeling of belonging to the PLO, which embodied their nationhood and was an expression of their united determination to achieve statehood. It was an essential way of encompassing the identity and unity of the Palestinian people.

In dealing with the peace process and its outcome, much of the literature concentrates on the behaviour of both leaderships and their negotiators, placing blame. Although there were differences over who bears the greater blame, this manner of analyzing events has shortcomings. A handful of observers referred to structural issues surrounding the negotiations, particularly when the talks changed from open negotiations in Washington, DC (talks that were multi-lateral with third party support and based on specific agreed-upon terms of reference, including the relevant Security Council resolutions), to closed or secret negotiations in Oslo (where negotiations were bilateral, lacking third-party involvement, using no terms of reference, and isolated from the publics that would ultimately be asked to accept their outcome).

The other aspect missing from the literature, albeit to a lesser degree, is the environment in which the negotiations were taking place, particularly the imbalance of power between the two sides and the bias of third party players such as the United States. The main illustration of that problem and its effect can be seen in Israel's insistence on continuing those kinds of activities that jeopardized the outcome of the talks. Foremost here was illegal Jewish settlement expansion, especially in and around occupied Jerusalem. In addition, no third-

party succeeded in playing a deterrent role (indeed, it can be argued that third party involvement in the form of US political pressures and international aid played an entirely opposite role). Thus, two incompatible processes proceeded in parallel: the peace process and the settlement expansion process. Researchers and writers underestimated the destructive effects of the second on the first.

The task of this thesis, therefore, is to provide a more nuanced and corrective understanding of the Palestinian leadership during this time, particularly of the relationship that existed between its *inside* and *outside* components, and to demonstrate how the issues relating to leadership interacted with the structural and environmental defects of the peace process. In doing so it becomes possible to ascertain to what extent the composition and behaviour of the Palestinian leadership had an impact on the processes and outcomes of negotiations.

CHAPTER TWO: The Emergence and Nature of the Palestinian Leadership

Introduction

This chapter will explicate the development of the Palestinian leadership from 1948 onwards, taking into consideration the weaknesses in the literature described in the previous chapter. It will take an historical approach, relating how the leadership evolved, considering its background and environment. It will demonstrate the influences that exile and close class affiliations with Arab officials had on the developing leadership, which emerged initially in the Diaspora, two factors which ultimately led to a distancing of that leadership from its revolutionary ideals, and a tendency to make compromises with the Arab regimes at the expense of Palestinian political independence. The chapter will relate how, as time progressed and as a consequence of the nature of Israeli occupation, a related Palestinian leadership developed *inside* the OPT. The chapter will relate how the leadership *inside* and *outside* served different functions and drew their legitimacy from different sources: the *outside* from its armed activity and negotiations, and the *inside* from activism against occupation. It will also relate how the leadership *inside* and the leadership *outside* each drew strength from each other and were integrated together.

The ultimate outcome was to create a leadership 'across' the *outside* (those in exile) and *inside* (those who remained in OPT), rather than two separate leaderships. Crucially, the relatively late emergence of the leadership *inside* the OPT, despite some differences in style and priorities, and contrary to the assumptions of the writers discussed in Chapter One, *complemented and consolidated the positions of the Palestinian Liberation Organization (PLO) outside*. Indeed, this *inside* leadership perceived itself as being a genuine component of the PLO leadership rather than separate from it.

The Formation of the Palestinian Leadership Post-1948: Building the Outside

In the period preceding 1948, Palestinian society was characterized by a Palestinian political elite and leadership whose characteristics and roles were shaped by traditional

social and economic factors, as well as the political realities of the British mandate. In the pre-1948 period, Palestinian society was underdeveloped and traditional. The vast majority were living in rural areas and a minority of the population was in urban centres. There was a large gap in social-economic development between the two sectors.

Traditional notable families in urban areas were owners of most of the land in the rural areas. The political elite was mostly rooted in these notable families and the last two decades before 1948 witnessed the emergence of political parties representing their interests. The first and the most popular was the Arab Party, established in 1935 and headed by Jamal al-Husseini and led by the land-owning family notables and their allies, the rural *muktars*. The base for this party was its rural membership. The second party was the Defence Party, “established in 1934, and founded and headed by Ragheb al-Nashashibi. Its leadership was derived from prominent urban families that worked in commerce, and its popular base was in urban areas. It was relatively moderate in its political positions compared to the other party.”⁵⁸ These two parties dominated Palestinian internal politics for two decades and reflected the two main political tendencies within Palestinian society. The first tendency built hopes on developing ties with Arab nationalist movements and parties, and thus adopted hard-line politics towards the British Mandatory Government and the Jewish *yishuv*. The other encouraged compromise with the British Mandate. That was well-illustrated by Ilan Pappé:

The Husseinis hoped that pan-Arabism would help them to resist any compromise with the Zionist leadership, while the Nashashibis relied on Abdullah in Transjordan to assist them in countering Jewish power and to influence British politics in Palestinians’ favour. They did not hesitate, when they deemed it necessary to follow the pragmatic stance of Abdullah, who from the early 1920s was prepared to divide Palestine between himself and the Zionist entity and the British mandate.⁵⁹

These elites led Palestinian opposition to and resistance against British occupation and Jewish attempts to control the land and establish a state. The development of that leadership was interrupted, however, by Israel’s establishment on part of the land of

⁵⁸ Emile Touma, *Al-A'mal il Kamila* vol. 4 (Haifa, 1995) p. 247.

⁵⁹ Ilan Pappé, *A History of Modern Palestine: One Land, Two Peoples* (New York: Cambridge University Press, 2004) p. 86.

historic Palestine, which forced 800,000 Palestinians to seek refuge in neighbouring countries, including the West Bank and Gaza Strip. Israel's establishment deprived most of these notable families of their land, which was their source of power, and fragmented Palestine into three parts. The population, including the elite, was divided between Israel, the West Bank under Jordanian control, and Gaza under Egyptian control. This fragmentation prevented the continuity of a coherent leadership and divided the elite politically. Some followed the nationalists in the Arab world led by Jamal Abdel Nasser and established the *fedayeen* movement. Others built ties with those having moderate tendencies, i.e., the Jordanian regime, and encouraged the merging of the West Bank within the Hashemite kingdom of Jordan. As Rex Brynen writes:

[Palestine's] elite structure was severely disturbed by the establishment of Israel: urban notables found their power weakened both by loss of lands and by their political failure, and much of the entrepreneurial elite was exiled. In Gaza, administrative control rested in the hands of Egyptian military authorities, leaving only a narrow support role for local elite. In the West Bank, Jordan rule focused on co-opting individual notables while, at the same time, fragmenting the notable class as a whole by emphasizing (and manipulating) local interests and rivalries.⁶⁰

The structural collapse of Palestinian society following the 1948 war, and the migration of the majority of the population to neighbouring Arab countries meant that Palestinians had lost a political leadership that could organize them to regain their rights. Moreover, the policies of some Arab countries, particularly some of those countries hosting Palestinian refugees, created expectations that a return to Palestine would be achieved through Arab state military and political efforts. This situation remained virtually unchanged from 1948 through the mid-1960s. Thus during this early period, there was little organized Palestinian leadership.

Some individual leaders (most in Gaza) renewed their activities, with some coordination with Arab nationalist leaders, such as the Egyptian leadership. Others, particularly in the West Bank, were incorporated into the leadership of the Hashemite Kingdom of Jordan.

⁶⁰ Rex Brynen, "The Dynamics of Palestinian Elite Formation," *Journal of Palestine Studies*, vol 24 no 3 (Spring, 1995) p. 33.

Still others opposed the Jordanian attempt to control the West Bank but were crushed by Jordanian security.

After ten years of waiting, however, patience among Palestinians began to diminish, and their confidence in Arab regimes began weakening. This thinking may have been exacerbated by some Arab governments' positive responses to international schemes for expatriating the Palestinian refugees.⁶¹ In addition, there were systematic Arab attempts to undermine the Palestinian identity, the best example of which was Jordan's annexation of the West Bank and the extension of Jordanian citizenship and passports to its residents.⁶² Moreover, certain Arab legislation and policies were aimed at suppressing Palestinian identity, banning activities or factions with Palestinian features, to the extent that some Arab governments viewed "the mere term of 'Palestinian' as a crime".⁶³

In Lebanon, "the isolation of refugee camps was part of a policy adopted by the Lebanese authorities to control the Palestinians. Those authorities resorted to a public policy of tracking down all those who participated in Palestinian meetings in order to prevent Palestinian activists from visiting the camps".⁶⁴ Then, in 1961, the collapse of the Egyptian-Syrian unity scheme shattered all hopes of a unified Arab approach.

The late 1950s consequently witnessed two parallel attempts to respond to growing trends among the Palestinian people towards national self-reliance. One of them was led by Ahmad Shuqeiri, with the official blessing of Arab countries, and the second was headed by Yasser Arafat, with the blessings of the Palestinian and Arab publics.

On 9 March, 1959, the Arab League made a decision that included "reorganizing the Palestinian people to highlight their entity as a unified people and not mere refugees, with a voice to be heard on international and national levels through representatives they choose

⁶¹ See Rosemary Sayigh, *al-Falahoon al-Filistiniyyoon min al-Iqtida' ila Athora* (Beirut, Arab Research Institute, 1980).

⁶² Issam Sakhnini, 'Dam Filistin al-Wusta illa Sharq il-Ordun 1948-1950 *Shu'un Filistiniyya*, no 40, (January, 1974) p. 59.

⁶³ Sayigh, *al-Falahoon*, p. 187.

⁶⁴ *Ibid.*, p. 186.

...and the establishment of Palestinian army in Arab host countries”⁶⁵. Ahmad Shuqeiri was commissioned by the Arab League Council to follow up this initiative, which was realized on 28 May, 1964 in the landmark meeting that declared the birth of the Palestine Liberation Organization. In that meeting, Palestinian tendencies towards self-reliance grew, also in reaction to official attempts to contain these growing sentiments. “The Arab summit entrusted Ahmed Shuqeiri as the Palestinian representative to the Arab League, with the implementation of this resolution. Pursuant to this mandate, Shuqeiri drew up the text creating this political organization, which was called the Palestinian Liberation Organization,” describes Omar Massalha.⁶⁶ Shuqeiri was a Palestinian lawyer born in Akko, Palestine in 1908, who had been politically-active as the head of the High National Committee of Akko in 1936 and head of the ‘Arab Offices’ in New York and Jerusalem. He was made a refugee in 1948 and subsequently employed in the Syrian and Saudi diplomatic corps (representing the latter at the UN) before being employed by the Arab League, which led to his position with the PLO.⁶⁷

When the PLO held the first session of the Palestinian National Council or PNC in May 1964, most of its members, who were selected by Shuqeiri, were upper-class and bourgeois Palestinians who had successful businesses in the Arab states, in addition to representatives of the middle classes and professional trades. The membership also included a few representatives of the Palestinian political and military groups, including Fatah. The fifth session of the PLO’s PNC, which became as a parliament-in-exile, in February 1969 witnessed a take-over of the council by Fatah, which over time had achieved greater representation culminating in a majority.⁶⁸

The Fatah movement (*Harakat al-Tahrir al-Watani al-Filistini*) comprised the second initiative of self-reliance, first expressing itself in 1959 through an underground leaflet called *Our Palestine*. The leaflet included articles written by fictitious individuals, real-life authors who later became Fatah leaders. From that point on, the group began a series of organizational and military activities, openly declaring itself for the first time in a

⁶⁵ Arab League Council resolutions, (Arab league publications, Cairo, 1959)

⁶⁶ Omar Masalha, *Towards The Long-Promised Peace* (London, Saqi Books, 1992) p. 162

⁶⁷ Faisal Hourani, *Il-Fikr il-Siyasi al-Falastiniyya, 1964-1973*, (Beirut: PLO Research Centre, 1980) p. 23.

⁶⁸ Ibid.

statement issued on 28 December, 1965, signed by *Al-Asefa* [*The Storm*]. The statement read, in part: "We will not put down our arms as long as Palestine is not liberated and until Palestine occupies the status it deserves in the heart of the Arab nation".⁶⁹

There was an explicit and blatant contradiction between the two initiatives. Salah Khalaf (Abu Iyad), one of the founding members of Fatah, said: "Fatah founders have sworn to confront any attempt by any Arab government that aims to subdue the Palestinian national movement, and to make sure that no 'brotherly' country takes it back under its custody".⁷⁰ However, there have always been those who do not see any major difference between the two initiatives. This was reflected by Barry Rubin: "Both Shuqayri's PLO and Arafat's Fatah shared this belief that the Arab states would destroy Israel and set the stage for the refugees' return and the establishment of Palestine. But Shuqayri thought Arab governments would do this by themselves; Arafat argued that Palestinian guerrilla action was needed to push them into war."⁷¹

The PLO and Fatah shared another trait: like the PLO, Fatah elites had close class identities with corresponding groups in Arab regimes. Fatah's leadership was composed mostly of middle-class professionals who were Palestinian refugees educated in Arab universities, especially in Egypt, and working in Arab countries, particularly Kuwait and other Gulf countries. Some of these leaders were members of the Muslim Brotherhood, such as Khalil al-Wazir (Abu Jihad), Muhammed Yusif al-Najjar, Salim Zanoun, and Fathi Balawi. Abdel Ra'uf al-Qidwa al-Husseini (better known as Yasser Arafat or Abu Ammar) was also linked to the movement.

Most of the movement's leaders were connected to Arab governments through work, education, training and location. Here we may quote Salah Khalaf (Abu Iyad), one of these leaders.

It is not by coincidence that Fatah has grown and been nurtured in Kuwait. For many of us had excellent positions there: Yasser Arafat was an engineer who

⁶⁹ Salah Khalaf, *Filistini billa Hawiyya* (Muassassat Siyam la ad-Di'a wa an-Nasher) p. 83.

⁷⁰ Khalaf, *Filistini*, p. 65.

⁷¹ Barry Rubin, *Revolution Until Victory* (Cambridge, Harvard University Press, 1994) p. 31.

enjoyed a great deal of respect and admiration in the Ministry of Public Works; Farouq al-Qadoumi (Abu al-Lutuf) was the director of one department in the Public Health Ministry; Khaled al-Hasan and 'Abdul Muhsen Qattan were highly-placed state administrators. As for Khalil al-Wazir (Abu Jihad) and myself, we were high school teachers. Nimer Saleh (Abu Saleh) was a technician with widespread popularity among workers".⁷²

All of them became members of Fatah's Central Committee.

Mahmoud Abbas (Abu Mazen) went to Qatar, where he found work as a director of personnel in the civil service, a post that allowed him to hire many Palestinians as teachers and bureaucrats. There he also met with former Muslim brotherhood members from Gaza such as Yusif al- Najjar, Kamal Udwan.⁷³

This 'class' feature of Fatah was to have an impact on later political strategies. Despite the fact that the Fatah leadership offered itself in service to the Arab and Palestinian people, and even though its way of thinking was contradictory to official Arab positions and thinking on revolutionary action, time showed that this leadership, by its nature, could not move far from the ruling parties in most Arab countries. Therefore, if the structure, mentality and approach of the Arab regimes led to the defeat of 1967, then the enjoyment of this same structure and mentality by the Palestinian leadership would necessarily also led to the defeat of the revolution and its inability to succeed where the Arab governments failed. In reality, the Palestinian leadership was merely a convenient extension of the Arab regimes. It was obvious to those more aware in the struggle that the movement as a whole seemed, on all levels (social, military, ideologically), to be heavily burdened by its inheritance of those past and present Arab lifestyles that had led to the inevitable collapse in 1967.⁷⁴

However, if the Palestinian leadership was merely an extension of the structure of the Arab governments, what explains their differences in policies, slogans and practices? Sadeq Jalal al-Athem answers this question with the opinion that the contradiction was merely lip

⁷¹ Khalaf, *Filistini*, p. 74.

⁷³ Yezid Sayigh, *Armed Struggle and the Search for State* (Oxford, Institute for Palestine Studies, 1997) p. 86.

⁷⁴ See Sadeq Jalal al-Athem, *Naqd Fikr al-Moqawama* (Beirut, 1969).

service, and that the slogans of both did not reflect reality. He compares these slogans and positions, which exaggerated the revolution and its strength, to the statements and slogans by Arab governments prior to the 1967 war—which did not hold up to reality. Al-Athem demonstrates the superficiality of the contrasts in Fatah's slogan "Return is the way to unity" and the official Arab slogan "Unity is the way to return". According to al-Athem, both slogans start from the same thinking, one that artificially separates two missions: social struggle for Arab unity, and the national struggle for the liberation of Palestine. Both slogans are equally distant from logical revolutionary thinking, which is based on a close bond between unity and return; each concept reinforces the other. Setting one as the condition for the other, therefore, imposes a level of superficiality and lack of revolutionary thought. Hence, there is actually no contradiction between the two slogans.

In any case, Fatah and all other Palestinian organizations joined the PLO during the organization's National Council session, which was held 10-17 July, 1968. By the fifth session, held on 1-4th February 1969, Fatah representatives constituted a majority and a new leadership for the PLO was elected, headed by Yasser Arafat. In this way, the overlap between the two initiatives was removed, leaving one leadership and framework for the Palestinian people. The framework was the PLO while the leadership was the Fatah leadership.

Once Fatah controlled the PLO, its leadership enjoyed both the official Arab recognition which came with the Arab states' endorsement of the PLO, (which had after all been established by Arab regimes), along with the grassroots recognition that Fatah enjoyed, giving it great momentum.

In summary and regarding the emergence of an *outside* leadership in this period, two main factors are important: the loss of the homeland and the refugee life that Palestinians found themselves living and, secondly, attempts by Arab regimes to take advantage of the fact that Palestinian people and leaderships were living under their control and were dependent upon them for logistical, financial and political support.

The emergence of the Palestinian leadership came as a result of, and in response to, the beginnings of the fading of a distinct Palestinian character and the dissolution of the Palestinian character and identity. Exile strengthened the feeling of belonging to the

homeland, and the need to consolidate the Palestinian identity. It also strengthened the aspiration for independence and to resist domination. Many Palestinians believed this fading resulted from the policies of Arab governments, who tried to shade the Palestinian cause with Arab features, rather than allow it a unique Palestinian character. This was reflected in the Arab strategy for the liberation of Palestine, which promoted preparing Arab armies to the level required to achieve victory over Israel, and emphasized Arab relations that would generate the power required to liberate Palestine through methods of classical war.

Thus, the Palestinian leadership strongly emphasized the Palestinian national identity (while maintaining its Arab sense of belonging), as well as its own independence from Arab regimes. This emphasis grew out of two major incidents: the 1961 collapse of the Egyptian-Syrian unity scheme; and the 1963 Algerian revolution fought successfully by the Algerian people, independently but with Arab support. "The demand to highlight the Palestinian character was the main aspect of Palestinian revolutionary insurgence and the early landmark of Palestinian political thought. Fatah took on this responsibility; the demand to stress the independent Palestinian identity was dramatized then through the call for establishing a Palestinian entity that portrayed the Palestinian character".⁷⁵

The inclination to highlight the independent Palestinian nature of the conflict was made at the expense of its 'Arabization', especially in the changes to the PLO National Charter introduced by Fatah when it constituted a majority. For example, the first item in the Charter stipulating that "Palestine is an Arab homeland united with all other Arab countries by ties of Arab nationalism, to make the Great Arab Homeland" was changed by Fatah to read "Palestine is the homeland of the Palestinian people who are a part of the Arab world and nationality."

Waning Palestinian patience with the Arab strategy of unity and classical war was reflected in its concentration on popular liberation and guerrilla war, and by highlighting the slogan

⁷⁵ Ibrahim Abrash, "Athawra al-Filistiniya beina Istiqlaliyat al-Qarrar wa Masalat at-Tadaakhl al-Qawmi", *Shu'un Filistiniyya* 158-159 (May-June 1986) p. 13

“Return is the path to unity.” Hani al-Hasan, one of Fatah’s prominent advocates, made this clear:

Fatah’s firm position contradicts the wider Arab belief through the set of slogans suggested at the beginning of Fatah’s establishment. The slogan of an armed popular revolution as the way to liberate Palestine is a contradiction to and rejection of the idea of a classical war...and the slogan of ‘liberating Palestine is the road to Arab unity’ is a rejection of the time sequence postponing the battle for repossession until the achievement of Arab unity, and is an independent slogan in opposition to the attempts by Arab regimes to impose custody and adoption on Palestinians.⁷⁶

Thus, the main focus was on highlighting Palestinian independence, illustrating the Palestinian identity and saving it from dissolution. This basic compound in the character of the Palestinian leadership directly resulted from its exile. This is visible in the way they understood Palestinians as a group, yet belonging to an Arab nationality. Article 12 of the Palestinian National Charter stipulates: “The Palestinian Arab people believe in Arab unity, and in order to play their role in achieving it, Palestinians should preserve their national identity and its components in this stage of national struggle, to enhance the realization of its existence, and to resist any schemes aimed at liquidating or weakening it”.⁷⁷

As intimated earlier, the second set of circumstances that played a role in shaping the character of the Palestinian leadership was its, and its constituency’s, exile in the Arab world. These circumstances forced the Palestinian leadership to take into consideration a host of issues that would gain the facilitation of their Arab host countries—first, to make residency and work possible, but also, to a lesser degree, for financing and status.

The launching of military activities against Israel from neighbouring regions was the original core of Fatah’s initiative. Undoubtedly, that required the establishment of military bases for organizing, recruiting and training Palestinian volunteers. However, initial

⁷⁶ Hani al-Hassan, “Fatah beyn an-Nathariya wa Tatbiq”, *Shu'un Filistiniyya* 7 (March 1972) p. 58.

⁷⁷ Palestinian National Charter.

attempts to do this faced obstacles from Arab regimes, which arrested anyone suspected of being a member in any Palestinian military group preparing to attack Israel.

The arrest of Palestinian guerrilla groups by Syria, Jordan and Lebanon in 1965-67 convinced Fatah leaders from the outset of the need to improve relations with Arab regimes whose practices almost suffocated the Palestinian armed struggle at birth. The leadership was thereby persuaded to pursue accommodating relations with Arab governments as the price for continuing its mission.

It was apparent that we couldn't carry on with our mission, unless we returned the ties with the Arab states to normal. So we adopted several measures that aimed at pleasing the Syrian government, and we mandated Yasser Arafat and Farouk Qaddoumi to conduct contacts with the Egyptian authorities whom we learned, from experience, to have a convincing impact on a number of other countries in the region.⁷⁸

Arab pressures on the Palestinian resistance movement have always had an impact on the Palestinian leadership based in Arab lands, although the leadership has sought to balance its beliefs on one hand, with the pressures of certain Arab countries on the other. The major example of this is the way that Fatah and the PLO's second man, Salah Khalaf, or Abu Iyad, proposed developing the Palestinian strategic goal from the establishment of a democratic state in all of Palestine, to a state in part of Palestine. After this was rejected by his colleague, Farouk Qadoumi, during a Fatah meeting, Abu Iyad was moved to describe how the PLO's defeat by the Jordanian government in 1970 led to his conviction that Palestinians should accept a partial solution:

It is Jordan's tragic incidents (1970-1971) that opened the eyes of fighters to the facts. It was evident after the massacres of Amman, Jarash and Ajloun, especially after the expulsion of the last fighters from the Hashemite Kingdom, that the Palestinian revolution could not depend on any of the Arab states to guarantee a secure shelter and a base for its operations against Israel. In order to move towards the democratic pluralistic society we envision, we should establish our special state even on an inch of Palestine.⁷⁹

⁷⁸ Salah Khalaf, *Filistini Bila Hawiyyah* (Moa'ssasat Siyam leddia'ya wannashr) p. 87.

⁷⁹ Ibid., p. 222.

Arab regimes resorted to a variety of means of pressuring the Fatah /PLO leadership. There were more active forms of influence, including major financial support from a number of Arab countries, namely oil-exporting states, because they feared the Palestinian revolution, respected it, or wanted to control it. The excessive funds provided to the Palestinian leadership had an impact on its structure and behaviour. The actions of the leadership became reliant on spending, as its struggle and organizational strategies became adapted to the financial support of some Arab governments. As a result, the structure of the resistance and its tactics became dependent on continuous financial support. This had a major impact on the extent of the movement's revolutionary nature and the degree of adherence to its original positions, as well as its relationship with the general population.

A situation was created where an:

[O]verflow of material human and financial capabilities (and what follows of financing weapons), ma[d]e the Palestinian leadership plan high-cost military operations. Although the preference for a high-consuming military operation reflected the abundance of the resistance movement's resources on one hand, it also was an attempt to buy quick results via material capacity rather than through tactics appropriate to the Palestinian's actual capability.⁸⁰

These conditions unconsciously weakened the Palestinian leadership, not simply affecting its behaviour, but the education and mentality of its followers. When the PLO began to adopt a style of "solving problems with money"⁸¹, it helped create a situation whereby individuals were incapable of acting unless provided with equal resources. The choice to use financial resources in abundance and indiscriminately also restricted tactical creativity, independent thinking and the spirit of initiative, and reinforced a mercenary attitude.⁸²

These policies of Arab governments towards the PLO leadership, and the PLO leadership's awareness of the need to accommodate Arab regimes to at least some degree had an important effect. Despite rhetorical and ideological commitments to independence, the Palestinian leadership was forced at a practical level to surrender elements of that. The Arab political pressure combined with financial and logistical support slowly ate away at

⁸⁰ Yezid Sayigh, *Shu'un Filistiniyya* (October 1985) p. 37.

⁸¹ Ibid., p. 51

⁸² Ibid., p. 51

the organization's strength. Gradually, the PLO began to protect its interests by gaining Arab support, or protect its presence in any given Arab state by showing flexibility on its goals in favour of that state's policies.

Consequently, the PLO began to lose its revolutionary characteristics and began to act like a state itself. Also, "it started to use military hardware like any other Arab state. In other words, the resistance movement became a part of the political game on the regional and Arab levels and began to depend on alliances of interest for self-protection".⁸³

Thus, the Fatah leadership was duped by Arab regimes that succeeded in dragging the movement into a situation where it had lost its fundamental characteristics—namely, its revolutionary nature, and a power based on support from the Palestinian people. The Organization's embrace of financial and official structures led to its expansion and the creation of a state-like bureaucracy, which protected and ensured its own continuation, while obliging the Organization to give concessions on its behalf.

It might be said that the leadership of the Fatah movement took the bait of the Arab regimes, perhaps as a result of the makeup of Fatah's own leadership, referred to previously, which resembled the social and class structure of many Arab regimes. Nonetheless, in hindsight one can argue that the Palestinian leadership failed to understand the reasons for Arab government cooperation, which in fact was a direct outcome of their defeat in 1967. The Palestinian leadership thought that Arab cooperation came out of fear, respect or admiration for the Palestinian revolution, rather than widespread Arab public anger at the defeat. In fact, the Arab regimes sought to draw attention away from their own incompetence and the miserable living conditions of their own people.

Ibrahim Abrash supported this explicitly:

The Palestinian revolution was deceived by the acceptance of its presence by the Arab regimes after the defeat during the war of Jun 1967. That was not an acceptance of the idea of the revolution, as much as it was a manoeuvre to absorb the public anger that resulted from the defeat. In addition, to distract the attention of

⁸³ Ibid., p. 45

the Arab people away from their bad conditions, the Palestinian revolution also created unrealistic expectations among the Arabs that it can compensate the loss and the defeat of the June war and that the victory is coming soon. That even created arrogance among Palestinians who started to believe that their revolution is the only revolution which, in turn, added negatively to their relations with the Arabs.

But when the moment of truth came, the Palestinian revolution was unable to defeat Israel (which is supported by the United State). It was also unable to maintain its bases in the Arab countries. It was also tied or restricted by the Arab money and by its unprincipled relations with the Arab regimes who recognized the PLO as the legitimate representative, but told them: you are on your own, go and fight alone.⁸⁴

The many official dealings between these regimes and the PLO as if it were in fact a government, the PLO's recognition by the Arab League, and the provision of financial assistance sufficient to transform the organization into a semi-state all contributed to limiting its flexibility as a revolutionary movement, and made it resemble instead the Arab regimes. Some analysts in the Arab world consider these Arab policies to have been deliberate.

The plan of the Arab bourgeoisie was to inflate the revolution and transform it into legitimate institutions, to a system among systems, part of the Arab League and influenced by its presence within it and its committees. It was not enough to contain it, but it gave it a stronger driving force. However, in the long run, it weakened the revolutionary aspect of it.⁸⁵

Or as Kareem Mruwa puts it: "The Arab bourgeoisie drowned the revolution with experts, advisors, intelligence, and military, financial, organizational and administrative specialists. It then gradually drowned it with money, arms and military men. This flooding flowed over the revolution at a time when Fatah and its historical leadership opened its doors wide to it."⁸⁶ While Fatah achieved a leading and revolutionary role, it was unable to develop further. It had become a phenomenon that both contradicted Arab policies, and was integrated with them. It is relevant to recall Abrash who reminded us of a well known

⁸⁴ Abrash, "Athawra al-Filistiniya nayna istiqlalyat alqarar wa masa'lat attadakhul al qawmi", *Shu'un Filistiniyya* (May/June 1986) p. 21.

⁸⁵ Kareem Mruwa, "Nathra Naqdiya fiy at-Tajruba al-Ganiya li Thawra al-Filistiniya", *at-Tariq*, Issue 1 (February 1984) p. 94.

⁸⁶ Mruwa, p. 94.

Palestinian wisdom: “previous Palestinian uprisings particularly that under the British in 1936 concluded that all revolutions born in Palestine are aborted in Arab capitals”.⁸⁷

Salah Khalaf (Abu Iyad) acknowledged the impact of this dilemma on the Palestinian leadership and the PLO:

Palestinians live under various political and social systems which are sometimes contradictory, and which necessarily influence their perceptions. They are subject to the conflict between the host state and the resistance, which leaves them only one choice before them. This choice is to submit voluntarily or by force to official propositions or to become neutral in order to avoid vengeful reactions. We are forced to appease the Arab governments to exempt our citizens from these dangers. This limits our freedom of movement to some extent.⁸⁸

Abu Iyad does not excuse the Fatah leadership from responsibility for this outcome.

“Bureaucracy has overcome our movement and the struggle with which we gained ‘respect’ has been lost: We now have tasted negotiation with governments and men in authority. We take their opinions and wishes into consideration”.⁸⁹ Nor does he deny that the Fatah leadership was swept away by its relationships with the Arab governments at the expense of the movement’s revolutionary stance, relationships that caused the Palestinian leadership to ally with governments against the people who rebelled against the Arab regimes. “Most of the time, we believed that with regards to a conflict in a certain Arab country, it would be best for us to maintain our relationship with the presiding government at the expense of our relationship with the people who were opposed to it”.⁹⁰

In the light of all this, it can be concluded that changes—particularly towards moderation—in the political positions of the Palestinian leadership *outside* the Palestinian territories were due to the combination of first the experience of exile, secondly the nature and makeup of the leadership, and thirdly their presence in the Arab states.

⁸⁷ Abrash, p. 21.

⁸⁸ Khalaf, *Filistini*, p. 329.

⁸⁹ Ibid., p. 327.

⁹⁰ Ibid., p. 326.

The Impact of the 1967 War: Fatah Wins Over the Arab States

The Arab defeat in the 1967 war, and the outstanding performance of Fatah fighters within it, allowed Fatah to overcome these tensions to some extent. Rosemary Sayigh expressed this in the following excerpt:

It is very hard to isolate the Palestinian Resistance Movement from the historical environment that surrounded it after the six-day war, from which the movement arose like the Phoenix from the ashes, shaking a whole nation, which was mesmerized by the defeat of the Arab armies. This significant emergence gave the resistance respect and appreciation of large sectors among the public to a point that elite intellectuals described them as angels or saviours.⁹¹

It is worth exploring this period in more detail, to determine the scope of the 'room to manoeuvre' which became available to Fatah in the wake of the war.

As the Fatah movement succeeded in mobilizing popular support for armed struggle and *fida'i* (freedom fighting) action, it was able to seek control over the PLO. "In the National Council's fourth session held in Cairo between 10 and 17 of July 1968, Fatah entered in PLO Commissions with full force and was able to amend some items in the PLO National Charter to match its own policies, as we have mentioned earlier."⁹²

In the fifth round in February 1969, a new PLO Executive Committee was elected, including a Fatah majority, and Yasser Arafat, Fatah's leader, was elected chairman of the PLO.

Because the majority of Palestinian refugees were in Jordan, and since Jordan has the longest border with Israel, it became the main headquarters for the Palestinian political and military presence. Because of the history of competition between Jordan and the PLO over who should represent the Palestinians on the West Bank (Palestinians constitute a majority in Jordan), the fact that the Palestinian leadership was based in Jordan escalated this competition into fierce conflict.

⁹¹ Sayigh, *al-Falagoon*, p. 177.

⁹² Maher al-Sharif, *Al-Baith an Kyan* (Nicosia, The Centre for Socialist Studies and Research in the Arab World, 1995) p. 147.

The background to this competition goes back to the establishment of the PLO by the Arab states. At the Arab League Council's 40th session in September 1963, "it was clear that King Hussein was insisting that the summit's concluding statement would not mention the term 'the Palestinian entity'".⁹³ Because of the Arab regimes influence in the PLO structure then, a concession was made to King Hussein. Shuqayri was quoted as saying: "The Palestinian entity does not aim to disjoin the West Bank from Jordan nor does it intend to exercise any regional sovereignty".⁹⁴

The PLO under Fatah's leadership, in light of the increasing popularity of the resistance movement and Arab (including the Jordanian) regimes' agreement to allow military action from their lands, was not ready to make compromises. For example, the resolutions of the National Council in its fifth session in 1969 called for: "Firm confrontation against all peaceful and submissive solutions and the total rejection of all agreements, resolutions and projects that contradict with the Palestinian people's right for self-determination in their homeland, including UN Resolutions and UN Security Council Resolution 242 and the Soviet Union Project and similar projects."⁹⁵

However, despite these strident positions at a time when resistance was at its peak, the Fatah majority in the PLO insisted on opposing any frameworks or policies that might harm the relationship between the PLO and Arab states (which were in the same breath described as 'reactionary' and having close ties with Israel's ally, the United States of America). The conflict that arose at the National Council's sixth session in September 1969 illustrated these positions. Fatah representatives disagreed with other members over the wording for describing the enemies of the Palestinian revolution, and whether the Arab reactionary forces should be mentioned or not. According to Hourani: "Although the recommendation submitted by the Political and Information Committee did not categorize the Arab reactionary forces as a separate group hostile to the Revolution, and grouped

⁹³ Sakhnini, *Dam Filistin alwusta l'la sharqi alurdon*, 1948-1950, p. 7.

⁹⁴ Issa al-Shu'eibi, "Ashir Senawwat min is-Sirraa' beyn al-Huqum al-Orduni wa Munathimat at-Tahrir al-Filistiniya", p. 210.

⁹⁵ Hourani, *Il-Fikr il-Siyasi*, p. 158.

them within the forces categorized as bases for international imperialism, Fatah did not yield and continued opposing the announcement of such a categorization".⁹⁶

Fatah had several reasons for adopting this position, but one was certainly the fact that the PLO and Palestinians were residing in the Arab countries. One of the most important factor was the financial relationship, which was shrouded in mystery. Salah Khalaf said in an interview with *Al-Safeer* newspaper on 7 July 1997: "As for funding the guerrilla factions, it is considered a top secret issue that should never be disclosed".⁹⁷

Despite the lack of clarity in this relationship, and in some cases *because* of the covert relationship, many experts and analysts believed that this funding policy impacted the Palestinian factions, especially Fatah. This was expressed by Hourani:

Therefore, needs in terms of financial resources of all factions increased year after year. Part of the needs were covered by other Arab parties, mainly governments, and in this particular area lies the major pressure exerted by those governments, aside from the other sources of pressure defined by social, geographical and political conditions related to Palestinians' work in the Arab countries.⁹⁸

However, Fatah's readiness to be flexible in its relations with Arab states, including the "reactionary" ones, was not enough to avoid conflict with the Jordanian government (a conflict in part inspired by Jordan's demographics), and because acts of Palestinian resistance against Israel led to friction between Israel and Jordan. It may be that the most important factor was US diplomatic efforts through the Roger's Initiative⁹⁹ that were accepted by Jordan (and Egypt) in July 1970. The PLO, in contrast, rejected this initiative, considering it a serious threat to the revolution's achievements, and condemned it along with its US backer.

The arrogance resulting from the PLO's power and exceptional popularity during the three years following the 1967 war drove the PLO's reaction to the Rogers project and the Arabs

⁹⁶ Ibid., p. 165.

⁹⁷ Ibid., p. 160.

⁹⁸ Ibid.

⁹⁹ An American political initiative promoted by Secretary of State Roger in 1970, and aimed at a seize fire and transitional settlement between Israel and Egypt. It was accepted by Egypt and rejected by the PLO that feared from the possible decline of Egypt crucial role in confronting Israel.

who supported it to an extent that an exceptional session of the National Council in Amman on 27 August 1970 resolved to pursue: "Forming an Arab committee representing our Arab people in their struggle against Imperialism, Zionism and collaborators."¹⁰⁰ This phrasing reflected the PLO's feelings of power, which stemmed from its public support and the comparative weakness of Arab governments after the 1967 defeat.

These three years, after the defeat of Arab armies, were the apex of PLO popularity and strength *outside* of Palestine. The leadership was perceived as the viable alternative to the defeat. In the same period, however, the true fabric of the PLO leadership *outside* was proven less than revolutionary, and the slogans of the leadership exposed. The confrontation with Jordan was a significant setback. It showed Palestinians the limits of working in an un-conducive non-supportive environment. In the OPT, there were still few signs that an effective leadership was emerging. The heavy oppression of Israel's occupation, and the years of Jordanian control of the West Bank discouraged Palestinian political activity.

1970-1982: The Decline of the Outside and the Rise of the Inside

Jordan exploited poor relations between the PLO and Egypt that resulted from the latter's position on the Rogers Initiative, launching a major military attack that led to the defeat of the PLO and its evacuation from Jordan. This defeat was a great shock to Palestinians and their leadership, especially since the event underscored that none of the Arab states supported the PLO in the battle to "liberate Palestine", as described in the PLO literature. This was the beginning of the defeat of one of the ideological pillars of the Fatah leadership—namely that guerrilla action against Israel would bring about solidarity and union among Arabs, who will be dragged into battle against Israel. Thus, the PLO leadership moved into a new phase that had a greater emphasis on defence, but not without suffering shaken self-confidence and a retreat.

Abu Iyad explained that this clash resulted from Fatah's failure to weigh its principle of not interfering in the affairs of the Arab countries against its other principle of military

¹⁰⁰ Ibid., p. 171.

action against Israel.¹⁰¹ More directly, the political reasons for the contest were embodied in the contradiction between Jordan's desire to engage positively with the American initiatives for a political solution to the crisis, and Palestinian goals and visions. The first of these competing interests were the Roger's plan and Palestinian rejection of this initiative.

The clash also derived from competition between Jordan and the PLO in representing the Palestinian people. Reinforcement for this analysis comes from King Hussein's initiative in March 1972 to establish the United Arab Kingdom so that "this proposed kingdom would consist of two regions, each enjoying its own independence. One would be Jordanian in the East Bank and the other would be Palestinian in the West Bank. They would be connected by a unified federation under his authority".¹⁰²

The defeat of the PLO in Jordan, the Roger initiative and Arab support for it, in addition for the Jordanian 'united kingdom plan' shocked the PLO, causing two major changes in the thinking of the PLO leadership. The first was its insistence on continuing the quest for Palestinian independence. This was evident in the results of the 11th and 12th sessions of the Palestine National Council, which were convened under the influence of the Jordanian plan to establish a united kingdom. In the words of Hourani, "First, they drafted a number of resolutions that reflected Palestinian policy after the results of the September war. They [the PLO] were dedicated to continuing a course of no return [in the direction of] Palestinian national independence".¹⁰³

Nevertheless, new events alleviated some of the Palestinian leadership's anxiety. The OPT (the West Bank, including East Jerusalem, and the Gaza Strip) was the site of a growth in support for and status of the PLO, which King Hussein attempted to compete with. The first event was victory of lists supporting the PLO in the municipal elections organized by Israel in the territories in 1973. The second was the announcement on 15th August 1973 of the establishment of a Palestinian National Front in accordance with a resolution from the 11th Palestinian National Council. Fatah, the Palestinian Communists, and independent

¹⁰¹ Maher al-Sharif, *Al-Bahth*, p. 218.

¹⁰² Hourani, *Il-Fikr il-Siyasi*, p. 179.

¹⁰³ *Ibid.*, p. 182.

personalities played a prominent role in the National Front's formation. "It considered itself a part of the national movement represented in the PLO and it affirmed its rejection to the projects of the civil administration and autonomy and the project of the United Kingdom".¹⁰⁴

This period also witnessed another reassuring development: the PLO's success at creating political and military bases in Lebanon as a substitute for those lost in Jordan.

The nightmare of siege and fear of a pending liquidation that these parties lived immediately after leaving Jordan were lessened to some extent, especially after the resistance succeeded, despite the difficulties and complexities in gathering its fighters in southern Lebanon, and was able to reinforce the political presence of the PLO in the OPT¹⁰⁵.

The other reassuring element was the failure of American efforts starting with the Rogers plan. That occurred not because of the PLO's resistance, but rather because of Israel's refusal to give any concessions that would help this initiative. "In his memoirs of this period, Kissinger's one regret concerning his Middle East policy was that he was unable to win any concessions from the Israelis for his old friend in Jordan, the 'tough little King', Hussein." ¹⁰⁶

The second major outcome of the afore-mentioned developments was the start of discussions within the Palestinian leadership concerning the principle of a transitional/interim settlement, and the concept of establishing a Palestinian state on part of historic Palestine. Faisal Hourani concluded, from the way the national council resolutions were worded on the 2nd and 3rd of February, 1971, that there was a serious discussion of the idea. These resolutions called for, "a strong stance against the call for a Palestinian state on part of Palestinian national soil." From this, Hourani concludes that "issuance of

¹⁰⁴ Maher al-Sharif, *Al-Bahth*, p. 229.

¹⁰⁵ Ibid.

¹⁰⁶ Helena Cobban, *The Palestinian Liberation Organization: People Power and Politics*, (London, Cambridge University Press, 1984) p. 59.

this resolution proves that the call for the establishment of a Palestinian state immediately after September is a call deserving discussion and response”¹⁰⁷.

Actually, the debate over an interim settlement, and a retreat from positions that prevailed before Black September (the term given to the expulsion of the PLO from Jordan) can be attributed to the fact that the expulsion of the Palestinians from Jordan made them feel the need for a foothold where they could live and operate freely.¹⁰⁸ Also, the support that the PLO received from the Palestinian people *inside* the OPT gave the PLO *outside* more self-confidence, which enabled the PLO to be more pragmatic. The growing political weight of the *inside* that resulted from the continuous waves of resistance and increasing public support for this struggle (which was characterized by clear and pragmatic political positions based on the two-state solution, right-of-return and international legality) was used by the PLO *outside* to convince its close constituencies of its evolving political positions. The leaders of Fatah and the PLO attempted to counterbalance relatively more radical constituencies in Fatah *outside* by increasing the weight of Palestinians from the OPT in PLO policy discussions. This reflected the complementary roles of the internal and external components of the PLO. In any case, during this period, discussions began to press for compromise with the official Arab thinking at that time. “By this, and while preparations by the Arabs were being conducted in secrecy for the waging of the October war in 1973, Palestinian political thinking, which began to change course in the direction of adopting the phased concept in its struggle, was preparing to enter a new phase in the history of its development”¹⁰⁹

The core position of Palestinians from *inside* the OPT was most clearly represented in the message of the National Front, a coalition of the four major factions active in the OPT, namely Fatah, the DFLP, the Communist Party PCP, and the Ba’thist Palestinian Saiqa) to the PLO leadership, which included the Front’s explicit demand that the PLO participate on behalf of the Palestinian people in the Geneva conference (The first international middle east peace conference, convened without Palestinian participation) . The

¹⁰⁷ Hourani, *Al-Fikr*, p. 175.

¹⁰⁸ Saleh Khalaf, *Filistini*, p. 330.

¹⁰⁹ al-Sharif, *Al-Bahth*, p. 231.

conference, it was decided, would be held according to resolution 338 of the UN Security Council.¹¹⁰

This period witnessed the emergence of a genuine leadership in the OPT. This development came as a relief for the PLO leadership, which was facing difficult challenges, particularly in its vital claim to represent the Palestinian public. The clear and firm loyalty of the leadership *inside* to the PLO *outside*, and its growing role in orchestrating the struggle against occupation and establishing PLO legitimacy, created new conditions where relations were balanced and complementary between the two.

The October war of 1973 between Israel and Egypt and Syria—with additional Arab support—sketched the outlines of the next period. The goal of the war was to move conditions in the Middle East from a state of stagnation to a state of active peaceful negotiations. At least this is what former Egyptian president Anwar Sadat said to two leaders in the PLO. Khalil al-Wazir (Abu Jihad) retells, in the words of Sadat: “This war will not be completed. Its goal will be to help the Arab-Israeli problem out of its crisis...after that, we will go to a peace conference.”¹¹¹

What catches the attention and gives a picture of the atmosphere of the relationship between the leadership of the PLO/Fatah and Sadat, is that he insisted on their presence in his headquarters days before the beginning of the October War. He kept them there with him during the crucial days of battle. Salah Khalaf (Abu Iyad) explains this as Sadat’s desire to have the PLO participate in the peace conference planned for after the war. Despite Sadat’s request that these leaders participate, when they did come to him with their answer, he wasn’t interesting in listening, according to \Khalaf: “It gradually became apparent that Kissinger had convinced the Egyptian president of excluding the PLO from the peace process.”¹¹²

If the October War influenced the Arab-Israeli conflict by creating a new balance that allowed the transition to peaceful negotiations, the Arab—and especially the Egyptian—

¹¹⁰ Hourani, p. 187.

¹¹¹ Abu Iyad, *Fillistini*, p. 196.

¹¹² *Ibid.*, p. 210.

governments' stance influenced the stance of the PLO leadership. "They [PLO leadership] hoped that they would be able to achieve a number of transitional demands. They had received absolute promises from the Egyptian leadership that it would support the demand for an independent Palestinian state established on parts of the Palestinian lands which the Israeli occupation forces would withdraw from according to a settlement"¹¹³.

Thus, the policies and interests of Arab governments on one hand, and the absence of PLO room to manoeuvre governed a new adjustment in the PLO leadership's political position. The leadership was obliged to adapt its thinking in order to meet the needs of Arab governments. Khaled al-Hasan wrote:

We came to a decision that the best for us is that the West Bank and Gaza should be a Palestinian state... The way to have a sort of freedom either now or after 10 years is when we have our own land; talking also into account that in spite of the fact that we were dominated by our independence in our relation with the Arabs, we also discovered that so long as we do not have our own land, we cannot be 90 or 80% independent when we are working on the land of the others.¹¹⁴

In the PLO committees, many arguments ended in division, yet debate continued until an agreement was achieved consisting of a ten-point program approved by the Palestine National Council and including for the first time PLO official agreement on the principle of stages. The program itself was called the interim political platform. Its second point reads: "PLO practices all kind of struggle, namely the armed struggle, to liberate Palestinian lands and establish the fighting national authority for the people on any liberated part of Palestinian lands."¹¹⁵

Ultimately this was the price to be paid for PLO participation in the Rabat Arab summit on October 1974, which issued its famous decision recognizing the PLO as the sole legitimate representative of the Palestinian people. This act marked a change in which the PLO no longer represented policies at odds with the Arab regimes' consensus, but rather reflected that consensus. What attracts the attention here is that this transformation of the PLO

¹¹³ Hourani, *Al-Fikr*, p. 184.

¹¹² Helena Cobban, *The Palestinian Liberation Organization People Power and Politics*, (London, Cambridge University Press, 1984) p. 61.

¹¹⁵ Hourani, *Al-Fikr*, p. 209.

leadership did not originate from a series of evaluations or lessons learned in an open manner. According to notes and writings by senior Fatah leaders, the change resulted from pressures from Arab governments and ties between PLO leadership and Arab regimes. It also resulted from the gradual adoption of a style that depended on Arab governments' facilitation.

In this period, Arab pressure on the PLO began to bear fruit. The war of 1973 created new opportunities for political pressure on Palestinians. The United States wanted to exclude the PLO from new initiatives. Again, the leadership *inside* was in a position to strengthen the Palestinian political position. The growing role of the *inside*, together with the weakening of the *outside*, pushed the leadership *outside* to build bridges and develop influence *inside*. This, in turn, developed into differences between the *inside* and *outside* over the nature of their relationship. These differences continued and increased with new political proposals and projects, many of which actually sought to play off the differences between the two wings of leadership.

This period was characterized by other numerous difficulties faced by the PLO leadership because of its rejection of the Camp David accords, which permitted no role for the PLO, instead giving this role to an elected leadership of Palestinians from *inside* the OPT. In addition, the PLO wished to protect some ties with Egypt, which had always been a source of support. On the other hand, losing Egyptian support and Egypt's exit from the circle of confrontation with Israel coincided with the military attack launched by Israel against the Palestinian presence in Lebanon.

[D]uring this period the PLO had lost the political and diplomatic initiative. Israel, on the other hand, having succeeded in freezing the Egyptian front, turned its entire military efforts in the direction of southern Lebanon. The passivity of the Arab states, whether 'moderates' or 'progressives', at the time of 1978 invasion had already shown Israel how little Arab solidarity meant.¹¹⁶

Yasser Arafat worked to resolve the situation on various levels. He attempted to improve the unity and coordination between PLO and Arab countries, particularly Syria, Saudi Arabia and Libya. On the other hand, he worked on maintaining his relations with Egypt.

¹¹⁶ Alain Gresh, *The PLO*, p. 216.

Also, he carried out an initiative to improve relations with Europe. He paid his first visit to the European capital, Vienna, on July 1979. Also, he worked on improving his relations with the Soviet Union and announced more than once his support for the US-Soviet declaration that was issued on 1 October, 1977.

Finally, Arafat worked on improving and enhancing PLO and Fatah ties with Palestinians *inside* the OPT who had been active in various aspects of the struggle. That effort was made despite conflicting feelings among the leadership related to the escalating role and power of Palestinians *inside* the OPT, which came in parallel to the weak and retreating role of the PLO *outside*. Although that increase in coordination and cooperation between *inside* and *outside* was a positive sign from a Palestinian perspective, some writers looked at it differently. Barry Rubin commented: "By far the most important development was the increasing activism of Palestinians in the West Bank and Gaza. PLO support swept the 1976 elections held by Israel, but the fact that the new mayors now held an independent mandate reinforced the PLO's mistrust of them."¹¹⁷

The year 1979, and subsequent years, was crucial in the OPT. The intense protests against the Camp David Accords and before Sadat's visit played an important role in positioning the PLO against these events. The protests' major goals were to confront the Camp David Accords and the Civil Administration scheme that Begin's government attempted to implement; resist the construction of settlements, which were increasing at that time; as well as support the PLO. That was done in a more unified and organized way by establishing a new local leadership body in the OPT called the "National Guidance Committee".¹¹⁸

The National Guidance Committee was a culmination of efforts to unify and intensify the popular struggle against the Israeli occupation, and to unify the political position. It was composed of representatives of elected mayors of major cities (Bassam a-Shaqaa, Kareem Khalaf, and Fahid Qawasmi); elected representatives of professional associations (Ibrahim Daqqaq and Jiries Khouri); the elected director-general of the trade union federation (Adel

¹¹⁷ Barry Rubin, *Revolution Until Victory* (Cambridge, Harvard University Press, 1994) p 81.

¹¹⁸ Alain Gresh, *The PLO The Struggle within*, (London, Zed Press, 1985) p. 221.

Ghanim); editors-in-chief of the three main nationalist newspapers (Akram Haniyeh, Ma'moun al-Sayyid, Bashir Barghouthi); elected representatives of the university student movement ; and elected representatives of women's organizations (Samiha Khalil).¹¹⁹

This new body was able to unify and assert the commitment of the Palestinians in the OPT to the leadership of the PLO, and encourage the various geographic areas and social strata of Palestinians to participate widely in popular resistance against the Israeli occupation. It also demonstrated the complete failure of Israeli policies to co-opt Palestinians in the West Bank and Gaza Strip, in addition to the Israeli claim that Palestinians in the occupied territories had politics different from the PLO bodies *outside*. As a result, Israel responded viciously to this guidance committee and its members, sacking the nationalist mayors from their posts and appointing Israeli military officers instead. Israel also deported and arrested the vast majority of this leadership. Finally, a Jewish terrorist organization attempted to assassinate some of its leaders, which led to the maiming of two of them.

This National Guidance Committee led the struggle against the occupation in general, and in particular the occupation's illegal practices. Israeli settlement expansion activities, violations of human rights; Israeli attempts to develop alternative leadership to the PLO; and Israeli promotion of the so-called Jordanian option were among the main targets of the initiatives and struggle under the leadership of that committee. The close grass-roots ties that this leadership had (the vast majority were elected by respective constituencies) ensured direct responses to the specific conditions of occupation.

That period marked the beginning of debate among Palestinians over the *inside* and *outside* and the formation of relations between the two groups. There were political debates underway reflecting the breadth of political tendencies found in both the *inside* and *outside*, but these did not pit the two groups against each other. Rather, the discussion that positioned the *inside* and *outside* in opposition to one another was over roles, processes, priorities and procedures—not political substance. The *inside* perceived itself as part of the PLO leadership, not a mere extension of certain aspects of the struggle, as the *outside*

¹¹⁹ Bassam al-Salhi, *A-za'amah a-Siyasiyah wa Diniyah fi-l-Ard il-Muhtellah, 1967-1991* (Jerusalem: Dar il-Quds l-il-Nashir wa Tawzia', 1993) p. 51.

seemed to propose. Fatah's mainstream had limited political bases in, and influence over public associations within the OPT, due to its main focus on military action and its negligence of grassroots action. Nonetheless, the leadership *inside* clearly and consistently identified themselves with the national objectives of the PLO leadership *outside* and the symbolic role of the PLO as a focus for national unity and identity.

Factions, including Fatah, used their ties with their partner factions in the OPT to strengthen their position relative to another. This was reflected in the manner Fatah adopted in order to increase its influence on the *inside* quickly. "Fatah even reached the point of precipitating a split in the trade union movement and directing PLO financial aid to 'reliable people'." ¹²⁰

In other words, the leadership *outside* wanted the legitimacy afforded by ties to this successful uprising and the leadership *inside*, at the same time, maintaining complete control and autonomy. On this, Alain Gresh agrees with Rubin regarding PLO sensitivity to the developing role of the *inside* leadership. "The PLO in Beirut had not wished to see installed a leadership of occupied territories that was truly capable of casting on the struggle," ¹²¹ he writes. Indeed, this is the opinion of most researchers on the issue.

In any case, various pressures were exerted on the PLO until they culminated in Israel's invasion and occupation of South Lebanon and a siege on Beirut, which started on 6 June, 1982, and sought to destroy the military and administrative infrastructure of the PLO. In addition, Israel sought to release itself from Camp David dues owed the Palestinians when the withdrawal from Sinai was completed.

This aggression was committed with the support of the US, which, according to Sheila Ryan, was informed about the war plan.

The conjunction had occurred between a US strategic hostility to Palestinian nationalism, springing from the highly debatable concept that its advance is to the advantage of the Soviet Union and to the detriment of US interests; and the

¹²⁰ Gresh, *The PLO*, p. 222.

¹²¹ Ibid.

imperative apprehended by the Israeli government to obliterate the PLO as a prelude to expansionist and exclusivist plans for West Bank and Gaza.¹²²

Thus, the PLO's presence in Lebanon ended like its initial staging ground in Jordan. The Palestinian cause had lost many of its core components, however. "Once again, Arafat had to retreat in order to survive. He agreed to leave Beirut if PLO forces and their weapons received safe passage, plus a US promise to protect the Palestinians left behind."¹²³

In summary, in that period, and out of desperation, the various PLO factions competed to strengthen their influence *inside* the OPT. This was driven by the various problems faced by the leadership *outside*, including the Camp David Accords and the PLO's expulsion from Lebanon. In addition, the *inside* took the initiative for the first time in launching a large campaign rejecting first Sadat's visit, and then the Camp David Accords, while the PLO *outside* still vacillated. Also in that period, the growing political strength and legitimacy of the *inside* political leadership and movement compensated for the weakness of the *outside* in a manner that was in the favour of the PLO leadership in general. This again demonstrated their complementary relationship.

1982 - 1991: The Intifada Consolidates the Inside Leadership and Revives the Outside Leadership

After the PLO defeat in Beirut at the hands of the allied Israel and Lebanese right-wing, a phase of diplomatic efforts began in an attempt to reap the fruits of this defeat. This eventually led to the PLO's erasure from the political context, in the same way it had been removed from the military and geographical context. This political campaign began with US President Ronald Reagan's initiative on September 1, 1982: "My fellow Americans, today has been a day that should make us proud. It marked the end of the successful evacuation of the PLO from Beirut, Lebanon,"¹²⁴

¹²² Sheila Ryan, "Israel's Invasion of Lebanon", *Journal of Palestine Studies* (Summer/Fall 1982) p. 71.

¹²³ Rubin, *Revolution*, p. 57.

¹²⁴ Mahdi Abdel Hadi, *Documents on Palestine* vol I (Jerusalem, PASSIA Publications, 1997) p. 290.

The talking points in Reagan's proposal as they were sent to Israeli Prime Minister Begin emphasized the position that the US was committed to Camp David as the basis for any solution, and that these were the conditions his administration required in order to recognize and negotiate with the PLO. In his proposal, the idea of offering autonomy to Palestinian 'inhabitants' was introduced, as well as the participation of Palestinian inhabitants of East Jerusalem in the election of the West Bank - Gaza authority.

On the final status issues, the talking points stated: "The preference we will pursue in the final status negotiations is association of the West Bank and Gaza with Jordan; we will not support the formation of a Palestinian state in this negotiation."¹²⁵

The Palestinian formal position on this project was discussed in the 16th session of the Palestine National Council in Algiers on February, 14-22, 1983. This session rejected the Reagan project because:

it [did] not fulfill, in its tone or content, the inalienable national rights of the Palestinian people because it denies the right of return, self-determination and the establishment of an independent Palestinian state. It also does not recognize the PLO as the sole legitimate representative of the Palestinian people and it contradicts international legitimacy.¹²⁶

Because the core of the Reagan project was based on Jordan taking a representative role, the PLO leadership pre-empted this endeavour by developing its relationship with Jordan and reaching an agreement that Jordan would not negotiate alone over the Palestinians, and that Palestinian participation in any peaceful negotiations would take place through a joint Palestinian-Jordanian statement, resulting from the Joint Palestinian-Jordanian Accord signed by both parties on 11/2/1985. It included the following: "The Palestinians will exercise their inalienable right to self-determination when Jordanians and Palestinians will be able to do so within the context of the formation of the proposed confederated Arab states of Jordan and Palestine."¹²⁷

¹²⁵ Ibid., p. 249.

¹²⁶ al-Sharif, *Al-Bahth*, p. 317.

¹²⁷ Abdel Hadi, p. 299.

Despite official rejection of the Reagan project, the accord sought to meet it halfway by allowing participation of the PLO in any peace conference through a joint delegation. (The Reagan proposal had refused negotiations with the PLO and sought to annex the West Bank to Jordan.) With this, the PLO abandoned its basic mission of being the sole legitimate representative of the Palestinian people, as well as its slogan of establishing an independent Palestinian state.

It seems that these were signs that encouraged the United States to enter, for the first time, into a direct and official dialogue with officials in the PLO. These communications entailed the PLO's readiness to recognize UN Security Council resolution 242. This was expressed by Yasser Arafat in his speech to the non-aligned summit in Hariri on 5/9/1986 and coated by Alain Gresh: "It [the conference] would be based on international law and all resolutions of the UN general assembly and security council resolutions dealing with the Palestinian problem, including resolutions 242, 338, 465 and 471..."¹²⁸

With this first official recognition of these resolutions, the PLO had moved one step closer to American conditions. There only remained the final step by PLO Chairman Yasser Arafat of renouncing terrorism.

The thing that is significant in reviewing the positions of the PLO leadership is that they received nothing in return for these concessions, except survival and the promise of recognition. The US administration refused to recognize their right to self-determination, i.e., the right to an independent Palestinian state. In answer to a question asked by a member of Congress, the US Department of State answered: "The explicit reference to the PLO to resolution 242 and 338 and to Israel are new...But in the Middle East content the term 'self-determination' is loaded; it could mean the creation of the Palestinian state...and the US is not in favour of an independent Palestinian state."¹²⁹

These concessions by the PLO leadership also did not succeed in extracting gains from the Israeli side either, despite the PLO's acceptance of all the US and Israeli conditions.

¹²⁸ Gresh, *The PLO*, p. 242.

¹²⁹ Ibid., p. 241.

However the latter refused to recognize the PLO: "Regarding the inclusion of the PLO in any talks, he [Rabin] remained non-committal by stating that if the PLO accepted Resolution 242, the bases for negotiations; it would no longer be the PLO."¹³⁰ This might be considered an accurate description of the PLO's concessions on its primary mission. In March of 1987 Begin took power and made it clear that Israel absolutely refused to recognize the PLO.

The irony of this period is that the PLO leadership *outside* took positions that contradicted its original mandate. This resulted from US and Israeli attempts to take advantage of the weakness of the PLO. In order to survive, maintain its role, and remain relevant, the PLO *outside* made some political concessions that were not echoed by the *inside* leadership, especially concerning the agreement with Jordan, which ultimately compromised PLO representation of Palestinians.

The Palestinian uprising or *Intifada* that began in the OPT on 9 December, 1987 had two dramatic but contradictory effects on the PLO leadership. The first was to rescue it from the retreat in power and role experienced in the immediately preceding years. The second was the growth in position and role of the *inside* in Palestinian policy and the relative marginalization of the position and role of the *outside*, represented by the PLO.

Clearly, the Intifada had shifted the focus to the '*inside*', more so after the double blow the PLO had received: in 1982 when they were expelled from Lebanon, and as a result of the Gulf War. The persistence of these divergent attitudes created internal tension and suspicion through the duration of the negotiations, and in turn distorted the decision-making process.¹³¹

The Intifada restored the importance of the PLO, especially after the formation of the Unified National Leadership of the Intifada (UNLU), which joined the major organizations of the PLO (Fatah, the Popular Front for the Liberation of Palestine (PFLP), the Palestinian Communist Party (PCP) and the Democratic front for the Liberation of Palestine (DFLP) in a unified structure. The status of the PLO began to improve in the Arab world and "the Intifada pushed the Jordanian government to reconsider its stance concerning ties between

¹³⁰ Charles D. Smith, *Palestine and the Arab-Israeli Conflict* (New York, St. Martin Press, 1988) p. 253.

¹³¹ Hanan Ashrawi, *This Side of Peace* (1995: New York, Simon & Schuster) p. 81.

the east and west banks [of the Jordan]. It also made an active contribution to ending the refugee war in Lebanon and lifting the siege imposed by the Amal Movement on the Palestinian population since 1985.”¹³²

The Intifada also contributed to improving the image of the Palestinian people, generating sympathy in international public opinion and many world governments. This arose out of its status as a widespread grassroots movement based on non-violent struggle with obvious and realistic political content. “It is clear now that the Intifada is primarily a political act of resistance seeking the achievement of political objective. It derives its major values, aspirations, and premises from the collective existential experiences of the Palestinian people.”¹³³

From the first joint leaflet issued in Gaza on 16 December, 1987, the Intifada was characterized by clarity in its goal for independence and its loyalty to the PLO. This leaflet stated the following:

The rulers of Israel deluded themselves into thinking that they had come closer to creating an alternative to the PLO, and that with their empty talk of direct negotiations with Jordan, that they had won the final round... The Palestinians’ strong belief in their legitimate rights embodied in the PLO provides them with the spiritual force behind their daily struggle. ¹³⁴

The Intifada also contributed to encouraging the PLO towards political conduct and negotiations. Its strength and self-confidence contributed to protecting the PLO from marginalization in any idea by any party on a negotiated solution. An example of this was written in the tenth leaflet of the Unified National Leadership (UNLU) of the Intifada: “We have made it clear that no other party can speak on our behalf. We will not allow any of the Arab countries to betray the Palestinian cause by preventing the PLO from attending an international conference. The PLO must be represented by an independent delegation.” ¹³⁵

¹³² al-Sharif, *Al-Bahth*, p 358.

¹³³ Ibrahim Abu-Lughod, “Introduction On Achieving Independence”, in Jamal Nassar, Roger Heacock (eds) *Intifada Palestine at Crossroads* (New York, Praeger, 1990) p. 3.

¹³⁴ Facts Information Committee, *Towards a State of Independence* (Jerusalem: Facts information Committee, 1988) p. 90.

¹³⁵ *Ibid.*, p. 97.

The Intifada contributed to making the peace process a possibility. It transformed the nature of the conflict from conditions that were difficult for the Palestinians in the OPT, while acceptable for Israelis, to a situation unbearable for both sides. This pushed both parties to search for a way out of the difficult conditions. Abu Lughod clarified this change, writing: "The Intifada and its leadership understood the fundamental law applicable to the achievement of independence in colonial situations: a colonial system can be defended and maintained successfully as long as the benefits a colonial power derives from the colonized exceed the costs."¹³⁶

Israel and the US recognized how difficult it would be to avoid a political solution for conditions arising from the Intifada. However, both still attempted to propose political initiatives bypassing the PLO. Both failed. US Secretary of State George Shultz made a visit to the region in mid-1988 in an attempt to hold contacts in Jerusalem with traditional Palestinian leaders. The leadership of the Intifada rejected this initiative, however, and Shultz failed. Leaflet No. 10 of the Unified Leadership read: "The Intifada sent Shultz away empty handed, has increased the international isolation of Israel and has swept away those who have tried to undermine the PLO, the sole legitimate representative of our nation. America has been exposed as being not a mediator but rather our main enemy."¹³⁷

The second attempt to change the conditions was Israeli, and was represented by Shamir's four points of 14 May, 1989, and the peace initiative of the national coalition government two days later. The initiative included the following: "Israel will not conduct negotiations with the PLO. The parties participating in the negotiations for the first stage shall include Israel and the elected representation of the Palestinian Arab inhabitants of Judea, Samaria and the Gaza district."¹³⁸

The PLO, which was carried by the Intifada from the no-mans-land it occupied between 1982 and 1987 to a forefront position in Middle Eastern politics, always sought to appear as the commanding force of the Intifada, possessing it to use later as a winning card. The example that best expresses this is Chairman Arafat's famous statements that leaflet No. 75

¹³⁶ Abu-Lughod, "Intifada", p. 7.

¹³⁷ Facts Information Committee, *Towards a State of Independence*, p. 96.

¹³⁸ Ibid.

of the Unified National Leadership of the Intifada was in his pocket. The PLO said it must invest these political gains in order to regain control over the initiative that had begun in the West Bank and Gaza and not in Tunisia. Helga Baumgarten concludes that Arafat and his leadership "from early on in the Intifada were clearly determined to achieve the utmost political capital from the popular uprising"¹³⁹

The PLO felt the value of a political solution resulting from the Intifada. It worked towards new gains in its political stance. Its strived for a position that would enable it to be accepted as a political party in any negotiations initiative. This change resulted in the resolutions of the 19th Palestine National Council convened on 15 November, 1988 which ratified, for the first time, the principal of a two-state solution. "Despite the historical oppression subjected to Palestinians through their exile and denial of their right to self-determination due to the UN General Assembly resolution 181 in 1948 which divided Palestine into two Arab and Jewish states, this decision still provides the conditions for international legitimacy which guarantees the Arab people's right to sovereignty and national independence."¹⁴⁰

However, what weakened the stance of the PLO and its potential for participation in upcoming negotiations was the Gulf war, which weakened the Arabs in general and restored sympathy for Israel. More important, however, was the PLO's support for the hard line position of Iraq, which once again led to international isolation. This, in turn, allowed the US to exclude the PLO, and the PLO could not refuse since its refusal might threaten the movement's very existence. Consequently, it gave instructions to its supporters in the OPT to cooperate with the US initiative launched by President George Bush on 6 March 1991, a decision which will be discussed in detail in the next chapter.

¹³⁹ Helga Baumgarten, "Discontent People" and "Outside Agitators" in Jamal R. Nassar, Roger Heacock (eds) *Intifada*, p. 222.

¹⁴⁰ Mahdi Abdul Hadi, "The Palestinian Declaration of Independence", in *Documents on Palestine*, Volume I, p. 331

Conclusion: One Leadership in Two Parts

This chapter shows that, in fluctuating circumstances, the Palestinian leadership *inside* and *outside* maintained complementary rather than competitive relations throughout the years leading up to the Madrid peace process. That was especially true when Israel and the United States tried to bypass the PLO and prevent it from playing the role of representative, using the *inside* leadership instead. Consensus on this issue was especially important considering the fact that legitimacy as the representative of the Palestinian people was the main, if not the only, achievement of the PLO. The role of the *inside* in protecting that achievement is best expressed by Hanan Ashrawi: “We (the *inside*) become the umbilical cord of the PLO, at once linking it to the rest of the world, while granting it the legitimacy of a constituency on the land of Palestine.”¹⁴¹

This interdependency was a direct result of the realities faced by each part of the political leadership. The *inside* leadership emerged in a very aggressive atmosphere. The Israeli occupation continued to kill, arrest and deport the leaders of the political movement. In the early stages of the formation of the leadership *inside*, the PLO *outside* provided it with lungs to breathe. At the same time, the *outside* needed the support and legitimacy of the *inside*. Even when American diplomacy avoided dealing with the PLO directly, the *inside* forced its presence at the table. Faisal Husseini, the most popular leader in the territories started his first meeting with James Baker in Jerusalem by saying: ¹⁴²“We are here at the behest of the PLO, our sole legitimate leader.”

What is most important, then, in studying the formation of the leadership *inside* and *outside* is not competition between them but rather how they pursued their differing political priorities (sometimes through different political behaviour) within a fundamentally complementary framework. Differences in priorities and behaviour can be explained by their differing environments and circumstances. Living ‘within’ Palestinian society and under direct occupation prevented the *inside* leadership from deviating from the ‘correct’ politics of its immediate constituency. The priority was the ending of the

¹⁴¹ Ashrawi, *This Side of Peace*, p. 58.

¹⁴² *Ibid.*, p. 82.

occupation and stopping Israeli settlement expansions. In exile, on the other hand, the leadership *outside* was concerned with its relations with Arab governments, its status as a recognized leadership, and financial considerations.

Thus, an interesting dichotomy existed: neither the inside nor the *outside* was able to survive without the other. At times they expressed differences in interest, bordering even on occasion in tension or suspicion, but at the end of the day the commitment of the two sides to one another, and their co-ordination with one another, remained secure.

Given this conclusion, which differs substantially from conventional understandings of the Palestinian leadership, it is now possible to re-evaluate the processes and outcomes of the peace process.

CHAPTER THREE: Palestinian Participation in the Peace Process: The Madrid Conference and Washington Negotiations

Introduction

This chapter will examine how the Palestinian leadership dealt with the joint American-Soviet invitation to participate in the peace process. Because the timing and conditions of the invitation took advantage of the weakness of the PLO *outside*, the complementary relationship between *inside* and *outside* became crucial. The loyalty of the *inside* to the PLO leadership *outside*, and the harmony that existed in their political positions enabled the leadership to have its cake and eat it, too. It did this by appointing a delegation from the *inside* (thus getting around prohibitions on PLO participation in the talks) that would present PLO negotiating positions. Similarly, this delegation had no difficulty in maintaining the role of loyal emissaries. This has never been properly understood in the literature, which mistakenly viewed the *inside* and *outside* as competitors.

This chapter will show that despite the political harmony that existed between the *inside* and *outside*, each group nonetheless had different emphases and priorities, coloured by their specific realities. The *outside* wanted the delegation to the talks to pursue tactics that would restore the direct representative role of the PLO *outside*, including bringing it to the negotiating table. The *inside*, on the other hand, preferred a negotiations approach that would help stop illegal Israeli activities, especially those consolidating the occupation and oppressing Palestinians in their homeland. In sum, while the structure of the negotiations was determined according to Israeli preferences, the Palestinians were to some extent (but not entirely) able to overcome this problem.

Finally, this chapter will demonstrate that the flexibility of the leadership over issues of representation, the formation of the delegation to the talks, and the negotiations' structure and process did not succeed in offsetting the negative political environment. The imbalance of power, continued Israeli provocations, and impartial attitude of the talks' sponsors all prevented the negotiations from succeeding.

The scope of this chapter will cover the international Middle East peace conference in Madrid on 31 October, 1991, and the subsequent bilateral Israeli-Palestinian negotiations in Washington, DC that started in December 1991. The conference was called by joint invitation from the United States and the Soviet Union. The joint letter of invitation and letters of assurances from the United States to the parties to the talks served as terms of reference and were based on United Nation Security Council resolutions 243 and 338, and the principle of land for peace. These also stipulated that the peace process would have two phases; an interim phase that would produce agreement on Palestinian autonomy, and a final agreement addressing a final and comprehensive peace.

This peace initiative had a particular historical context. During the Gulf War, in which many Arab states sided with the US against the Iraqi occupation of Kuwait, the US was accused of double standards, i.e. being comparably tolerant of Israeli occupation of Arab land. As a result, the American government wanted to compensate its Arab allies. Another motive was the weakness and isolation of the PLO leadership, which convinced the American administration that it could either bypass the PLO or encourage an alternative leadership from the OPT, an objective sought by Israel from the early stages of its occupation. In other words, the United States thought that the regional political environment was conducive to a process Israel could accept, and the Palestinian leadership could not reject.¹⁴³

In order to best demonstrate these arguments, this chapter will be divided into sections that describe the Palestinian leadership's performance during the various stages of the Madrid conference and the subsequent Washington negotiations. The first section will answer the question why the Palestinian leadership decided to accept the invitation and participate in the negotiations, despite restrictions and conditions it considered unfair. The second section covers how the Palestinian participation was formulated, including the American-Palestinian discussion that took place over the composition of the delegation and its terms of reference, related Israeli conditions, and the dynamic Palestinian debate among the leadership and public over participation. Section three will present what happened in the

¹⁴³ See Emma C. Murphy, "The Arab-Israeli Conflict in the New World Order", in Haifa Jawad, *The Middle East in the New World Order* (Basingstoke: Macmillan, 1997 2nd edition) pp. 110-139.

negotiations and the discussions over the leadership's performances that were generated between the *inside* and *outside*, on one hand, and among the public, on the other. The final section will attempt to answer the question as to why the Washington negotiations failed to reach an agreement.

The Palestinian Leadership's Decision to Participate in the Peace Process

Many previous US attempts to start a peace process based on Israeli conditions—non-recognition of the principles of PLO participation and the Palestinians' right to self-determination—had ended in failure because the PLO had the power to reject them. Even when the PLO was still rebuilding five years after leaving Beirut weak and defeated, the Intifada (the Palestinian popular uprising against the Israeli occupation that started in December 1987), came to the rescue, enabling it to reject Schultz Plan¹⁴⁴, which ignored its existence.

The American administration started preparations for the peace process at a time when the PLO *outside* was at its weakest, having experienced the fall of its superpower ally; the defeat of its Arab ally, Iraq, and the subsequent loss in Arab financial support; and finally, the increase in the political weight of the Palestinian leadership in the OPT. The PLO was left with the impression that it was required to facilitate the Palestinian participation in the talks at the expense of its positions and its existence. That was best expressed by PLO Chairman, Yasser Arafat:

Dear brothers, the Americans will not forgive us our previous positions, especially during the Gulf War. In the eyes of the Americans, you are a terrorist organization. After the collapse of the Soviet Union, the Americans will focus on fighting the so-called terrorism; they want Yasser Arafat to be the drone that stings once and then dies.¹⁴⁵

¹⁴⁴ An American plan promoted by Secretary of State Georg Schultz, aimed at initiating political process of negotiations between Israel and the Arab States that by passes the PLO.

¹⁴⁵ Mamdouh Nofal, *Qissat Itifaq Oslo* (Amman: Alahliya, 1995) p. 32.

These statements were made within the context of Arafat explaining why the PLO had to agree on Palestinian participation in the peace process under restrictions that directly contradicted fundamental PLO principles and positions—particularly representation of the Palestinian people by the PLO.

The loss of a superpower ally, the Soviet Union, was a major factor in weakening the Palestinian leadership and cause. The Soviet Union had been an indispensable supporter and ally of the Palestinian leadership cause since the mid-50s. It had been the PLO's main source of arms and weapons since its establishment. Furthermore, within the context of the Cold War, the Soviet Union was the main ally and supporter of those Arab countries interested in fighting Israel in support of Palestinians. In addition, political achievements, such as supportive resolutions at the United Nations and other international arenas would not have been possible without Soviet support. For that reason, losing this ally left the PLO vulnerable to international pressure.

The dependence of Palestinian politics and the PLO leadership on the support of the Soviet Union stemmed originally from the need to balance the strategic alliance between the US and Israel. Historically, Arab and Palestinian dependence on Soviet support dates back to the Suez crisis and war, which Arabs called the "tripartite aggression" and which ended with Israel occupying the Palestinian Gaza Strip. During this period, Arab revolutionaries, particularly Egypt, could find no ally but the Soviet Union.

Many Palestinian historians and analysts believe that the Soviet warning of intervention was one of the key factors leading to the termination of the Israeli-British-French aggression and to Israel's withdrawal from Gaza. According to Palestinian historian Emil Touma:

The steadfastness of the Arab Egyptian people, the solidarity of the Arabs and the Soviet Union's warning may have been the decisive measures that forced the governments of Britain, France and Israel to retreat and withdraw from the Egyptian territory.¹⁴⁶

¹⁴⁶ Emil Touma, *al-Aa'mal al-Kamelah*, vol. 4 (Haifa: Imil Tama Centre for Political and Social Research, 1995) p. 396.

As the PLO grew in power and authority, a strong relationship emerged between the PLO and the Soviet Union, as evidenced by the Soviet Union's provision of arms to the PLO at the end of 1972.¹⁴⁷ Moscow received Chairman Arafat in February 1970, in October 1971 and in July 1972.¹⁴⁸

Salah Khalaf, the second man in the PLO, quoted on the relationship with the Soviet Union:

We have friends in the world, first and foremost the Soviet Union and other socialist countries. Not knowing who one's friends are is not a [wise] political attitude. If the USSR is our friend, we must keep its friendship and strengthen it, to do that, maintain the dialogue with it...¹⁴⁹

The most recent example of the PLO's dependence on the support of the Soviet Union was the attempt to reject the US-Schultz initiative during the Intifada in 1988. After the Executive Committee of the PLO and the Intifada leadership had succeeded in getting the Palestinians to boycott Secretary of State Schultz's visit and reject his proposal, Yasser Arafat headed straight to Moscow on April 7, 1988, accompanied by a large delegation. There, the Soviets' declaration of opposition to the Schultz plan encouraged the PLO and Arafat to reject the initiative openly. Prime Minister Gorbachev expressed his opinion that there was a:

need to reject the Schultz initiative because it does not meet the requirements of a permanent and just peace, and it does not deal with the PLO as the sole and legitimate representative of the Palestinian people, and it does not talk about the self-determination of the Palestinian people'...The Soviet leadership called on the Palestinian leadership to hold on to the idea of an international conference and total withdrawal from Arab and Palestinian occupied lands and to the right of the Palestinian people to self-determination and the establishment of an independent state.¹⁵⁰

A decline in Soviet support for the PLO began when Gorbachev started shifting Soviet policy away from the emphasis on the Middle East and the ideologically-motivated support

¹⁴⁷ Gresh, *PLO*, p. 155.

¹⁴⁸ Ibid.

¹⁴⁹ Ibid., p. 145.

¹⁵⁰ Mamdouh Nofal, *Alinqilab* (Amman: Dar Alshoroq, 1996) pp. 19-20.

for governments and revolutionary movements of the Brezhnev era, toward improved relations with Israel and Western-oriented Arab countries. Gorbachev recognized the state of Israel and facilitated the immigration of Jews to Israel, and started pressuring the PLO to amend certain of its positions. This transformed Palestinian-Soviet relations into a liability, in the view of the PLO. According to Palestinian scholar Naseer Aruri:

Soviet policy under Gorbachev, in effect, revised the 1981 Brezhnev Plan in order to accommodate US and Israeli demands....The new Soviet approach was designed to take some wind out of the sails of the US-Israel special relationship, having gone a long way towards meeting the US position and bringing with it a regional alignment, most of whose components were traditionally pro-West.¹⁵¹

According to Mamdouh Nofal, the loss of Soviet support for the PLO position, and the transformation of that support into a tool used to pressure the PLO to accept US demands, had an enormous effect on the PLO's acceptance of the peace process under US conditions. Arafat summarized the position as follows: "Dear brothers, God bless those who know their real status. We cannot confront the Americans, Russians and Arabs all at the same time."¹⁵²

The Gulf War of 1991 and the PLO's position on that war was another factor in weakening the Palestinian leadership. After the Gulf War, the power balance in the region shifted. The US exploited this new imbalance, and the PLO's pro-Iraq position in the war, to sharpen its attack against the PLO leadership and to set the stage for excluding the PLO from any upcoming peace initiative. Aruri quoted President Bush, saying: "The PLO had 'backed the wrong horse', said President Bush, implying that it should not, therefore, expect an invitation to the post-war negotiations."¹⁵³

This concentrated campaign targeting the credibility of the PLO leadership, particularly that of Yasser Arafat, had an impact on the leadership and its positions. It was in this period that a number of analysts predicted that the US, after its victory in the Cold War,

¹⁵¹ Naseer Aruri, *The Obstruction of Peace* (Monroe, Maine: Common Courage Press, 1995) p. 121.

¹⁵² Nofal, *Alinqilab*, p. 41.

¹⁵³ Aruri, *The Obstruction*, p. 163.

and its later victory over Iraq, would keep striking at remaining pockets of Eastern Bloc influence, such as Cuba and the PLO.

Mamdouh Nofal best described the condition and status of the PLO when he said:

In February-March 1991, the PLO became exposed politically, reaching its weakest condition yet. The status of the PLO had become extremely vulnerable; the PLO lived in a state of turmoil and anxiety over the future, including its very survival. The Gulf war ended in the defeat of Iraq and all those who stood supporting it, and the US with its allies won. The strong US propaganda launched against the PLO leadership and against Abu Ammar personally intensified the concern and anxiety within the PLO leadership.¹⁵⁴

Within this context came the US peace process initiative, which was based on the understanding that the imbalance left by the Gulf War—particularly the lack of support from the Soviet Union—was precisely what was needed to ensure the success of the initiative.

The Washington Institute for Strategic Studies, a non-government think tank very close to the US administration at the time, reflected that understanding in expressing its support in *Pursuing Peace*, which laid out the American strategy for the Arab-Israeli Peace process:

The demise of the Soviet Union and the destruction of Iraq's offensive capabilities in the Gulf war have broken the back of the 'Rejection Front' so instrumental in preventing progress in the peace process since the early 1980s. The most powerful Arab forces once opposed the peace are either defeated (Iraq), or discredited (the PLO) or unable to count on previous strong Soviet support (Syria). This has created the most favorable regional and international environment for Arab-Israeli peacemaking in living memory.¹⁵⁵

The results of the war also included a change in the positions of the Arab states vis-à-vis the PLO and the resolution of the Palestinian issue. The (united) Arab position was demonstrated in summit conferences in Rabat in 1974, in Fez in 1982, in Amman in 1987 and in Algeria in 1988. In all of these summits, the Arab governments stressed the need to recognize of the PLO, an end to the Israeli occupation, a solution to refugees problem

¹⁵⁴ Nofal, *Alinqilab*, p. 36.

¹⁵⁵ Washington Institute for Strategic Studies, *Pursuing Peace* (Washington, DC: 1992) p. iii.

according to UN resolution 194, and an international peace conference as the mechanism to achieve a just peace.

After the war, however, there was a general retreat from these positions and division among the Arab states. Aruri noted that: "The erosion of official Arab support for the PLO began to result in a clear distancing from Palestinian national rights, including self-determination."¹⁵⁶ There was also a drastic decline in support, especially financial, from Arab states angered by the PLO's pro-Iraq stance during the war. This was exacerbated by the indirect costs of the War for Palestinians, including the retaliatory expulsion of Palestinian migrant workers from the Gulf Arab countries.¹⁵⁷

All this helped establish the new policy of the PLO leadership—and helped ensure the success of that policy—which was to save itself from the US-led anti-PLO campaign by making further concessions. As Mamdouh Nofal recalled:

As the tanks and planes ceased their activities in the Gulf area, the US administration made renewed moves towards peace making in the region. The PLO leadership welcomed those moves and attempted to participate in them by expressing its willingness to adapt and respond positively to the 'New World Order' and to the Americans' post-Cold War Middle East policy.¹⁵⁸

One of the main ramifications of the Gulf war on the PLO was the sharp decline in previously generous Arab financial support to the PLO. The Gulf States wanted to punish the PLO because of its support for Iraq. In addition, the United States encouraged its Arab allies to up the financial pressure as a tool for extracting further political concessions from the PLO.

The Intifada was an important factor contributing to Palestinian participation in the peace process. It strengthened the Palestinian political position and made it difficult to ignore. In

¹⁵⁶ Aruri, *The Obstruction*, p. 166.

¹⁵⁷ Sara Roy argues that in 1987 total remittances from the Gulf countries amounted to \$250 million or 10% of the OPT's GNP. The expulsion of Palestinian workers from the Gulf, as well as the loss of up to \$15-20 billion of Palestinian savings amassed in Kuwaiti banks but lost through Iraqi plundering, and the knock-out effects of the Jordanian economic crisis incurred as a result of the war, inflated Gazan unemployment to 40%, and led to an immediate 10% decline in the Gazan economy alone. (Roy, *Failing Peace*, p. 45.)

¹⁵⁸ Nofal, *Alinqilab*, p. 36.

addition, the Intifada leaders' loyalty to and support for PLO representation of the Palestinian people reinforced the PLO's position and gave it much-needed self-confidence. The popular and non-violent nature of the Intifada lent Palestinians the support and sympathy of the international community, compensating for deteriorating Arab and international passion for the PLO. That is especially relevant in light of the fact that the PLO had thus far pursued solely armed struggle.

The strength of the Intifada, in which 389 Palestinians were killed by the Israelis in the first year, lay in the tactics used against Israel. The Intifada exploited Israel's weak points and effectively neutralized its source of power—its planes, tanks and trained army—which could not fight against a grassroots peaceful popular struggle. Taken from another angle, this style of struggle gained huge international sympathy and support and in the race for international public opinion was able to come out ahead of superior Israeli public relations skills.

The Intifada was completely different from traditional PLO methods, which had always favoured armed struggle and military tactics. In Lebanon, the PLO had come close to resembling a classic army, with heavy weaponry such as tanks and artillery. This characteristic was hugely in Israel's favour in influencing international public opinion, reaping the PLO few gains; by comparison, the Intifada achieved a great deal.¹⁵⁹

The style and methods of the Intifada had an impact, for the first time, on Israel's official position on the OPT, creating a desire to rid Israel of the burdens of the Intifada through political means, since all military methods had failed. As Rubin says: "After over 20 years of Israeli occupation, Palestinians—through a continuous rebellion that began in December 1987—quickly made the Occupied [Palestinian] Territory impossible for Israel to govern."¹⁶⁰

¹⁵⁹ For details of the Palestinian strategies and tactics during the Intifada, and an assessment of their impact, see Geoffrey Aronson, *Israel, Palestinians and the Intifada: Creating Facts on the West Bank* (London: Kegan Paul International, 1990) pp. 323-343.

¹⁶⁰ Rubin, *Revolution until Victory*, p. 58

The PLO leadership was well aware that the Intifada offered it an important card for negotiations. As such, it helped to make the peace process and Palestinian participation possible by placing pressure on Israel to relieve the situation, which it seemed unable to do with military means. Second, the Intifada projected and promoted a political solution. PLO leader Salah Khalaf correctly stated: “‘If they [the *inside*] had not requested that political initiative, it would not have happened.’ Another PLO leader called the Intifada ‘the real mother of the peace process.’”¹⁶¹

It is useful to further clarify this issue by trying to understand the mentality of the leaders of the Intifada concerning the relationship between the *inside* and *outside* at this time. Most Intifada leaders did not address this issue because of its sensitivity and because most of them were imprisoned, with little opportunity for freedom of expression. However, Bassam al-Salhi, a member of UNLU, discussed the issue in a book on political and religious leadership in the OPT. In his book, he explained the differences on the role of the *inside* that occurred between the Unified Leadership and the PLO leadership: “there seemed to be some differences in understanding the role of the UNLU between the *inside* and the *outside*. Particularly, whether it is merely an arm of the PLO in the occupied territory, just a coordination committee, or a political front that has under its command political personalities.”¹⁶²

In the early stages of the Intifada, the UNLU succeeded in becoming the “undisputed commander of the various daily and field struggle activities in the Palestinian Occupied Territory. It succeeded in filling the leadership vacuum in the territory.”¹⁶³

This situation was not very comfortable for the PLO leadership *outside* because it led to differences in political priorities with the *inside* leadership. The PLO needed to exploit the Intifada’s achievements to regain its political status at Arab and international levels. According to al-Salhi, this caused the

¹⁶¹ Nofal, *Alinqilab*, p. 92.

¹⁶² Bassam al-Salhi, *Az-za'amah a-Siyasiyah wa Diniyah fi-l-Ard il-Muhtellah, 1967-1991* (Jerusalem: Dar il-Quds l-il-Nashir wa Tawzia', 1993) p. 124.

¹⁶³ *Ibid.*, p. 128.

PLO on the *outside* to increase its demands on the Intifada leadership to take into consideration the working conditions of the PLO, its status and the various positions that were different from the statements and activities of the Intifada leadership, particularly with regard to the PLO's relations with Arab countries. There was also joint [*inside* and *outside*] desire to utilize the Intifada by both the PLO and the UNLU, not only *inside* but also *outside*; with the purpose of removing the effect created by the media that denies any relation of the PLO with the Intifada. In fact trying to remove this imprisonment brought the PLO to try to have a hand-on approach in its relation with the Intifada.¹⁶⁴

Media claims, particularly in the Israeli media, that the Intifada was independent of the PLO made the latter anxious to demonstrably control the Intifada. The Intifada leadership was also in a difficult position, torn between wanting freedom of movement and maintaining its connections with the PLO, and aware of the importance of strengthening the status of the PLO as the symbol of Palestinian unity and nationhood.

Through these two desires, the Intifada laid the groundwork for Palestinian participation in the peace process. In order to harvest the uprising's political achievements, the PLO leadership encouraged loyal public figures to play the role of spokespersons for the Intifada. They were mostly leading figures in the same factions that were represented in the UNLU, in addition to a few independent political figures. The most prominent example was Faisal Husseini, a leading Fatah activist in Jerusalem. Having political prominence, public credibility, visibility, and connections with foreign diplomats and press people, they were easily engaged in American efforts to prepare for the peace process. Of this, al-Salhi says:

The third stage of the Intifada witnessed an increase in the status [of the national figures] at the expense of the status of the leadership of the Intifada, and the PLO gave its blessing to the committee of national figures in the occupied territory whose status gradually increased once again in an overwhelming fashion. This coincided with the declaration of the US peace project and Baker's visits to the region, and later the convening of the Madrid conference and the rounds of negotiations that followed.¹⁶⁵

To summarize, in 1991, the PLO leadership found itself facing difficult choices. The peace process seemed to be inevitable, but the PLO was too weak to influence the conditions for

¹⁶⁴ Ibid. p. 129.

¹⁶⁵ al-Salhi, *Az-za'amah a-Siyasiyah*, p. 137.

the talks, and would be further weakened if others were to negotiate the Palestinian future in its absence. The way out was to use the *inside* in a manner that again complemented the roll of the *outside*, all the time serving the Palestinian interest and gaining popularity. Thus, the Intifada strengthened and rescued the PLO. The PLO, as the symbol of the Palestinian struggle, was reinforced externally by the renewed interest in and support for the national cause, which resulted from events on the ground. The PLO leadership, running the PLO bureaucracy, felt nevertheless that the balance of power was moving to the *inside* and consequently sought to increase its own direct influence on the *inside* leadership by cultivating prominent Fatah personalities therein.

The Nature of the Palestinian Participation in the Peace Process

The year 1991 provided a new opportunity for the United States to successfully pursue its plan for a peace process in the Middle East. In this regard, a report from the Washington Institute for Strategic Studies, a non government but close to the administration stated that:

“In the aftermath of Desert Storm, America possessed unique strengths: prestige as the victor in the Gulf; status as sole superpower; an ability to rally an international coalition; and a special relationship with key Middle East states, especially Egypt, Israel Saudi Arabia and Turkey...the US might be able to do much more than in the past, and at a lower cost.”¹⁶⁶

In general, this opportunity was supposed to “make the region safer for US interests”. Specifically, those vital interests stemmed from the following analysis:

The US will grow more heavily dependent on Persian Gulf Oil. Israel’s survival, a bipartisan, decades-old US commitment, will still be at risk in the absence of peace. The danger of future proliferation of nuclear and other weapons of mass destruction has been highlighted by Iraq’s quest for the bomb and Iran’s current pursuit of the nuclear option.¹⁶⁷

To serve these vital American interests a wide variety of political, economic and military actions needed to be planned and organized, including changes in regional security, arms control, economic development and political arrangements. For these reasons, President

¹⁶² Washington Institute for Strategic Studies, p. 3.

¹⁶⁷ Ibid., p. 2.

Bush and Secretary of State Baker indicated that: “‘business as usual’ would no longer be the order of the day. Instead there would be a determined, US-led attempt to create regional security for the Persian Gulf, a negotiated Arab-Israeli peace, new controls on arms transfers to the Middle East, and broader economic development.”¹⁶⁸

The three official documents that formally specify the nature of the American peace process initiative that was launched 31 October, 1991 were: the American and Soviet letters of invitation to the Madrid conference; the American letters of assurance to the parties to the conference, including the Palestinians and the remarks by President Bush at the Madrid conference itself.

The joint US-USSR letters of invitation stated concerning the Palestinian-Israeli part of the process that:

With respect to negotiations between Israel and Palestinians who are part of the joint Jordanian-Palestinian delegation, [these] will be conducted in phases, beginning with talks on interim self-government arrangement with the objective of reaching agreement in one year. Once agreed, the interim self-government arrangement will last for a period of five years. Beginning the third year of the period of interim self-government arrangements, negotiations will take place on Permanent Status. These permanent status negotiations, and the negotiation between Israel and the Arab States, will take place on the basis of Resolutions 242 and 338.¹⁶⁹

In his opening remark to the Madrid conference, President Bush reiterated the basic principles of the invitation, such as basing the negotiations on United Nations Security Council Resolutions 242 and 338 and the phased structure of the process. Bush also stated:

In our view, something must be developed, something acceptable to Israel, the Palestinians and Jordan, that gives the Palestinian people meaningful control over their own lives and fate and provides the acceptance and security of Israel.¹⁷⁰

¹⁶⁴ Ibid., p. 1.

¹⁶⁹ The American-Soviet Letter of Invitation to Madrid Peace Conference [<http://www.jmcc.org/documents/madridinvite.htm>] 19 October 1991

¹⁷⁰ The opening speech of President Bush at the Madrid Peace Conference [<http://www.jmcc.org/documents/bushmadrid.htm>]

The American letter of assurances to the Palestinians dated 18 October, 1991 was the most detailed of all, and may be the most significant. However, it was technically less important than other documents because it was not binding on Israel. This letter describes the basis for the entire peace initiative:

...[T]he United States continues to believe firmly that a comprehensive peace must be grounded in United Nations Security Council Resolutions 242 and 338 and the principle of territory for peace. Such an outcome must also provide for security and recognition for all states in the region, including Israel, and for the legitimate political rights of the Palestinian people.¹⁷¹

The letter also stated, "The US believes that there should be an end to the Israeli occupation which can occur only through genuine and meaningful negotiations...We believe Palestinians should gain control over political, economic and other decisions that affect their lives and fate."¹⁷²

By accepting Palestinian participation on the basis spelled out in the three documents, the PLO had already given major concessions. The PLO was not to represent the Palestinians—the United States had no intention of "bring[ing] the PLO into the process or to make Israel enter a dialogue or negotiation with the PLO."¹⁷³ The negotiations were about self-government arrangements rather than self-determination, as the United States did "not support the creation of an independent Palestinian state."¹⁷⁴ Furthermore, by accepting these conditions and an invitation that restricted Palestinian representation to "Palestinian residents of the West Bank and Gaza,"¹⁷⁵ i.e., not East Jerusalem and not *outside*, including the PLO, the PLO had agreed to the negation of several of its fundamental principles. Moreover, the Palestinian delegation would be part of a joint Palestinian-Jordanian delegation and not independently recognized. These condition represented severe structural constraints for the PLO leadership.

¹⁷¹ The American Letter of Assurances to the Palestinians [<http://www.jmcc.org/documents/usasurelet.htm>] 18 October, 1991.

¹⁷² Ibid.

¹⁷³ The American Letter of Assurances to Israel [<http://www.monde-diplomatique.fr/cahier/proche-orient/madrid-garantie-en>] 18 October, 1991.

¹⁷⁴ Ibid.

¹⁷⁵ Ibid.

Furthermore, these terms of references for the peace process, which in fact arose out of Israeli conditions, did not allow the negotiations to go beyond the parameters of the 1979 Camp David Accords that had been rejected at the time by Palestinians. The Camp David accords dealt with Palestinian inhabitants in the West Bank and Gaza only, excluded the PLO and Palestinians *outside* Palestine, and left out of the scope of negotiations all unilateral Israeli actions, mainly Israeli settlements. While the Camp David Accords between Egypt and Israel included a section on Palestinian-Israeli future relations, this had been rejected by the Palestinians because it failed to guarantee them the right to self-determination, an end to occupation and ultimately statehood. The Camp David Accord was the original source of the two-stage approach: interim self-government arrangements, and a final status.

Israel was keen to impose many conditions on the participation of the Palestinians in the peace process. The Americans found the Likud-led Israeli government reluctant to take part in the process, and to soften that reluctance, they tried to accommodate these conditions. This included restricting the Palestinian participation to a joint Jordanian-Palestinian delegation, and insisting that the Palestinian members in that delegation had to be only from Gaza and the West Bank excluding East Jerusalem.

Hanan Ashrawi noted this Camp David-style of setting conditions for the Palestinian participation in the peace process:

With resuscitated copies of the Camp David Accords, and taking points prepared by his team, Baker leaned on us hard. Faced as well with a hard-line Israeli Likud government led by the brittle and caustic Yitzhak Shamir, he thrust his energies full force toward what he considered the point of least resistance, the Palestinians.¹⁷⁶

The American team, led by Baker, shuttled back and forth between the Israelis and the Palestinians using the American stick-and-carrot policy, applying pressure on the Palestinians to accept the Israeli conditions on their participation. As Ashrawi said:

The Israelis were granted all their demands: just some of those being that the UN would be excluded, that there would be no participation by Palestinians from the

¹⁷⁶ Ashrawi, *This Side of Peace*, p. 48.

outside or by Palestinian Jerusalemites. We were informed that this was the only way to stop the settlements and to bring about the devolution of the occupation.¹⁷⁷

In attempting to get the Palestinians to agree to the Israeli restrictions, James Baker used three different tactics over the course of his 18 visits to the region. First, he gave the impression that refusing Israel's conditions would result in the peace process taking off without the Palestinians. On one occasion, in a meeting with Faisal Husseini, Hanan Ashrawi and Zakaria al-Agha, Baker said bluntly: "You guys had better get your act together, or you'll prove Abba Eban true—'The Palestinians never miss an opportunity to miss an opportunity.' Everybody's on board except you, and if you don't accept, we'll go ahead without you."¹⁷⁸

A second tactic was the argument that the peace process would be the Palestinians' only opportunity to stop settlement expansion and end the occupation. Responding to Abdel-Shafi's concern that "there can be no peace process while settlements continue", and Bethlehem mayor Elias Freij's question, "how can you expect our delegation to negotiate with the noise of bulldozers in the background?" Baker said: "Begin negotiations and the settlements will stop."¹⁷⁹ And when confronted with the Israeli violations of Palestinian human rights and the need to respect the Geneva conventions, Baker responded: "That's why you should negotiate to end the occupation and all its practices."¹⁸⁰

Baker's third tactic was the argument that Israeli Prime Minister Yitzhak Shamir was insisting on the restrictions in order to push the Palestinians to "reject" the negotiations, so that Israel could avoid a peace process in which it was not interested, the Palestinians would be embarrassed, and Israel would not take any blame for the failure of the initiative. Baker expressed this view several times, advising Palestinians not to "let the cat die at your doorstep."¹⁸¹

¹⁷⁷ Ibid., p. xx.

¹⁷⁸ Ibid., p. 127.

¹⁷⁹ Ibid., p. 84.

¹⁸⁰ Ibid., p. 83.

¹⁸¹ Ibid.

In fact, it was the Israeli leadership that was less than enthusiastic about Palestinian participation and had formulated the “terms of understanding” for the Madrid conference together with US Secretary of State James Baker during his second tour of the region. Baker justified US acceptance of Shamir’s conditions as the basis for the Madrid conference, saying that this was the only way to ensure Israel’s participation. The formal terms of understanding included the following:

- To hold a regional (not international, as specified by the Palestinians) peace conference sponsored by the United States (not the United Nations), a ceremonial event with no decision-making mandate, which was to culminate in direct negotiations between the parties.
- To have two direct negotiations tracks, one between Israel and the Arab countries, and another track to engage in direct bilateral negotiations between Israel and the Palestinians.
- No participation by the PLO in the direct bilateral Israeli-Palestinian negotiations; no participation by Palestinians from *outside* the Palestinian Occupied Territory or from East Jerusalem; Palestinian participation to be limited to representatives from the West Bank (without Jerusalem) and Gaza Strip as part of a joint Jordanian-Palestinian delegation.
- Direct bilateral negotiations between Israel and the Palestinians to be conducted according to the Shamir Plan of May 1989, which included “negotiations in two phases, with the first phase containing negotiations on autonomy, to be followed after three years with negotiations on the final settlement.”¹⁸²

Most of the terms of understanding, which became the general framework of the peace process, clearly had been taken from the 1979 Camp David Agreement, as the following excerpt from the agreement illustrates:

¹⁸² Yitzhak Shamir: Interview on the Peace Process, Tel Aviv, 17 April 1991 (excerpts), *Journal of Palestine Studies*, vol. 20, iss. 80 (1991) p. 180.

...There should be transitional arrangements for the West Bank and Gaza for a period not exceeding five years. In order to provide full autonomy to the inhabitants, under these arrangements the Israeli military government and its civilian administration will be withdrawn as soon as self-governing authority has been freely elected...as soon as possible, but no later than the third year after the beginning of the transitional period, negotiations will take place to determine the final status of the West Bank and Gaza and its relations with neighbours.¹⁸³

Camp David was also clear in terms of Palestinian representation: "The delegations of Egypt and Jordan may include Palestinians from the West Bank and Gaza or other Palestinians as mutually agreed."¹⁸⁴

In a meeting held in Algeria, 23-28 September 1991, the Palestinian National Council (PNC), issued new resolutions with the objective of responding to the Israeli-American conditions on Palestinian participation in the peace process. The response welcomed the American initiative, but in the same time qualified this with the well-known political principles of the PLO's political stand. The Council's Political Committee report included the following:

In line with the Palestinian peace initiative in 1988 as well as the Arab legitimacy, the PLO has responded positively and effectively to the positive ideas and proposals contained in the declaration made by US president George Bush...The PLO welcomes the current peaceful efforts and views them in a positive way. The success of these efforts to hold a peace conference requires resumption of work with the other parties to achieve the following principles:

To base the peace conference on [the principles of] international legitimacy, including UN Security Council Resolutions 242 and 338, with compliance to implement them, thus ensuring Israel's withdrawal from Arab and Palestinian occupied lands, including villages, and to uphold the principle of 'land for peace'...To stop settlements in occupied territory, including Jerusalem, to answer the urgent need for a calm atmosphere in the peace process... The PLO, which is considered the sole legitimate representative of the Palestinian people, will have the

¹⁸³ International Communication Agency, *A Framework for Peace in the Middle East*, pp. 3-4.

¹⁸⁴ Ibid., p. 3.

right to form the Palestinian delegation from *inside* and *outside* the homeland, including Jerusalem.¹⁸⁵

It is worth noting here the flexible language used by the PNC. There are no pre-conditions for participation: stopping settlements is not a condition for Palestinian participation but is required in order to have a “calm atmosphere” for the peace process. The PLO does not insist on participating in the negotiations and representing the Palestinian people but maintains the right to select the delegation.

A review of a PNC Political Committee statement from the 19th session, held three years before in Algeria, 12-15 February 1988, serves to better highlight the change in the level of flexibility:

The National Council emphasizes the PLO’s determination to reach a comprehensive political settlement of the Arab-Israeli conflict and its core—the Palestinian cause...until this aim is achieved, the National Council asserts the following:

The need to hold an effective international conference concerning the Middle East conflict and its core, the Palestinian cause, under the supervision of the United Nations and with the participation of the permanent member countries in the UN Security Council and, on an equal basis, all parties involved in the conflict in the region, including the PLO, the sole and legitimate representative of the Palestinian people. Israel’s withdrawal from all Arab and Palestinian territory occupied since 1967, including Arab Jerusalem. The cancellation of all forms of annexation, and the removal of all settlements established by Israel on Arab and Palestinian lands since 1967.¹⁸⁶

Thus, the concerns for the PLO’s own survival, their weakness resulting from the Gulf War and the loss of the Soviet Union as an international ally, led the PLO leadership to: first, show further flexibility in its respond to the conditions and restrictions on the Palestinian participation, and secondly rely on the loyal and reliable component of the leadership *inside*. In accepting the conditions for the Madrid Conference, however, they were demonstrating their vulnerabilities in a political environment shaped by American international dominance, American compliance with the hard-line positions of the Israeli

¹⁸⁵ Palestine National Council, 20th session, PNC publication, pp. 70-71.

¹⁸⁶ Palestine National Council, 19th session, PNC publication, pp. 83-84.

Likud Government, and a weak, divided and unsupportive Arab world. Neither the structures nor the environment were in their favour.

Strategies to Offset Structural Vulnerabilities: Selecting the Palestinian Delegation

On the formation of the delegation to the conference and negotiations, the PLO leadership was also flexible. Certain methods were pursued to offset and compensate for its own absence. The PLO and the delegation never wasted any opportunity to announce that the PLO leadership had nominated the delegation as its own. It was also decided that the delegation—which was restricted to non-Jerusalem residents of the OPT—would be part of a larger Palestinian team to the peace process. That team included members of the PLO *outside*, and politicians from Jerusalem. Of course, they were not allowed to take part in the actual negotiations, but their presence reminded others of who was absent.

Following are the names of the delegation team, including the negotiators:

Delegation members:

Dr. Haidar Abdul-Shafi, 70 years old, physician, independent from Gaza
Dr. Samir Abdulla, 42 years old, academic, Peoples Party, from Ramallah
Freih Abu-Meiden, 47 years old, lawyer, Fatah, from Gaza
Dr. Zakaria Agha, 49 years old, physician, Fatah from Gaza
Dr. Mamdouh Al Aker, 48 years old, physician, independent, from Nablus
Dr. Saeb Erekat, 36 years old, academic, Fatah, from Jericho
Elias Freij, 71 year old, Mayer, independent, from Bethlehem
Dr. Abdulrahman Hamad, 46 years old, academic, Fatah from Gaza
Dr. Nabil Ja'bari, 45 years old, dentist, Fatah, from Hebron
Sameh Kanaan, 37 years old, activist, Fatah, from Nablus
Dr. Nabil Kassis, 46 years old, academic, independent, from Ramallah
Ghassan Khatib, 37 years old, academic, People's Party, from Nablus

Sami Kilani, 39 years old, academic, Fida Party, from Jenin

Mustafa Natsheh, 61 years old, Mayer, Fatah from Hebron

Jerusalem support members:

Dr. Hanan Ashrawi, 45, academic, independent, from Jerusalem

Faisal Hussein, 51, Activist, Fatah, from Jerusalem

Zahira Kamal, 46 years old, activist, Fida party, from Jerusalem

Dr. Sari Nusseibeh, 42 years old, academic, Fatah, from Jerusalem

Advisers from outside the OPT:

Dr. Anis Kasim, 46 years old, lawyer, independent, refugee in Jordan

Dr. Rashid Khalidi, 42 years old, academic, Fatah, refugee in the United States

Dr. Kamil Mansour, 46 years old, academic, Fatah, refugee in France

Dr. Yazid Sayigh 43 years old, academic, Fatah, refugee in the United Kingdom

Dr. Ahmad al-Khalidi 42 years old, academic, Fatah, refugee in the United Kingdom

Clearly, the leaderships' positions on the participation and composition of the delegation were subject to debates between the various Palestinian political factions, both *outside* and *inside*. It sparked serious discussion among the public and organizations forming the PLO leadership; out of this debate emerged three main trends.

Those in the mainstream, including the PLO Chairman Arafat, were afraid that starting a peace process attended by a majority of the Arab countries with no Palestinian presence could lead to solutions being reached to the Arab-Israeli conflict, including the Palestinian issue, without any PLO or Palestinian input. Arafat also believed that the importance placed on the peace process by US politicians would bring the US government to eventually agree to Palestinian participation, and that this could be a way for the PLO to secure its role. Therefore, Arafat accepted Israel's conditions in order to ensure even an

indirect role for the PLO, all the while pursuing the later expansion of this role. As Yazid Sayigh put it:

...Arafat calculated that if Palestinian participation in the peace process was crucial for the success of US Middle East policy, then there was an opportunity to carve out a direct role for the PLO. This perception seemed to be borne out by US willingness both to allow PLO officials to accompany the Palestinian delegation to Washington and resume official contacts...but for the next year Arafat used delaying tactics and measured obstruction of the peace talks to compel the US to deal with him directly.¹⁸⁷

The second trend was represented by a party which had limited influence on the political decision being made—the Popular Front for the Liberation of Palestine led by George Habash. The PFLP believed that the PLO represented the Palestinian people and thus was the symbol of their nationhood, and that any concession in PLO representation would be a concession in everything the PLO stood for, particularly the principle of the right to self-determination and statehood. Abu Ali Mustafa, the second in command in the Popular Front for the Liberation of Palestine (PFLP), explained his factions' position:

Keeping the seat of Palestinian representation through its legitimate party, the PLO, in an equal and independent way is the only guarantee to ensure rights. The formula of representation within a joint Jordanian-Palestinian delegation will lead to abolishing the concept of a Palestinian nation.¹⁸⁸

Those supporting this approach formed the secular side of the opposition to the peace process that was based on a rejection of the US-Israeli conditions. The remainders of those opposed were the religious opposition—the Hamas movement—which would later become the major opposition party to the peace process and Palestinian participation in it. The Islamic Resistant Movement (Hamas) movement issued a statement outlining its position in the debate as follows:

Attending a conference to sell the Holy Land and Palestine according to a humiliating US-Zionist formula and conditions, in exchange for illusory promises and getting a submissive autonomy as well as denying the right of future

¹⁸⁷ Yazid Sayigh, *Armed Struggle and the Search for State: The Palestinian National Movement, 1949-1993* (Oxford: Clarendon Press, 1997) p. 655.

¹⁸⁸ Abu Ali Mustapha, *Shu'un il Filistiniyya*, ed. 221, p. 7.

generations to fight for liberation, is an illegitimate delegation and presence which does not represent the Palestinian people.¹⁸⁹

The third trend, which also had only limited influence *inside* the PLO leadership, was represented by the Palestinian People's Party, through its secretary general Bashir Barghouthi, who wrote in an internal letter to officials in the party:

This is a historic chance to achieve US recognition of the PLO. The US believes there is a historic chance to hold a peace conference in the Middle East; it is also aware of the difficulties that would arise if there were no Palestinian participation. If Palestinians, especially those *inside*, insist on rejecting any response to the US initiative except through direct contacts with the PLO, this will lead to breaking the isolation imposed on the PLO and to its recognition, with all that signifies to the Palestinian people.¹⁹⁰

It is possible that the US might have clearly recognized the PLO if it found that this was the only way to secure Palestinian participation. However, this approach would have required steadfastness and self-confidence. It entailed a certain amount of risk, which the PLO could not afford to take.

Syria's agreement to participate in the conference and the peace process in July 1991 helped neutralize the opposition to the participation. Syria was encouraging the opposition groups that once had Damascus as their base. This was followed by the issuance of a joint US-Soviet statement in July 1991 that declared their intention to extend invitations to a bilateral and a multilateral peace conference in November 1991 with the aim of achieving peace in the Middle East.

Differences in priorities among Palestinians started to emerge with the preparatory negotiations. The PLO leadership *outside*, and some Fatah leaders such as Faisal Husseini *inside* were focusing on trying to improve the conditions governing Palestinian representation in the peace process. Others, particularly the independents from inside the OPT like Abdel Shafi were focused primarily on improving conditions with regard to basic

¹⁸⁹ Leaflet signed and distributed by Hamas, October 1991

¹⁹⁰ Internal letter, Palestinian Peoples Party, October 1991

concerns of the Palestinian people living in the OPT. That included the need to stop settlement activity as a prerequisite to beginning negotiations.

Abdel Shafi is not affiliated with Fatah, but is an independent whose strength is based on his popular support in the OPT. His first priority was stopping ongoing illegal Israeli settlement expansion policy, which consolidated the occupation that the peace process was to end. In the Palestinians' initial meeting with James Baker, Dr. Abdel Shafi informed him: "I have agreed to come to this meeting to talk about one thing only—Israeli settlement activities in the OPT must stop. There will be no peace process while the settlements continue. You can count on hearing this from me all the time."¹⁹¹

These differences in focus and priorities were to become clearer later on during the negotiations, when the PLO leadership concentrated on achieving gains related to its role, status and authority over everything else, while the negotiators coming from *inside* the OPT were concentrating on achieving gains on substantial issues of concern to the population in the OPT. This will be discussed further later on.

Palestinian Negotiation Performance at Madrid and Washington

The peace process was officially inaugurated on 30 October 1991 with the Middle East Peace Conference in Madrid, Spain. Shortly thereafter, the bilateral Palestinian-Israeli track of the negotiations began in Washington, with the opening of the first round on 12 December 1991. The tenth and last round took place on July 1993. The ten rounds ended without reaching any agreement, and it was later revealed that since the beginning of 1993, "back channel" secret talks had been underway between Israel and the PLO in Oslo, Norway.

One of the conditions imposed on the Palestinians was that they appear as part of a joint Jordanian-Palestinian delegation. For that reason, the two sides had to attend the same negotiating sessions. That was an initial point of difference between the Israelis and both the Palestinians and Jordanians, who each wanted separate tracks. The result was later

¹⁹¹ Ashrawi, *This Side of Peace*, p. 83.

called 'corridor diplomacy'; the three parties could not agree on that logistic problem, so they refused to enter the negotiating room and continued talking in the corridor. The compromise was that the three parties would start each round with a plenary of the joint Palestinian-Jordanian delegation, before splitting into two tracks. Then, each separate Israeli-Palestinian group would contain at least one Jordanian, and each Jordanian-Israeli group would include at least one Palestinian.¹⁹²

The actual Palestinian negotiating delegation—the 'kosher' members of the Palestinian team—had to be careful and maintain balanced relations with four parties. The first was the 'unofficial' rest of the team, some of whom were PLO leadership figures, experts from *outside* and representatives of occupied Jerusalem. The second was the PLO leadership in Tunis. The third was the Palestinian public, which the delegation members had to face after every round. And finally, there was the Israeli delegation.

Before every round of negotiations, the entire team met with the PLO leadership in Tunis or in Amman. They consulted, strategized, and otherwise consolidated the impression that this was the PLO delegation. While in Washington, the delegation formed a leadership committee that met every day to revise plans and proposals. After every negotiations session, the whole team would meet, listen to the minutes of the session as read by one of the delegation members, receive any documents or negotiation proposals, and then split into working groups to prepare for the next session. In between, frequent calls and faxes were underway with the PLO leadership in Tunis.¹⁹³

The negotiations were taking place at the State Department; however, there was no American presence inside the negotiation rooms. Instead, the Americans received regular briefings from all the delegations, and made suggestions when they felt them necessary. The Palestinians frequently asked for more intervention in order to gain enforcement of the terms of reference and to offset the imbalance of power between the two parties, while the

¹⁹² For details on the 'corridor diplomacy' see: Abdul Salam A. Majali, Jawad A. Anani and Munther J. Haddadin, *Peace Making, the Inside Story of the 1994 Jordanian-Israeli Treaty* (London: Ithaca press, 2006).

¹⁹³ The author of this thesis, who was a participating delegate in the negotiations, recalls how these meetings were well understood by the delegation at the time as being as important for projecting the image of co-ordination, as they were for their consideration of substantive matters.

Israelis usually resisted it. The talks were subject to intensive media coverage. Media and public relations were a crucial part of the work of all delegations, especially that of the Palestinians and Israelis. First, both were competing to influence international public opinion. Further, each was trying to send messages back home to gain public sympathy and support.

In the course of the ten rounds of negotiations, the Palestinian and Israeli delegations exchanged drafts of three types of documents: draft agendas; descriptions of an interim self-governing authority; and a declaration of principles. The main differences between the two sides are consistently clear in all draft documents.

The main objectives the Palestinian delegation tried to achieve included bringing the PLO directly to the negotiation table and achieving its recognition. That was important because it would embody recognition of what the PLO stood for, including nationhood and self-determination. Another objective was to ensure a cessation of Israeli settlement expansion, and other illegal activities.

Knowing that the terms of reference restricted the Palestinian side from raising the settlement issue, which was considered an issue for final status talks, the delegation pursued strategies that would overcome these limitations. The legal adviser of the Palestinian delegation, Raja Shehadeh, worked on this at the request of delegation head, Haidar Abdulshafi. Shehadeh recalled:

It was clear that any successful Palestinian strategy would have to bring those settlements within the negotiations. It was my belief, therefore, that the first objective of the Palestinian side should be to force fundamental issues that primarily related to land and water, as well as the administration of the settlements, to be brought into the negotiations as preliminary matters, which would be justified as a necessary first step in any negotiations over self-government.¹⁹⁴

These preliminary matters included access to information, the right to review Israeli extraterritorial legislation, a ban on the Israeli military commander's issuance of new

¹⁹⁴ Raja Shehadeh, "Weight of Legal History: Constrains and Hops in the Search for Sovereign Legal Language", in Eugene Cotran and Chibli Mallat (ed) *The Arab-Israeli Accords: Legal Perspectives* (Camel Soas, London, 1996) p. 5.



military orders while negotiations on the future of the OPT were continuing, and revocation of the military order that suspended Palestinian land registration. These ideas aimed at introducing, in an indirect way, the issue of the Jewish settlements to the negotiations despite the restrictions.

The most comprehensive Palestinian negotiating proposal was the “Expanded Outline of a Palestinian Interim Self-Government Arrangement: Concepts, Preliminary Measures and Elections Modalities”¹⁹⁵ presented in March 1992, later on known as the “PISGA”. The Palestinian negotiating position as illustrated in this document is based on the principle that the territory subject to negotiations is ‘Occupied Territory’ that falls under international law. The position of the Palestinian delegation in Washington was clear on the substantive linkage between any interim phase arrangements and the final status. The introduction to the PISGA document states:

The interim self-government arrangements are also intended to provide the bases for the second stage of negotiations on the permanent status of the West Bank including Jerusalem, the Gaza Strip and al-Himah. According to United Nations Security Council resolutions 242 and 338, the Fourth Geneva Convention and the Hague Regulations, these areas are occupied territory, and Israel is a belligerent occupant.

A major focus of the Palestinian position in this document was jurisdiction:

The jurisdiction of the PISGA should extend to all of the occupied Palestinian Territory including its land, natural resources, water, sub-soil, territorial sea, exclusive economic zone and air space. The PISGA shall exercise its jurisdiction throughout the Occupied Palestinian Territory.

The approach taken by the Palestinian delegation concerning the settlements, land confiscation and other unilateral Israeli practices was based on the illegality of these actions. PISGA position toward settlement in particular was stated clearly:

¹⁹⁵ PISGA was the main negotiation proposal presented by the Palestinian delegation at the Washington negotiations.

The Israeli authorities have introduced illegally a large number of substantial changes into the body of law applicable in OPT, which have made possible the establishment and expansion of illegal Israeli settlements. These changes have resulted in the creation of a system approaching apartheid.

PISGA demanded the dismantling of the legal framework of this discriminatory system as a necessary prerequisite for a successful transition into an interim phase and suggested a preliminary phase which would require that Israel, among other things should:

Cease all settlements activity, including construction of new settlements or expansion of existing ones, road construction and other infrastructure activity....Cease acquisition, by any means, of land, water and other natural resources....Refrain from any and all unilateral actions affecting the legal, demographic or geographic status quo in the OPT.

The official on-record Israeli response to PISGA came in a letter dated 26 April, 1992 signed by the head of the Israeli delegation, Eliyakim Rubinstein, in which he stated that "there is no way whatsoever to accept on any basis your expanded outline, which would have foreclosed any option for the permanent status other than a Palestinian state."

The Israeli delegation submitted their ideas on the interim arrangement in a comprehensive counter-proposal entitled: "Interim Self-Government Arrangement Negotiations: Further Ideas and Proposals, which later became known as the ISGA"¹⁹⁶. That document laid down the Israeli ideas of the interim period as follows:

The concept of the Interim Self-Government Arrangement and its application should, in our view, be based on a fair and reasonable attitude towards the functions of the administrative council. It will definitely deal with vast list of administrative-functional powers and responsibilities. At the same time, for obvious reasons its powers in various spheres must, in our view, include agreements on coordination or cooperation with Israel, sometimes amounting to sharing of responsibility.

That document, presented on 21 August, 1992, actually expanded on another document which had been presented one day prior under the title: "The Administrative Council of the Interim Self-Government Arrangements, An Outline". It dealt with, among other things, the issue of jurisdiction as follows: "In operating their designated spheres of operations, the

¹⁹⁶ ISGA was the main Israeli negotiation proposal at the Washington negotiations.

freely-elected Administrative Council will have jurisdiction in the framework of the agreed administrative-functional arrangements.”

The significance of this concept of jurisdiction is that it does not include the land but is limited to a functional and administrative jurisdiction related to people only. The furthest the Israelis would go in this respect was a negotiating proposal submitted on 10 December 1992 by the Israeli delegation which summarizes their concept of jurisdiction:

The concept of jurisdiction during the interim period of self-government arrangements should be that of a ‘mixed model’—a combination of executive-functional powers and responsibilities, and infrastructure aspects, which means that the elected Palestinian Administrative Council will wield its executive power and responsibilities and have relevant infrastructure aspects to be negotiated, such as issues of land and water, within the territory under Israeli military administration.

The same document restricted the Palestinian relation to the land in the interim period to the management of land use and excluded any geographic or territorial dimension to the jurisdiction of the Palestinian Council. Moreover, Israeli settlers’ relation to the land was defined in the following way:

Land situated, or allocated to, localities inhabited by Palestinians, will be administered by the Palestinian Administrative Council; Land situated in or allocated to, localities inhabited by Israelis will be administered by organs designated by Israel; land under Israeli security use will be administered by the Israeli military as appropriate. Administration of other lands will be jointly conducted by Israel and the Palestinian Administrative Council.

This issue of Israeli settlements in the OPT was a major point of difference in the negotiations. In the first place, the Israeli delegation refused any discussion on settlements and banned the issue from all Israeli draft agendas. Furthermore, during the fifth round, in May 1992, the Israeli delegation presented a paper entitled: “Jewish presence in the Administered territory” which stated that:

Israel views Jewish settlement in the territory as the exercise of an historical and legal right, which if now curtailed, would entail long-term negative political and

security consequences....Historical Judea and Samaria have always been identified as the historic homeland of the Jewish people.

These positions stemmed from the Israeli understanding that the OPT are not actually occupied but rather “disputed”. The same document explained their view as follows: “Judea, Samaria and Gaza cannot be considered ‘occupied territory’ according to international law, and Jewish settlement there is not illegal...The legal status of these territory is undetermined.”

The relationship between the delegation and the PLO was always an important concern for the Palestinian delegation. The two sides of the leadership, *inside* and *outside*, understood the significance of the national unity at that time. In addition, both recognized the attempts by other parties, particularly Israel, to divide them.

Despite the fact that the PLO leadership *outside* was responsible for appointing the Palestinian delegation to the Madrid conference and the Washington negotiations, it also implemented a number of administrative and organizational decisions in order to ensure coordination between the leadership and its delegation. In spite of the agreement on fundamental political issues, relations were not always smooth between the two. The reasons for this included the simple fact that the leadership *outside* had been excluded and was afraid of its own marginalization. Another reason was the different weight each party applied to different political positions.

The PLO representation of the Palestinians was a priority for the PLO. One of the tactics the leadership pursued was to push the delegation to take hard-line positions, so they would not be able to reach an agreement in the negotiations and the PLO might then appear more flexible and thus a more suitable negotiating partner. Legal advisor to the delegation Raja Shehadeh concluded:

The organization (PLO) seemed so dominated by its main objective of attaining recognition that it could not even benefit from the work or experience which the delegation to the Washington talks had achieved. Its primary concern was to prove

that if chosen as a partner, it would be more flexible and easier to conclude a deal with than the delegation in Washington.¹⁹⁷

Thought of overriding the PLO was never mentioned in its discussions and was simply not thought of. The reason for this was the delegation's complete faith in the importance of the role of the PLO and the importance of the unity of the Palestinian people. As for the delegation itself, it remained loyal to the leadership of the PLO and in order to achieve their goals. The delegation was devoted to helping get the PLO to the negotiating table.

Nevertheless, the Israeli delegation and other Israeli politicians tried to encourage the Palestinian delegation to ignore the PLO. American officials made efforts to convince leading members in the Palestinian team to behave independently. The delegation, however, believed that any split or even lack of coordination or lack of trust would come at the detriment of the Palestinian position, and consequently weaken both the *inside* and the *outside*. That was eloquently expressed by the delegation's legal adviser Raja Shehadeh:

We have to say that the adherence of the negotiating delegation, headed by Faisal Husseini and Haidar 'Abdel Shafi, to the PLO leadership and their care in carrying out its orders satisfactorily was a determining factor in reinforcing the unity of the Palestinian people *inside* the territory and abroad, maintaining the Palestinian leadership after the Gulf war and reinforcing its status at the Arab and international levels. It also helped in creating the conviction, first in Peres and then in Rabin, that there was no escape from direct negotiations with the PLO.¹⁹⁸

The delegation was also very keen to maintain strong ties with the public in the OPT. The delegation members were neither political officials nor employees, their only source of strength and political survival was their public stand. In order to gain widespread support for the peace process from the Palestinian public and because of the strong Israeli-American opposition to its official participation, particularly prior to the Madrid Conference, the PLO leadership took care to form the Madrid delegation from people with strong street credibility. Hence, the delegates had strong connections with the Palestinian public in the OPT, and the strength of the delegation came from this public support. The delegation tried always to take positions consistent with public opinion *inside* the OPT, and

¹⁹⁷ Raja Shehadeh, *From Occupation to Interim Accords* (Cimel/SOAS, 1997) p. 122.

¹⁹⁸ *Ibid.*, p. 31.

delegates were careful to maintain contact with the public in order to sustain their strength and popularity, even when – at times- this meant maintaining positions which were considered less important priorities by the *outside* leadership.

On the eve of its departure from Jerusalem to Washington, the delegation distributed a statement addressing the public in the OPT. In this statement, the delegation stated positions that combined a commitment to the resolutions of the Palestinian National Council, with the promise to achieve an end to oppressive Israeli practices and other violations, particularly construction of Jewish settlements. This statement, issued prior to their departure for Madrid on October 25, 1991, is representative of the attitude of the delegation towards the public. Following are excerpts:

We depart from our occupied homeland and its capital, Jerusalem, keeping in our hearts and minds the goals and aspirations of our people for liberation and self-determination, to struggle for those objectives in a new arena—the Madrid Conference. We are not ready or prepared to go into this new arena with any compromises of those goals, nor should this arena be considered an alternative to other arenas of struggle, which are lit with sacrifice, heroism and steadfastness. We will place the demand to stop settlements in the occupied territory at the top of our agenda... We head to Madrid with goodwill and confident determination to achieve a just peace. We face this historic moment fully committed to the resolutions taken by the National Council in its 19th and 20th sessions. We will keep nothing back from our people regarding the events transpire in the conference, but instead we will brief our people on all developments. We will look for counsel and guidance in rich national experience and wisdom of our people.¹⁹⁹

In the period following the Madrid Conference, members of the delegation would return to the OPT after each round of talks in Washington and, from the moment they arrived, would be occupied with popular meetings on an almost daily basis. They were invited to speak to the public or participate in mass rallies in order to explain directly to the people the developments and difficulties of the negotiations, and to state clearly the delegations' position. Their degree of proximity to public opinion was the main factor gaining them widespread acceptance and support from the public, and this in turn consolidated the personal popularity and strength of delegation members. Often, these mass rallies or public

¹⁹⁹ Statement issued and distributed as a leaflet by the Palestinian delegation a day before departure to Madrid.

lectures took the form of debates—and sometimes heated arguments—between members of the delegation and leading political figures from the Palestinian opposition, with the public acting as judge.

Meanwhile, the front pages of the local newspapers were filled with interviews and news about the work of the delegation, and its position and role in the negotiations. The delegation gradually became a point of reference for people in the OPT, taking on the role of a political leadership. People began bringing their problems to the delegates, or asking them to mediate in disputes. A strong bond was forged between delegation members and the public, creating a situation whereby the strength of the delegation was dependent on whether or not the public was satisfied with their negotiating positions.

There were numerous examples of this, the most striking in December 1992, when Israel deported 415 Palestinians from the OPT to South Lebanon on grounds that they were Hamas supporters. The deportation caused support for the negotiations to decline, and there were calls from the public for the delegation not to return to the negotiations. Hanan Ashrawi, in her book *This Side of Peace*, cites various examples of women's demonstrations which were led by wives of the deportees demanding that the delegation not return to the negotiations as long as the deportees were exiled away from their homeland, Palestine.²⁰⁰

This popular pressure resulted in a proposal to the Palestinian leadership in Tunis that Palestinians suspend their participation in the negotiations, and this decision was in fact taken. The decision of the PLO leadership was taken not only because of the pressure exerted by the delegation and the general public in the OPT, but also because it conformed with the PLO's own principles and all the Arab countries (Jordan, Syria and Lebanon) participating in the bilateral negotiations had agreed with the decision and expressed their willingness to join in. Thus, the Arab-Israeli bilateral negotiations were suspended.

However, three months later, the Arab countries participating in the negotiations agreed to comply with a US request to resume negotiations and they began putting pressure on the

²⁰⁰ Ashrawi, *This Side of Peace*, p. 229.

PLO leadership to do likewise. At this point, Yasser Arafat had decided to agree, but the negotiating delegation insisted on maintaining the suspension of talks until Israel brought back the 415 deportees. Minutes of a key meeting held in Amman on April 20, 1993 between the PLO leadership headed by Yasser Arafat and several leading figures in the delegation, illustrate the nature of the bond between the delegation and the people and popular sentiment in the OPT. Responding to Yasser Arafat's proposal that, because of the pressure from the Arab states and the US, the negotiations should be resumed, delegation head Haidar 'Abdul Shafi responded:

Dear brother Abu Ammar, we should not fool ourselves. We cannot return to the negotiations under these conditions. Even if we could, we would be unable to convince our people to agree. In answer to your question, Mr. President, of whether there is any other option, the answer is that we have to look at our youth *inside* [*inside* the Occupied Palestinian Territory] who are holding firm to their position despite the current circumstances. Maybe we should convene the National Council, maybe we should hold a referendum—but in any case, we cannot take such a decision simply because President Assad demands it... We have to think how to mobilize the potential of our Palestinian people.²⁰¹

At the end of the day, Arafat chose to order the delegation to return to the negotiations. Most of the delegates complied, partly out on over-riding concern to maintain Palestinian unity, partly as acknowledgement of Arafat's ultimate authority, and partly as a result of tremendous pressure which was applied by the Tunis leadership on individuals within the delegation. Only two delegates, including the author of this thesis, refused to return to the negotiations and boycotted the final round.

Conclusion

The huge gap between the negotiating positions of the two delegations (Israeli and Palestinian) on many issues—especially the concept of the interim period, the jurisdiction of the Palestinian elected council and the issue of Israeli settlement in the OPT— was the ultimate reason for the failure of the ten rounds of negotiations.

²⁰¹ The minutes of that meeting were taken and kept by the author of this thesis and have not yet been published.

However, the structural aspects of the peace process made it unlikely that the parties could reconcile their positions. The vagueness of the terms of reference, which resulted from the American attempts to bridge the gap between the two sides during the preparation for the process, contributed to the failure. The term 'constructive ambiguity' frequently used by Baker enabled him to overcome many obstacles during the preparations to the process; but it backfired later, not least when the US opted not to intervene to clarify or enforce these terms of reference. The replication of the attributes of Camp David (the staged nature of negotiations, the reference to autonomy rather than self-rule for the Palestinians, and the exclusion of Palestinians from either Jerusalem or the Diaspora) all required that the Palestinians engage with a peace process that did not have clearly stated objectives compatible with their national aspirations. Their political weakness in the meantime gave them little choice but to participate regardless.

The conditions imposed upon the Palestinian delegation also inhibited its performance. Although Israeli and American efforts to exclude the PLO were partially overcome by the close co-ordination of the *inside* and *outside* leaderships, and the former's deference to the latter, the two leaderships found their respective priorities could not be championed equally through the negotiations, leading at times to tensions between them.

It was not only the structure but also the environment of the negotiations which hampered the Palestinian delegation's performance. The biased position of the United States, especially after the dramatic changes in the position and political weight of the other sponsor of the process, the Soviet Union, who was supposed to balance the American unbalanced position, worked constantly in Israel's favour. The United States did nothing to hinder Israel as it continued to consolidate its occupation in spite of the negotiations over the future of the OPT. The continuous and illegal expansion of Jewish settlements, confiscation of land, the ongoing Israeli policies of arresting, imprisoning or deporting Palestinians, the demolishing of Palestinians homes were all examples of these policies and practices. One effect of that was the decline in the credibility of the process in the eyes of the Palestinian public. This in turn weakened the position of the *inside* leadership insofar as it was obliged to prioritize the concerns of occupation over the concerns of recognition in order to retain credibility at home.

In sum, the structural and environmental aspects of the peace process at this stage only exacerbated the weak position of the Palestinian delegation and highlighted the differences in priorities between the *inside* and *outside* leaderships, despite their own efforts to work closely together and the recognition by the *inside* leadership of the authority, the symbolic role and the national unity that the PLO in Tunis represented.

CHAPTER FOUR: The Oslo Agreement - 1993

Introduction

This chapter will examine the performance of the Palestinian delegation in the negotiations for the Oslo Agreement, within the context of the structure and environment of the negotiations. In so doing, it will focus on the impact of the *inside-outside* dichotomy, and their effect on the Palestinians' performance.

It will begin by explaining how and why contacts between the PLO and Israeli officials started, even as alternative negotiations were already taking place in Washington. The various stages of the process leading up to and including the signing of the Oslo Accords in September 1993 will be presented alongside related crises which shaped their environment. There will be an emphasis on the Palestinian leadership's conduct of both tracks at the same time, and to what extent there was cooperation and coordination between the *inside* and *outside* leaderships in these two tracks.

This section will also include a detailed examination of the Oslo Accords: the Declaration of Principles (DOP) (including their structure, logic, strengths and weaknesses) and the exchanged letters of mutual recognition, which were an integral part of the agreements.

The chapter will demonstrate that this period saw the *outside* leadership adopting strategies to gain its own international recognition which both undermined and excluded the *inside* leadership and which ultimately led them to signing a set of documents which fundamentally altered the very nature and role of the PLO (to its detriment). While the *inside* leadership were still committed during this period to the PLO and the *outside* leadership, the actions of the latter began to profoundly challenge the basis for that commitment. The impact of this was that the *outside* leadership embarked on a peace process in which it would consistently exchange generalised symbolic gains for particular substantive losses, the latter being principally a consolidation and expansion of Israeli occupation despite the peace process itself.

The Oslo Process and the First Agreement

The repeated rounds of negotiations in Washington started gradually to lose the interest of the media, and both politicians and analysts lost hope of possible progress. Then suddenly, the Oslo breakthrough hit the news. It took everybody by surprise, and filled the headlines, and the cover pages of newspapers and magazines.

The story of Oslo began in London, which was playing host to one of the multilateral negotiations sessions in December 1992. Members of the Palestinian delegation from the OPT informed Ahmad Qurei (Abu Ala'), who was supervising the multilateral negotiations for the PLO, that two Israeli Labour party members who were advisors on the PLO to both foreign minister Shimon Peres and Peres deputy Yossi Beilin, were interested in seeing Qurei.

The meeting took place in London on 3 December 1992. The Israelis were Dr. Ya'ir Hirschfield, a Haifa University historian and Ron Pundik, Labour Party activists whom were close to deputy Labour Party foreign minister Yossi Beilin, the PLO's representative in London. Afif Safi attended the meeting. It was Qurei's first meeting with an Israeli, despite having been appointed by the PLO leadership to head the Palestinian team to the multilateral talks. Ahmad Qurei had not personally participated in any of the sessions because Israel had successfully barred PLO officials from being present at any of the negotiations.

When Ahmad Qurei reported to Yasser Arafat and Mahmoud Abbas on his meeting with Hirschfield, Abbas realized that this might be the opening of a secret back channel between Israel and the PLO, for which he had long been waiting.

After the PLO—particularly Arafat, Abbas and Qurei—had studied the report of the London meeting, they decided to take this possible back channel seriously and to proceed, since in any case, they believed it could do no harm. Abbas recalls feeling that, “for us, this

channel carries no risks. We have nothing to lose. If it's productive, then this is what we have been after. Just chatting can't hurt."²⁰²

The discussions between the three who knew about the Oslo channel—Arafat, Abbas and Qurei—led to the inclusion of Hassan Asfour, and another PLO member, Maher al-Kurd, who was chosen for his proficiency in English, since the others did not speak English well. Later, according to Abbas, al-Kurd was replaced by another PLO member named Muhammad Abu Kosh.

Ahmad Qurei (Abu Ala') was born in Silwan, near Jerusalem, in 1935. He had been based in Beirut, where he headed Samed, the PLO's employment project for assisting families of refugees and PLO martyrs. In 1982, after the Israeli invasion of Lebanon and together with Arafat and the rest of the PLO leadership, Qurei moved to Tunis, where his financial expertise led to his heading up the PLO's Economic Department. When the Washington negotiations began, he was appointed to the PLO committee supervising the talks, and from there he went on to take charge of the Palestinian teams to the multilateral negotiations. Qurei was also a member of the Fatah Central Committee and a close confidante of Yasser Arafat.

Hassan Asfour, the second and secondary member of the Oslo team, was born in Gaza, educated in Baghdad, and joined the PLO in Beirut. He also relocated with the PLO and settled in Tunis, where he worked in the Arab and International Department of the PLO, which was headed by Mahmoud Abbas. Asfour gained Abbas' confidence and was appointed rapporteur for the Washington talks from within the Tunis-based committee supervising the negotiations, until being selected by Abbas for the Oslo talks. Asfour was originally a member of the Palestinian People's Party, but was first loyalty to the PLO and was sacked by the party when his role in the Oslo talks was discovered.

The Oslo negotiations, which began with an initiative from the Norwegian government²⁰³, can be divided into three stages according to changes in the composition of the Israeli

²⁰² Mahmoud Abbas, *Tareeq Oslo* (Beirut: Almatboa't Publishing & Distribution Co., 1994) p. 181. Abbas' book is interesting not only for his personal recollections, but because he included the official minutes of the Oslo discussions which had not been released elsewhere.

delegation, which also reflected substantive changes in position. The first five rounds were attended only by the two Israeli academics who had initiated the talks—Hirschfield and Pundik—who hinted that they had connections with Yossi Beilin.

The Oslo negotiations lasted for eight months, and were divided into thirteen rounds. The first meeting took place in Saesburg, Norway on 20 January 1993. The Israelis were Dr. Ya'ir Hirschfield and Dr. Ron Pundik, a British-educated historian. The Palestinians were Ahmad Qurei, assistant Hassan Asfour, and a translator. The final round, the thirteenth, took place on 20 August 1993, when the Declaration of Principles was initialled by Qurei and Uri Savir.

After each round, the Palestinian delegation would report to Abbas and Arafat, and in the later stages, to Yasser Abed Rabbo, another PLO Executive Committee member. Neither the PLO Executive Committee nor the Fatah Central Committee was informed or gave directions, guidance, or approval to the delegation. The negotiating positions were decided by the individuals involved, in addition to Arafat and Abbas, without supervision or counsel from any official body.

In the early rounds, the main Palestinian demands included points such as resolving the deportees issue—the 400 Hamas activists that Israel had deported to southern Lebanon—recognition of the PLO, stopping settlement expansion, and withdrawal from Gaza. In his first response, Hirschfield noted the Gaza demand, encouraging expansion of the discussion by asking to whom the Israelis should hand the keys of Gaza. Qurei's answer was to the United Nations or, more appropriately, to the sponsors of the peace process. Hirschfield then said that the Israelis expected to give it “to you” (the PLO). But Qurei continued to insist that Gaza should be handed over to the peace process sponsors.²⁰⁴

After the fourth round, on 20 March 1993, Ahmad Qurei presented to Arafat not only the minutes of the meeting, but his own written comments, in an effort to highlight the major

²⁰³ Norwegian Academic Terje Larson of FAFO research institute, encouraged by Foreign Minister Johan Jorgen Holst, initiated and nurtured the Oslo talks. The Norwegian unbiased reputation, and generous aid policy was believed to have contributed to the success of that initiative.

²⁰⁴ Ahmad Qurei, *Ar-Riwayah al-filistiniyya al-kamilah*, p. 415.

points of the Israeli position as he had understood them. As reported in Abbas' book, Qurei's notes included the following points:

Rabin and the Israeli foreign ministry team are being kept informed of this channel;

The PLO has proved that it is a serious negotiating partner;

The Israelis expect and do not object to the return of the Palestinian leadership from Tunis to Gaza;

The document they are presenting was drafted by Peres himself.²⁰⁵

All the Israelis would concede in the first five rounds were new policies in the OPT that would improve the standard of living, and some promises to allow a limited number of PLO leaders, such as Abbas and Qurei, to participate in the elections of the Palestinian Council. In addition, they allowed the discussions to include a draft declaration of principles, but the discussion was not conclusive. The Palestinians had different priorities. Abbas has said in this regard: "The main concern of our delegation was to make sure that this channel enjoyed the support of the Israeli government."²⁰⁶ Hirschfield confirmed in the fourth round that the US government had "blessed this channel, Egypt supported it, and we achieved Rabin's blessing to a great extent."²⁰⁷

The sixth round witnessed a new development in the expansion of the Israeli delegation to include Uri Savir, director-general of the Israeli Foreign Ministry who was close to both Yossi Beilin and Shimon Peres.

Savir's contribution included the assurance that the Israeli government was following up the Oslo channel and that they were reducing some settlement activities and intending to release some prisoners. But Savir tried to keep the Palestinian side worried about possible Israeli recognition of the PLO by mentioning that "the Americans and some Arabs had warned Israel off the PLO and advised Israel not to negotiate with the PLO because it lacks credibility and does not honour its commitments."²⁰⁸ He also questioned the PLO's ability

²⁰⁰ Ibid., p. 208

²⁰¹ Abbas, *Tareeq Oslo*, p. 204.

²⁰² Ibid.

²⁰³ Ibid., p. 228.

to implement an agreement and said that the Israelis had doubts in this regard, particularly Rabin, who kept comparing the Palestinians unfavourably with Syrian president Hafez al-Assad, who could be counted on to implement agreements to which he committed himself and Syria.

The dramatic development occurred during the sixth round, which started on 13 July, 1993, when Joel Singer joined the Israeli delegation as a close associate of Yitzhak Rabin, then the Israeli prime minister. His participation gave the impression to the Palestinian side that Rabin was fully engaged in the Oslo channel, and that things were getting serious. However, Singer's contribution left them feeling pessimistic, because he presented 40 questions, which gave the impression that the negotiations were being brought back to square one.

The strategy employed by Singer on behalf of the Israelis was obvious: since recognition of the PLO was inevitable, and since the PLO was so eager for this recognition, Israel should extract the highest possible price for agreeing to this formal recognition. In this regard, Raja Shehadeh quoted David Makovsky:

Singer told Rabin emphatically that he favoured negotiating mutual recognition with the PLO because it would likely be the result of the negotiations anyway, and therefore Israeli should use it early on as a bargaining chip to extract concessions on issues that it deemed important.²⁰⁹

Based on this strategy, Singer conducted parallel talks in the Oslo channel, one on the mutual recognition issue—on which he stalled—and another on the substantive issues, which he tried to advance as fast as possible. The 40 questions he brought to the negotiating table were designed to extract the maximum concessions from the Palestinians. They included among other issues: the status of Jerusalem; the principle of a two-phased solution; comprehensive security; the settlement issue; the transfer of authorities; and jurisdiction. While the Palestinian response to these questions is not available, the questions themselves are detailed fully in Abbas' book. He says only that the Palestinian delegation tried to answer the questions as best they could and that Singer told them that he

²⁰⁹ Shehadeh, *From Occupation to Interim Accords* (The Hague: Cimel, 1997) p. 122.

would go back to Rabin with their answers and get his response. Abbas did not go beyond this in detail. Shehadeh quoted Rabin in an attempt to fill in this gap:

On four or five major issues, they agreed to [things] I have doubted they would agree to. First [keeping all of] Jerusalem under Israeli control and *outside* the jurisdiction of the Palestinians for the entire interim period. Second [retaining all Israeli] settlements...Third, overall Israeli responsibility for the security of Israelis and external security. Four, keeping all options open for the negotiations of the permanent solution.²¹⁰

On 24 July 1993, the eleventh round was resumed, at which the Israeli delegation presented Rabin's acceptance of the "Gaza-Jericho First" plan. This plan originated as "Gaza First," a suggestion suggested informally in discussions surrounding the Washington talks that Israel should withdraw from Gaza, a more problematic and less historically (religiously or strategically) significant area to Israelis than the West Bank. The PLO had consistently refused the "Gaza First" option. However, in Oslo, Israel resurrected the suggestion; Arafat suggested the addition of the West Bank town of Jericho and Israel accepted.

The two topics subsequently dominating the Oslo negotiations were the drafting of and agreement on a declaration of principles, and the reaching of an agreement on "mutual recognition". The declaration of principles concentrated on and tried to include objectives of the negotiations, the structure and phasing of the peace process into interim and final phases, the jurisdiction of the Palestinian Authority and the elections and preparatory transfer of powers and responsibilities to that authority. It also included postponing the major and substantive aspects of the Israeli-Palestinian conflict to the final status negotiations, such as refugees, Jerusalem, borders and settlements.

The negotiations brought out differences in some of these areas, some examples of which can be useful in illustrating the atmosphere and content of the talks on the DOP. One difference was over the way Security Council resolutions 242 and 338 should be mentioned: the Israelis wanted to say that the final status negotiations should lead to an

²¹⁰ Ibid., p. 126.

implementation of resolutions 242 and 338 as agreed by both parties. The Palestinians insisted that the resolutions were to be implemented in full without any qualifications.

Another difference was over the security issue: the Israeli delegation insisted that Israel would continue assuming the security responsibility against any external threat, any terrorist threat, or any anti-Israeli action or threat to the security of the Israeli public. The Palestinians, on the other hand, wanted to limit Israel's security responsibility to defence against external threat only.

Difficulties and sharp differences also appeared over other issues, such as those that would be postponed to the final phase, and the future of the Israeli civil and military government, as well as the level of involvement of neighbouring Arab states and the Israeli withdrawal from Gaza and Jericho.

The other major topic of the Oslo talks was Israel's recognition of the PLO. Although the Palestinians repeatedly raised the whole issue of recognition from the very beginning, the Israelis only agreed to address it in the eighth round of talks in June 1993, when Singer presented the Israeli conditions for such recognition, as follows:

1. The PLO recognizes the right of Israel to exist and is committed to coexistence with it.
2. The PLO accepts resolutions 242 and 338.
3. The PLO denounces terror and aggression against Israelis.
4. The PLO declares that it will stop practicing all forms of terror.
5. The PLO will not support any parties which conduct acts of terror or incitement to terror.
6. The PLO declares that all articles in its charter that contradict with this process are null and void.
7. The PLO is committed to the peace process as stipulated in the letter of invitation.

8. The PLO, and after the assumption of responsibilities of the temporary Council of authority, will call for a halt to the Intifada.

9. The PLO will call on Egypt and other states to end the Arab boycott of Israel.²¹¹

In his letter to Rabin dated 9 September 1993, Arafat met all the conditions and demands presented to his delegation in Oslo by Joel Singer which are detailed earlier. Arafat's letter included the following:

The PLO recognizes the right of the state of Israel to exist in peace and security.

The PLO accepts United Nations Security Council Resolutions 242 and 338.

The PLO renounces the use of terrorism and other acts of violence and will assume responsibility over all PLO elements and personnel in order to assure their compliance prevent violations and discipline violators.

The PLO affirms that those articles of the Palestinian Covenant which deny Israel's right to exist, and the provisions of the Covenant which are inconsistent with the commitments of this letter are now inoperative and no longer valid. Consequently the PLO undertakes to submit to the Palestine National Council for formal approval of the necessary changes with regard to the Palestinian Covenant.²¹²

In addition, Arafat sent another letter to Rabin committing the PLO to stop the Intifada. It included:

In light of the new era marked by the signing of the Declaration of Principles, the PLO encourages and calls upon the Palestinian people in the West Bank and Gaza Strip to take part in the steps leading to the normalisation of life, rejecting violence and terrorism, contributing to peace and stability and participating actively in shaping reconstruction, economic development and cooperation.²¹³

It is useful to add here that Israel prevailed on almost all of these points, and delayed the amendment of the language of the text of the agreement until literally the final hours, when time constraints would not allow even the typing of a new draft, but only the amendment of "Palestinian team" to "PLO team" with the word "Palestinian" crossed out, and that change was initiated by Singer and Ha'el al-Fahoum, a PLO official.

²¹¹ Abbas, *Tareeq Oslo*, p. 237.

²¹² Letter from Yasser Arafat to Yitzhak Rabin, dated 9 September 1993.

²¹³ Letter from Yasser Arafat to Johan Jorgen Holst, dated 9 September 1993.

The Israeli delay in accepting the inclusion of the PLO in the text was also confirmed and explained by Hanan Ashrawi, who did the last-minute contacts to insure the amendments in the text, because of the Americans' hurry to get to the signing. According to Ashrawi: "Rabin had consented to the changes, and we had to run. It was already after 10:00 a.m. We piled into the waiting cars, all decorum forgotten, and were driven at breakneck speed, sirens wailing, people gaping, to the White House."²¹⁴

In order to avoid confusion, it should be clarified that the agreement that is being dealt with here is the Declaration of Principles on Interim Self-Government Arrangements (the "DOP")²¹⁵ that was signed in Washington DC on 13 September 1993. This was the first agreement to be signed by the two parties, but it was followed by others: the Paris Protocol, the agreement on economic relations signed on 29 April 1994; the Gaza-Jericho agreement signed in Cairo on 5 May 1994; the Agreement on the Preparatory Transfer of Powers and Responsibilities signed at the Erez checkpoint between Gaza and Israel on 29 August 1994; and the Israeli-Palestinian Interim Agreement on the West Bank and Gaza Strip—also known as "Oslo II", signed in Washington on 28 September 1995. Oslo II superseded all previous agreements except the DOP. The sixth and last agreement signed between the two parties was the Protocol Concerning the Redeployment in Hebron of 15 January 1997.

The DOP was signed by Shimon Peres on behalf of the Israeli government, Mahmoud Abbas for the PLO, and by two witnesses: Warren Christopher, then US Secretary of State; and Andrei Kozyrev, foreign minister of the Russian Federation. The DOP comprises 17 articles, four annexes, agreed minutes, and three letters, two of which were acknowledgments of formal recognition which were exchanged between Rabin and Arafat.

²¹⁴ Ashrawi, *This Side of Peace*, p.270

²¹⁵ The reference to the DOP is to the text distributed by the PLO Negotiations Department, which is identical to the text published by the Israeli Foreign Ministry.

The Impact of Internal-External Leadership Relations on the Oslo Process and First Agreements

On the face of it, it appears that when ten rounds of negotiations in Washington elapsed without any real progress, both the Palestinian and Israeli leaderships were under pressure to seek alternative channels. However, the reality of how the talks developed a back channel is much more complex. The lack of progress in the Washington negotiations and the subsequent creation of the Oslo channel can be attributed to two sets of factors. One stemmed from the *inside-outside* dynamic within the Palestinian leadership, such as the exclusion of the PLO, the growing role of the *inside*, and differences in priorities between the two. The second resulted from objective environmental factors such as the imbalance of power between Israel and Palestinians, the election of a pro-peace Labour government in Israel, and the bias of the US sponsor.

The Palestinian leadership—the PLO—had long been eager for another, direct, channel for negotiations with the Israeli government. In his book *Tareeq Oslo* (The Road to Oslo), Mahmoud Abbas (Abu Mazen), the Palestinian leader who eventually signed the Oslo Agreement, details the lengthy process of official Palestinian efforts to entice the Israeli government into direct talks with the PLO. One example was Abu Mazen's attempt to get Ariel Sharon to talk (in) directly with him personally, using an anonymous Palestinian from the West Bank. When asked why, the unidentified envoy responded: "You know, the talks are not showing any results and he [Abu Mazen] wants negotiations to be directly with the PLO, where everything could be negotiable."²¹⁶

Abbas, who was then in charge of the negotiations with Israel for the PLO, concluded during the eighth round of the Washington talks that:

On our side, we [the PLO leadership] realized that the Washington talks were going to go nowhere, so we sent messages to [Israeli prime minister] Yitzhak Rabin and [foreign minister] Shimon Peres asking them to open a back channel in order to

²¹⁶ Abbas, *Tareeq Oslo*, p. 71.

save the Washington talks from crisis. Rabin turned down the suggestion; we tried several times, once through the Egyptians and once through the Russians.²¹⁷

On the Israeli side, the Likud government was not interested in seeking out alternatives to the Washington talks since it was not interested in progress. It was only after the Labour Party won the Israeli elections in 1992 that a positive response to the PLO proposal became a possibility. Israeli political analyst Ziva Flamhaft concludes that:

Certainly, if Labour had not won the 1992 elections in Israel, the regional and global situation would not have been enough to produce a breakthrough. The Labour government was more receptive than its predecessor to making the concessions necessary for meaningful negotiations.²¹⁸

The underlying factor convincing the Israeli government to advance to the secret Oslo negotiations was its familiarity with the Palestinian delegation to the Washington talks. The Israelis recognized that the Palestinian team in Washington was not prepared and was, in fact, unauthorized to make any changes in their positions on key issues, which were unacceptable to the Israelis. Ziva Flamhaft states that the failure of the Washington talks and the lack of authority of the Palestinian delegation there to negotiate on its own were the most important reasons behind the Israeli decision to recognize the PLO.

While this was correct (the delegation did not have decision-making power), like any delegation (including the Israeli) it was convinced of the positions it was conveying because they were believed to be vital to the Palestinian cause. However, it was also the case that the PLO leadership was encouraging the delegation to continue insisting on these 'hard line positions'. That was noted by Dr. Muhammad Said Ahmad, the head of al-Ahram Strategic Studies Centre, who wrote:

[t]he Palestinian leadership [itself which] had confined the delegation to extremely hard-line positions, while making concerted efforts both directly and indirectly to convince the Israelis, particularly Rabin and Peres, that the prospects of reaching a settlement based on a moderate, realistic and 'soft-line' position lay only in the

²¹⁷ Ibid. p. 151.

²¹⁸ Ziva Flamhaft, *Israel on the Road to Peace* (Boulder, Colorado: Westview Press, 1996) p. 93.

hands of the PLO. In this way, the PLO got the opportunity it had been waiting for, after the Israelis realized that direct dealing with the Palestinian leadership was the best way to deal with the Palestinian issue...²¹⁹

Apparently, this belief was shared by a vast majority of the members of the Palestinian delegation to Washington. Interviews conducted with some of them demonstrate this perception. Camille Mansour, member of the negotiation team, said:

Yes, the same leadership in Tunis was giving directions to the Washington delegation and asking them to take firm positions on settlements, for example. They wanted things to be difficult to agree on in Washington in order to make it easy to agree in Oslo... At the same time, in that period, Israel under Rabin was interested in reaching an agreement, and found the PLO in Oslo weak and desperate for an agreement. In other words, there were common interests between Rabin and Arafat in reaching an agreement in Oslo.²²⁰

Other members of the delegation were even more explicit in expressing this conclusion, although they thought that it was not necessarily a negative way of proceeding. Saeb Erekat said:

As I told you, the Washington delegation was the most disadvantaged in the history of negotiations since Adam negotiated Eve. Our leadership kept testing the loyalty of the delegation, even asking them to refer to UN resolution 181 in negotiations, while the delegation wanted to seek a breakthrough. Tunis' directions to the delegation were about closing the door for any progress by the Madrid [Washington] delegation, in order to help open the back channel to the PLO delegation, and, in my belief, that was a good thing.²²¹

The back channel, led by and conducted by PLO officials, directed by PLO officials, and known of by PLO officials, seemed to Arafat to be the solution to the most pressing problems he was facing at the time: the growing importance and rising profile of the delegation from *inside* the OPT. Yazid Sayigh noticed that with the first appearance of success from the Oslo channel

²¹⁹ Muhammad Sa'id Ahmad, "Arab-Palestinian Relations" in *Majalat al-Darasat al-Falastini*, vol. 34 (Spring 1998) p. 16.

²²⁰ Interview with Kameel Mansour, Ramallah, May, 2007

²²¹ Interview with Saeb Erekat, Ramallah, May, 2007

the PLO chairman obstructed the formal talks in Washington with even greater insistence...and utilised the objections of the confused delegation to suggest that Faisal Husseini and other key figures entertained personal political ambitions and were being used by the US administration as a 'Trojan Horse' to supplant the PLO.²²²

There were other, less important, reasons behind the shift in attitude, such as the realization on both sides of the need for secrecy. The openness of the Washington talks, and the easy media access provided to the delegations, provided a degree of transparency and accountability before the public, which was particularly relevant for the Palestinian side. However, while this accountability provided the delegates with legitimacy, it also placed pressure on them not to make concessions for which the Palestinian public were not in favour.

Non-Palestinians involved in the peace process also observed by then another difficulty facing the Palestinian delegation, its questionable ability to deliver. That became an issue after the elections in Israel, which brought the Labour party and Rabin to power. Abdulsalam al-Majali, the head of the joint Jordanian-Palestinian delegation to the peace process said in this regard:

With the premise that the Palestinian-Israeli track succeeded in arriving at mutually accepted arrangements, who would sign that agreement? What authority and legitimacy, if any, did the Palestinian delegation have? Would Dr. Abdul Shafi sign an agreement with Israel, and what commitment could he deliver on? These factors were springing up in the minds of the American officials as well.²²³

External factors facilitating the change in approach included the realization by third parties that the Washington talks were fast reaching an impasse and their subsequent offers of mediation, one of which worked. Norway, a small country enjoying good relations with both Israel and the Palestinians, seized the initiative at a time when both parties were ready for it. According to Abu Mazen:

It was not our choice, and I do not think it was the Israelis' choice that Oslo be a secret base for back channel negotiations between us and them [the Israelis]. In

²²² Sayigh, *Armed Struggle*, p. 656.

²²³ Abdul Salam A. Majali, Jawad A. Anani and Munther J. Haddadin, *Peace Making, the Inside Story of the 1994 Jordanian-Israeli Treaty* (London: Ithaca press, 2006) p. 202.

fact, it was a Norwegian initiative that was directed first at the Israelis, who accepted it in principle. Then they organized a meeting in London which led to an understanding between the two sides.²²⁴

Another factor motivating Arafat, according to Sayigh, was the pressure put on the PLO leadership, in particular as result of the financial crisis that had been precipitated by the PLO's pro-Iraq stance during the Gulf War, which peaked on the eve of the peace process.

For these reasons, and perhaps others, Arafat was desperate for a direct channel to the Israelis that would be under his control. Yazid Sayigh concluded that:

Arafat was not averse to dealing directly with Israel. He actively pursued several parallel lines of contact, and by the end of 1992 had come to the preliminary conclusion that the PLO would ultimately take full charge of Palestinian autonomy in the Palestinian Occupied Territory, which it would police with PNLA [Palestinian National Liberation Army] units from exile. Arafat believed that such a solution could only be found through secret negotiations and so responded favourably when Abbas and Qurei disclosed that a back channel had been opened.²²⁵

With Israel's agreement on the 'Gaza first' approach in Oslo, Arafat became excited, because it addressed his prime concern, the direct role and authority of the PLO leadership, in addition to establishing the PLO's international status (with the possibilities for reviving Arab financing which that entailed). These concerns took precedence over the priorities of the Palestinian delegation in Washington, which included the cessation of settlement expansion, defining the legal status of the OPT, the applicability of international law, and the inclusion of Jerusalem in the interim stage.

The following exchange between Arafat and Mamdouh Nofal, another PLO leader who quotes the dialogue between the two men in his book, reflects Arafat's priorities and the way in which he perceived the primary results of the Oslo talks:

When I entered Arafat's office and found him alone, he shouted to me with great excitement and happiness: 'They agreed to Gaza-Jericho, they agreed to Gaza-Jericho!' I said this was significant because it could lead to a Palestinian state even

²²⁴ Abbas, *Tareeq Oslo*, p. 163.

²²⁵ Sayigh, *Armed Struggle*, p. 655.

it takes time to accept the idea, but what was more important was for that state to be led by the PLO. Arafat then sat behind his desk, and suddenly he raised his red pen and said, 'Either the agreement will be signed by this pen or there is no agreement.' Then I asked him, 'What about the Israeli settlements and the issue of jurisdiction and security in the land?' Arafat answered: 'After they've accepted Gaza-Jericho, these become just details. The most important thing now is to succeed in the second step, which is making sure that it is this pen that does the signing.' Then he raised his red pen again and said: 'A signature by this pen means a state; a signature by another means...God knows what.'²²⁶

This illustrates, on the one hand, the harmony between the conduct of the Oslo delegation and the priorities of its leadership and on the other hand the differences in priorities of the Washington delegation—which had been approved by the same PLO leadership—and that of the negotiators in Oslo. The explanation for this clearly rests on two points: first, the fact that the Oslo delegation was accountable directly and secretly to Arafat and Abbas, while the Washington delegation was accountable openly to both the Palestinian public in the OPT as well as the PLO as an institution. Secondly, Arafat encouraged the Washington delegation to take hard-line positions, in order to encourage Israel to deal directly with the PLO, and later to allow the breakthrough to occur in the direct PLO-Israel channel—namely, Oslo—in order to give the PLO as an institution a direct role, which was his priority.

It should be noted, however, that no Palestinian on the delegation would have objected to a direct PLO/Israel channel. In fact, the Washington delegation contributed to the realization of this channel on the understanding that it would be conducted on the basis of the PLO's public and official positions.

Indeed, most delegation members interviewed said that one of the group's objectives was to contribute to the recognition of the PLO. They also confirmed that that they saw no harm in the PLO opening a channel of direct talks with Israel, as long as the PLO delegation adopted positions serving the interests of the Palestinian people and cause. Dr. Hassan Abu Libdeh, a Fatah member of the delegation, spoke about the delegation's loyalty to the PLO leadership, and his view of the Oslo channel:

²²⁶ Nofal, *Qissat Itifaq Oslo*, p. 94.

The delegation was loyal to the PLO leadership; there was no chance that the delegation would disobey the leadership. The delegation did not come out of a vacuum, it was chosen by the PLO leadership because we were members of that PLO; each one of us was part of the PLO. Accepting the PLO in negotiations was just a matter of time. I believe that opening the Oslo channel was good politically and not the problem; the problem was the unjustified political price that was paid later on.²²⁷

Although both Palestinian delegations, in Oslo and in Washington, were equally interested in getting the PLO recognized by Israel and the United States, as has been noted previously, they had differing motivations and were willing to pay different prices to achieve that objective. The Washington delegates did begin to express their concern about the lack of attention to detail in the Oslo negotiations, something which remained an issue when the interviews for this research were conducted even though the interviewees were not generally willing to question the logic of the negotiations themselves.

Hassan Abu Libdeh, for example, said, "The Palestinian political kitchen was never concerned with the details, including that of the Oslo agreement and how it would be implemented successfully to offer a good impression about us and gather support behind our desire for a state". In a different part of the same interview, he also said: "I used to feel that *outside* [the PLO leadership *outside*] they were not excited about details; they were only worried about generalities—a Palestinian state, but how, and in what context and of what nature, they did not care."²²⁸

The same point was approached in a different way by Camille Mansour. He said:

One way of understand the difference [between Oslo and Washington]; in Oslo they did not negotiate on the details. I remember we [in Washington] were together working on the details of the settlements. We were trying to specify what settlements exactly are, for examples in terms of build up areas, borders, zones, roads, and services. In Oslo they agreed that settlements are *outside* the negotiations without deciding what settlements are [what exactly was the thing that was excluded].²²⁹

²²⁷ Interview with Hassan Abu Libdeh, May, 2007.

²²⁸ Ibid.

²²⁹ Interview with Camille Mansour, May, 2007.

Almost all the negotiators who were interviewed were in agreement with the description given by Nabil Kassis, one of the two deputy heads of the negotiating delegation.

The Washington delegation included members from *inside* the Palestinian Occupied Territory, and *outside*. These brought with them the knowledge and experience of the complicated realities of the Palestinian Occupied Territory, and the political and sophisticated experience of the PLO *outside*, respectively. They included members of different political backgrounds. In addition, they included advisers of legal and strategic backgrounds, and from different international experiences.²³⁰

The Palestinian delegation to Oslo differed from the Washington pattern in many respects. It lacked any structure that could have ensured a collective effort; it was composed of only two persons. It was not accountable to any official body—either at the party (Fatah) or institutional (PLO) level—but rather to individuals who, although influential, were not mandated to run the negotiations by any of their institutions, which, in any case, were not even aware of the Oslo channel.

The justification for that was the need to maintain secrecy. Although the delegation in Oslo was small, there was a political kitchen or “cell” in Tunis that was supervising the Oslo delegation. It was doing the necessary analyses, proposals and counter proposals. And contrary to the delegation *inside* Washington, the Oslo delegation had no popular constituency. They were rather like diplomats of a government. They saw themselves as accountable to their PLO leadership.

Ahmad Qurei explains why the PLO *outside* leadership acted this way in terms of its historical experiences in the ten years before Oslo:

There is no doubt that the Palestinian political movement went through great difficulties after leaving Beirut. The doors were closed before the Palestinians; there were no options in front of them, including the option of armed struggle,

²³⁰ Interview with Nabil Kassis, May, 2007.

which had restored their identity and gave them a prominent position in the political map.

This situation led to debates that ended with polarized minorities that insisted on not changing their vision of the world according to what had befallen them, and the rubble that was blocking their way. A majority was more receptive to the deep regional and international changes that had dramatically affected the Palestinian cause, moving us from being the first Arab priority to the last.²³¹

In this precarious situation, and as Israel sought to use the Washington peace process to further marginalize the PLO (and in the PLO's view, the Palestinian cause which was its *raison d'être*) the PLO leadership was torn. If it insisted on a representative role and simultaneously refusing to accept Israel's conditions, it risked being bypassed entirely. Better then to take recognition, and swallow some of the terms of that recognition, *even if that meant compromising fundamental principles of the PLO*. The decision was made to accept the Israeli conditions at Oslo conditions, but in a way that the PLO hoped would be allowed to change over time.

When I interviewed Qurei, I asked him if the PLO leadership *outside* had paid a heavy political price for "improving" the conditions of negotiations in Oslo as compared to Madrid in this way. He had a ready and spontaneous answer:

Let me clarify this, the price was not paid in Oslo, the price was paid earlier, the price was paid in the Egyptian Camp David; the price was paid when we accepted [resolutions] 242 and 338; the price was paid when we accepted to go to Washington in an incomplete delegation [without PLO and Jerusalemites]; in a delegation that was the 'Jordanian-Palestinian' delegation and to negotiate interim phase self-government rather than a final solution. This is how the price was paid, if there was a price. Oslo came after that price was paid, and improved its conditions.²³²

In addition to the need to avoid marginalization, there was another factor motivating the PLO leadership to move quickly from Washington to Oslo's direct negotiations. This factor was the growing political prominence of the *inside* discussed earlier. Faisal Hussein's headquarters in East Jerusalem, The Orient House, became the centre of gravity for Palestinian internal and international political activities. It became an address receiving,

²³¹ Qurei, *ArRiwaya*, p. 372.

²³² Interview with Ahmad Qurei, Ramallah, May, 2007.

almost weekly, heads of state, prime ministers, and foreign ministers. Hanan Ashrawi became the star Palestinian spokesperson with her picture on the cover of major magazines and newspapers. Given the well-known suspicious nature of Yasser Arafat, it is easy to understand the hasty move from Washington to Oslo, and the pace of the Oslo talks.

In spite of these differences, between *inside* and *outside*, both were equally loyal to the PLO. However, it was becoming clear that the PLO did not mean necessarily the same thing to both of them. To the Washington delegates, the PLO meant national unity towards a common objective – the end of occupation and independent statehood. To the Oslo negotiators, the PLO meant the individual leaders, status, and role of the organisation. Their respective priorities sprang from these differing understandings. For the *inside* leadership, reversing the constituent policies of occupation were the first priority but for the *outside* leadership the Israeli acceptance to negotiate with them directly was seen as a major achievement in itself and a substantive concession from the Israelis. As a result, the Oslo negotiators concentrated less on substantive details as settlements, territorial jurisdiction, sovereignty, legality, human rights, integrity, contiguity, linkage, and instead concentrated more on symbols, control and raising the profile of the PLO—both its personnel and as an institution.

Hanan Ashrawi recorded a discussion with Arafat in which he told her about the Oslo channel after the Declaration of Principles had been initiated:

The Palestinian state will start from Gaza-Jericho and from there I will negotiate with the Israelis to end the occupation in the rest of the Palestinian territories. Trust me, we will soon have our own telephone country code, stamps and television station. This will be the beginning of the Palestinian state.

Ashrawi added, “The general conversation then turned to a discussion of the symbols of sovereignty.”²³³

Ashrawi also noted the relation between the Oslo Declaration of Principles and the Oslo team of negotiators, when she responded to her first reading of the agreement:

²³³ Ashrawi, *This Side of Peace*, p. 259.

It is clear that those who initiated this agreement have not lived under occupation. You postponed the settlement issue and Jerusalem without even getting guarantees that Israel would not continue to create facts on the ground that would pre-empt and prejudge the final outcome...What about all our red lines? Territorial jurisdiction and integrity are negated in substance and the transfer of authority is purely functional.²³⁴

Abbas responded by saying: "We made strategic political gains, particularly the fact that this is an agreement with the PLO and not just a Palestinian delegation."²³⁵ In her response, Ashrawi illustrates clearly the difference between the two perspectives—Washington and Oslo—when she said,

It is not who makes the agreement, but what it is. I have no ego problems about being excluded or kept in the dark, or even about being used. My main concern is about substance... Strategic issues are fine, but we know the Israelis and know that they will exploit their power as occupier to the hilt and by the time you get to permanent status, Israel will have permanently altered realities on the ground.²³⁶

Did Oslo Demonstrate Poor Performance and a Weak Agreement?

The criteria of evaluating Oslo agreement should be derived from the objectives of the Palestinians in the negotiations, within the context and constraints of the Middle East peace process. It should also take into consideration the potentials and expertise that accumulated in other places, including Washington. Given that these negotiations were about interim arrangements that should lead to final settlement, the three main objectives that follow should have governed the Palestinian negotiating strategy.

First was how to make the interim arrangements and agreement conducive to the kind of final status that was anticipated. The final status, from a Palestinian perspective, had to allow for ending the occupation, establishing an independent Palestinian state, and ensuring the return of refugees. That meant the agreements had to link the interim arrangements with such a final status, accept the principle of Palestinian self-

²³⁴ Ibid.

²³⁵ Ibid.

²³⁶ Ibid., p. 261.

determination, acknowledge that the West Bank and Gaza Strip were—according to a legal status—occupied and that the occupation should and would be ended

The second issue should have been ensuring that the interim arrangements would limit (as much as possible) the Israelis from using that period to further creating facts on the ground that might pre-empt the desired final status, such as practices that consolidate the occupation, including stopping the expansion of settlements.

The third issue would have been to use the interim period and arrangements to end or reduce the suffering of the Palestinian people in the OPT, including, for example, by creating an agreement that recognizes the applicability of international humanitarian law.

The preamble to the DOP specified the parties to that agreement as “the Government of the State of Israel and the PLO team (in the Jordanian-Palestinian delegation to the Middle East Peace Conference (the ‘Palestinian Delegation’).” The preamble also sets out the general form and strategic objectives of the agreement by stating that the parties

Agree that it is time to put an end to decades of confrontations and conflict, recognizes their mutual legitimate and political rights, and strive to live in peaceful coexistence and mutual dignity and security and achieve a just, lasting and comprehensive peace settlement and historical reconciliation through the agreed political process.²³⁷

This preamble marks a dramatic departure for the Israelis to recognition of the PLO as the representative of the Palestinian people, however, it has yet to be seen if this recognition can, in reality, encompass what the PLO believed it included: a recognition of what the PLO means for the Palestinian people—namely, a symbol of their nationhood and consequently the rights that accrue to nations, particularly self-determination and statehood.

It can be argued that this Israeli recognition was much less loaded with meaning than the PLO believed, and that the PLO recognized by Israel was not necessarily the PLO Israel

²³⁷ The Declaration of Principles [<http://www.jmcc.org/research/series/dop.html#declare>] 13 September 1993

had previously refused to recognize. A close look at the second part of the preamble shows that if the PLO stands for the nationhood of the Palestinian people and is struggling to achieve their national rights, then this is not the context within which the PLO is recognized. When that paragraph specifies the rights that are recognized, it speaks only of legitimate and political rights and not national rights.

As such, the significance of this mutual recognition remained controversial. To Ahmad S. Khalidi, a prominent Palestinian intellectual and one of the advisors to the Palestinian delegation in Madrid and Washington, the most important thing about Oslo is:

that Israel and the Palestinians have for the first time met, recognized each other... Oslo's virtue (indeed, to many, perhaps its only virtue) is that it broke all the taboos and freed both sides from the furtiveness, the hypocrisy and the futility of mutual denial.²³⁸

On the other hand, other Palestinian intellectual warn of the dangers of over-estimating this recognition and hint at the possibly risky aspects underlying this recognition. Burhan Dajani, a leading Arab economist and intellectual and board member of the Institute of Palestine Studies, believes that:

This is the real danger, for Israel, having recognised the existence of the Palestinian people and the PLO's right to negotiate for them, may be tempted to substitute the self-rule authority for the PLO in the negotiations precisely because, as already mentioned, recognising the PLO implies an indirect recognition of the Palestinian people itself.²³⁹

In the first article of the DOP, Israel achieved one of its most important objectives by specifying the first phase of the negotiations but leaving the future and the ultimate resolution so vague that it might encompass many different possibilities, including reversibility. Israel had always wanted all options to be open in terms of a final resolution, and not to have to commit to any specific fate for the OPT. This seems to have been achieved. Article I included:

²³⁸ Ahmad Khalidi, "Current Dilemmas, Future Challenges," *Journal of Palestine Studies*, vol. XXIV, no. 2 (Winter 1995) p. 6.

²³⁹ Dajani Burhan, "An Alternative to Oslo" in *Journal of Palestine Studies*, vol. XXV, no. 4 (Summer 1996)

the aim of the Israeli-Palestinian negotiations within the current Middle East peace process is, among other things, to establish a Palestinian Interim Self-Government Authority, the elected council (the ‘Council’) for the Palestinian people in the West Bank and the Gaza Strip for a transitional period not exceeding five years, leading to a permanent settlement based on Security Council Resolutions 242 and 338.²⁴⁰

The only description of the final or permanent settlement is that it is to be based on these two resolutions, and the entire text does not go much beyond that.

The third article deals with elections, which also were perceived as a significant achievement for the Palestinians because elections could be seen as closely linked to the idea of self-determination. However, the text is carefully crafted in what it excludes when it states in the third point of Article III: “These elections will constitute a significant interim preparatory step toward the realisation of the legitimate rights of the Palestinian people and their just requirements.” This paragraph appears to try and prevent any possible explanation of these elections as a potential exercise in self-determination, which is what the PLO was aiming for.

Jurisdiction is dealt with in Article IV and in Section B of the Agreed Minutes, which are an integral part of the agreement. Both sections indicate the areas covered under the Palestinian Council’s jurisdiction. There are two major problems with this, the first being the lack of clarity on whether the jurisdiction referred to is territorial or functional, particularly since the exclusions are referred to as “issues” and the excluded issues are both territorial and functional in nature. The Agreed Minutes specified these issues as Jerusalem, settlements, military locations—which are territorial—and Israelis, which is a functional issue.

The significance of this point is that this vagueness weakened the territorial meaning and of the jurisdiction being turned over in a way that the reference to the West Bank and Gaza Strip in the paragraph beginning “[j]urisdiction of the council will cover West Bank and Gaza Strip territory” does not necessarily have a strictly territorial sense. It can mean some territorial and some non-territorial jurisdiction in these areas.

²⁴⁰ The Declaration of Principle [<http://www.jmcc.org/research/series/dop.html#declare>] 13 September 1993

The jurisdiction issue was one of the stumbling blocks in the Washington negotiations. The Washington delegation was insisting on the importance of giving the Palestinian interim self-government authority jurisdictions over all the OPT. The following paragraph is part of the expanded outline submitted by the Palestinians in Washington DC on 3 March 1992; their position included:

There should be no limitations on the powers and responsibilities of the PISGA [Palestinian Interim Self-Governing Authority], except those which derive from its character as an interim arrangement...the jurisdiction of the PISGA should extent to all of the OPT, including its lands, natural resources, water...²⁴¹

That is why the text of the DOP was not satisfactory in this regard, from the point of view of the legal adviser of the Washington delegation. Raja Shehadeh noted that: "According to Article IV, the 'jurisdiction of the council will cover West Bank and Gaza Strip territory except for issues that will be negotiated in the permanent status negotiations.' The definite article has been dropped to indicate that what is meant is not the whole of the West Bank and the Gaza Strip."²⁴²

Article Number V, Transitional Period and Permanent Status Negotiations, specifies the timeframe of the transitional period of five years, and that the final status negotiations should start as soon as possible, but not later than the beginning of the third year of the interim period. What is more important is that this article specifies the subjects of the final status negotiations in its third point as follows:

3. It is understood that these negotiations shall cover remaining issues, including: Jerusalem, refugees, settlements, security arrangements, borders, relations and cooperation with other neighbours, and other issues of common interest.²⁴³

One positive aspect in this paragraph is that Israel admits, for the first time officially and on record, that Jerusalem, refugees, and settlements are negotiable.

²⁴¹ Expanded Outline: Palestinian Interim Self-Government Arrangements: Concept, Preliminary Measures and Elections Modalities [<http://www.jmcc.org/documents/pisga.htm>] 3 March 1992.

²⁴² Shehadeh, *Weight of Legal History*, p. 20.

²⁴³ Article V, Declaration of Principles.

However, the negative aspect is that while Israel agreed to discuss settlements and Jerusalem, nothing in the article or the DOP in general states clearly that Israel is barred from continuing its illegal policies in these two areas, namely the policy of creating illegal facts on the ground both in Jerusalem and settlements which are intended to pre-empt the outcome of negotiations over these issues.

In interviews with most of the Washington delegation, this was the main criticism made of the Oslo agreement. A representative example is found in the interview with Mamdouh al-Aker, who said:

I can charge that they [Oslo negotiators] did not understand the essence of the struggle that we were fighting. Postponing the issue of the Jewish settlements without freezing settlement activities for five years gives the Israelis *cart blanche* to continue creating facts on the ground. Not only this, but the bypass roads for the settlements that were accepted by the leadership were tantamount to a crime. Even if they assumed good will, why they did not shout five months after the implementation of the agreement when Israel continued the expansion of settlements?²⁴⁴

When I asked the chief negotiator of the Palestinian delegation to Oslo why the same leadership that approved the Washington delegation's insistence on Israel's stopping settlement expansion did not demand the same of the Oslo team, Ahmad Qurei said:

If you go to the minutes of Oslo negotiation, you will find that the issue of settlements occupies the largest space of the discussion. We continued to insist that they should stop the expansion of settlements, and that point remained disputed until the end when it was solved by brother Abu Ammar and brother Abu Mazen in last-minute contacts between them, Peres, and the Norwegian foreign minister. I was not happy with the result. In the end, I accepted because there was no alternative. What was agreed on in the end was that none of the parties would take unilateral steps pre-empting the final status negotiations.²⁴⁵

In the final analysis, the Palestinian delegation failed to establish in the agreement the difference between the need to postpone the negotiations on the fate of these issues, and the vital need to stop the continuous Israeli expansion of settlements, including *inside*

²⁴⁴ Interview with Mamdouh al-Aker, Ramallah, May, 2005

²⁴⁵ Interview with Ahmad Qurei, Ramallah, May, 2005

occupied East Jerusalem. What magnifies this mistake is the fact that the DOP does not specify the size or borders of these settlements.

Israel based its control over the OPT on a wide-ranging set of military orders that were invested with the full power of law. Article IX point 1 gave the elected council the power to legislate. However, in point 2 it recognizes the existing body of laws which naturally includes the more than 1,300 Israeli military orders in the West Bank and over 1,000 in Gaza, “which regulate every single aspect of daily life in general with the objective of forcing out, through various means, the majority of Palestinians, and subjugating the remainder of the population.”²⁴⁶

The second part of Article IX states: “2. both parties will review jointly laws and military orders presently in force in remaining spheres.”²⁴⁷ The problem here is not simply the recognition of the known Israeli military orders, but that there were many military orders in force which were not made public, and according to this article the Palestinians are recognizing and accepting orders that they did not yet know about. In addition, this article gave the Israelis the right of veto over changes to these orders by saying “both parties will review...”

In Articles VIII and IX, the DOP deals with the issue of withdrawal and redeployment. Article XIV states: “Israel will withdraw from the Gaza Strip and Jericho area, as detailed in the protocol attached as Annex II.”²⁴⁸

Article XIII addresses the issue of redeployment of Israeli forces: “a redeployment of Israeli military forces in the West Bank and the Gaza Strip will take place, in addition to withdrawal of Israeli forces carried out in accordance with Article XIV.”²⁴⁹ The article goes on to specify that this redeployment will be guided by the principle that military forces should be redeployed *outside* populated areas and, in addition, at a later stage, a further redeployment to specified locations will be gradually implemented.

²⁴⁶ Jerusalem Media and Communication Centre, *Israeli Military Orders in the Occupied Palestinian West Bank: 1967-1992* (Jerusalem, JMCC, 1993) p. iiv.

²⁴⁷ Declaration of Principles, Article IX, Point 2.

²⁴⁸ Declaration of Principles, Article XIV.

²⁴⁹ Declaration of Principles, Article XIII, Point 2.

The positive aspect of these two articles is that they establish the principle of withdrawal and redeployment, something that Israel had previously refused to recognize. These articles therefore set a precedent and signify a break in the Israeli ideological position on the OPT being part of historical Israel not to be surrendered.

The negative aspect of these two articles is that the term “withdrawal” is used only for Gaza and Jericho, while for the rest of the West Bank, the weaker term “redemption” is used. In addition, the further redeployment will be to “specified locations”. This is vague language and can be taken to mean anything, and the result of this language is that the real meaning remains to be negotiated.

Article XV, Resolution of Disputes, is an example of one characteristic of the DOP—the weight it places on the agreement of both parties to issues, meaning that each side essentially has veto power. Section 3 of Article XV states:

3. The Parties may agree to submit to arbitration disputes relating to the interim period which cannot be settled through conciliation. To this end, upon the agreement of both parties, the parties will establish an Arbitration Committee.²⁵⁰

Again, Israel retains veto power in resorting to arbitration; which makes it almost meaningless to the Palestinians. Arbitration is very important to the Palestinians because they are the weaker party. Experience had taught the Palestinians that Israeli behaviour in the OPT was always a function of their superior power and that constraining that power was an urgent necessity. By assigning Israel veto powers, the Palestinians failed to do so.

The regional dimensions are dealt with in Articles XII and XVI. Article XII states that: “The two Parties will invite the Governments of Jordan and Egypt to participate in establishing further liaison and cooperation arrangements...to promote cooperation between them.”²⁵¹ Article XVI emphasises the need for regional cooperation through the

²⁵⁰ Declaration of Principles, Article XV, Section 2.

²⁵¹ Declaration of Principles, Article XII.

multilateral bodies: "Both Parties view the multilateral working groups as appropriate instruments for promoting the 'Marshall Plan.'"²⁵²

The exchanged letters of recognition between Rabin and Arafat are an integral part of the agreement. In fact, they made the agreement—and specifically an agreement with the PLO—possible and marked a dramatic change in the political position of the PLO. In the letter from Arafat, the PLO recognises Israel despite Israel's lack of commitment to recognise the right of self-determination and statehood for Palestinians. It further commits the PLO to stopping what it formerly considered legitimate struggle tactics without an Israeli commitment to end its occupation of the OPT.

The only Israeli demand which was not met in Arafat's letter was fulfilled in another letter, also signed by Arafat but directed to Johan Jorgen Holst, the Norwegian foreign minister, and also dated 9 September 1993. In the letter to Holst, the Chairman of the PLO fulfilled the Israeli demand to stop the Palestinian popular uprising (the Intifada) against the Israeli occupation in the OPT

In return for these commitments by the PLO, Israel recognised the PLO and agreed to enter into negotiations with the organisation. This recognition, however, did not involve any commitment towards principles formerly held by the PLO—the right to self-determination, the right to a state, ending the occupation, or the right of return of Palestinian refugees. The Israeli letter reads:

In response to your letter of 9 September 1993, I wish to confirm to you that, in light of the PLO commitments included in your letter, the Government of Israel has decided to recognize the PLO as the representative of the Palestinian people and commence negotiations with the PLO within the Middle East peace process.²⁵³

This exchange of letters meant that the PLO had given up much of what it stood for in return for being recognized. Therefore, the PLO that was recognized by Israel was not exactly the same PLO Israel previously refused to recognize previously. It was subject to

²⁵² Declaration of Principles, Article XVI.

²⁵³ Letter from Yitzhak Rabin to Yasser Arafat [<http://www.mfa.gov.il/MFA/Peace+Process/Guide+to+the+Peace+Process/Israel-PLO+Recognition+-+Exchange+of+Letters+betwe.htm>] 9 September 1993.

many criticisms, especially from Palestinian intellectuals; the following comment from Edward Said is an example: “Arafat’s recognition of Israel’s right to exist carries with it a whole series of renunciations—of the PLO’s charter, of violence and terrorism, of all relevant UN resolutions except 242 and 338, which do not contain one word about the Palestinians.”²⁵⁴

While this analysis highlights the weaknesses of Oslo, it has to be acknowledged that the Oslo negotiations and agreement also marked some improvements in conditions for negotiations compared to those of Madrid and Washington, including a direct role for the PLO in the talks and implementation of the agreement. In addition, Oslo committed Israel to the principle of withdrawal, and eventually negotiating issues such as Jerusalem, refugees, and settlements.

An example of this improvement was that the Israeli delegation responded to the Palestinian demand in Washington that issues such as Jerusalem, settlement and refugees be included in the second phase of negotiations, saying: “...the concept of the permanent status should remain undefined and the interim arrangements should leave all options open for the agreement on the permanent status.”²⁵⁵ By contrast, in Oslo, Israel accepted the inclusion of these issues in the agenda of the final status negotiations. In addition, Oslo enabled the Palestinians to establish their first authority on their own territory, including holding the first ever democratic elections.

But fundamentally, the agreement had profound flaws which have been detailed here and elsewhere.²⁵⁶ In addition, it failed to define the legal status of the OPT, which prevented the Palestinian side from benefiting from many legal aspects. Moreover, the agreement was vague and open-ended, which are features that usually benefit the stronger party.

²⁵⁴ Edward Said, “Palestinian Versailles” in *Progressive* (December 1993) p. 2.

²⁵⁵ Informal compilation of Israeli ideas on the concept of the Interim Self-Government Agreement. Presented to the Palestinian delegation in Washington on 10 December, 1992.

²⁵⁶ For example, Laura Drake, “Between the Lines, A textual Analysis of the Gaza-Jericho Agreement” in *Arab Studies Quarterly*, Vol. 16, No. 4, Fall 1994, pp. 1-36.

The Impact of Objective Factors

The Palestinian-Israeli negotiations were not taking place in a vacuum. They were affected by other objective factors, including Israeli behaviour on the ground and the suffering of the Palestinian people under occupation; the imbalance of powers between the two sides and its effect on negotiations; the attitude and behaviour of the United States as the main sponsor and mediator of the peace process, and the influence of the United States on Arab governments, which then financially pressured the PLO.

It is useful to note that the shift from the Washington channel to the Oslo back channel was an Israeli decision in principle and timing. The Palestinian leadership, which would have welcomed such a back channel at any time, was unaware of when and why the Israelis took the decision to open such a channel. Mamdouh Nofal, PLO official and analyst wrote:

None of the members of the Palestinian leadership, including those who signed the agreement and member of the cell that led the negotiations knows exactly when or why Israel took the decision to open negotiations with the PLO leadership or why Oslo was selected as the place for it.²⁵⁷

While this indicates the strong effect of Israel on determining the process, it also indicates the vulnerability of the Palestinian side to changing conditions within Israel. Fuad Ben Eliezar, former Israeli Labour Party cabinet minister and former Israeli commander of the OPT, and Ben Haze, former assistant to the head of the Israeli Shabak (Intelligence), explained in part the change in Israeli positions, particularly the shift in its attitude toward the PLO, in an interview with the Israeli daily *Yediot Ahranot* on 1 December 1992:

Most of the people negotiating with us are PLO by definition because they hold the same political views as the PLO...Arafat might be problematic, but there are pragmatists in the PLO that we can talk to, like Abu Mazen (Abbas), Nabil Sha'ath, and Farouq Qaddoumi. The peace process is moving very slowly; if we do not talk to the PLO, we will find ourselves facing Hamas. We have to isolate the extremists by making progress in the peace process and strengthening the moderates. We have

²⁵⁷ Mamdouh Nofal, *Alinqilab* (Amman: Dar Alshoroq, 1996) p. 239.

to stop and think why most of our former intelligence officers support negotiations with the PLO—it is because they know the PLO so well.²⁵⁸

The Oslo negotiations were heavily influenced by the imbalance of powers between the two sides. In fact, taking the talks from Washington, where the weaker Palestinian party could to some extent be protected by public opinion, and international legality, to Oslo, left the Palestinians at the mercy of this imbalance of power.

It is clear that the negotiators felt the imbalance of powers in the Oslo negotiations. When Ahmad Qurei described the main features and characteristics of the Oslo process and agreement, the balance of power was included. He wrote:

The imbalance of powers was strongly in the favour of one party against the other. This imbalance was always in the back of the mind of the negotiators. It was embodied very clearly in the mind of the Israelis, and was noticeable in the way the Israelis presented their view on any of the negotiations' issues, which regardless were marked by differences, disputes, and outcries. That implied that the Palestinian negotiator would have to play his limited cards with patience, strength, and cleverness.²⁵⁹

Although the Palestinian representatives to the Washington negotiations realized the impact of the balance of powers on the negotiations, they have more nuanced views that are worth examining. All were asked in the interviews about that point, answering in a manner slightly different from Ahmad Qurei.

Sami Kelani said:

We should not bow to this subject [balance of powers], and assume that things are pre-determined by the balance of powers. I admit there was an imbalance of powers, but I always believed in the ability to change in a gradual way...I believe there were two killing factors for the peace process: poor Palestinian performance, and Israeli crimes of continued aggression.²⁶⁰

²⁵⁸ *Yediot Ahranot*, 19 December 1992.

²⁵⁹ Ahmad Qurei, *Ar-Riwaya al-Filastiniyya*, p. 380.

²⁶⁰ Interview with Sami Kelani, Nablus, Jun, 2007

There is an interesting way of approaching the objective versus subjective factors affecting the negotiations' outcome, one presented by Nabil Kassis, deputy head of the Palestinian delegation to Washington:

It should be inconceivable that we enter such a huge thing [the negotiations] without complete preparation. We should not make mistakes and blame it on the other factors. We can blame the other factor only when we do advance correctly. Our performance was not perfect; it had many deficiencies...the letters of invitations and assurances and our acceptance of them restricted the outcome. The PLO had to change in order to be recognized. Even if we blame [Yitzhak] Shamir and American support for Israel, we cannot escape our own blame, because we did not make the utmost out of the given circumstances.²⁶¹

Conclusion

In conclusion, it appears that the move from Washington to Oslo resulted from common interest between both the PLO leadership *outside* and the government of Israel. The PLO wanted a direct role and primary role, which depended on its recognition by Israel, while Israel wanted more flexible negotiation positions, and an interlocutor that could deliver. Therefore, this led to a trade-off between the PLO and Israel.

The PLO compromised some of the positions that had hindered an agreement in the Washington talks in exchange for Israel's acceptance of a direct role for the PLO in both the negotiations with Israel and also as the implementing party of the agreement. The PLO back-slid on demands for a halt to settlement activity in the interim phase, agreed to put on hold the status of Jerusalem, agreed to amend the Palestinian National Charter, and agreed to end the Intifada without a reciprocal commitment to an end to the occupation.

Israel recognized the PLO but only after the PLO had distanced itself from some of what it stood for, in effect becoming a 'new' PLO. Israel agreed to the principle of an Israeli withdrawal or redeployment, but only in heavily-populated Palestinian areas, not in all of the OPT. Finally, Israel agreed for the first time to the idea that issues such as the status of Jerusalem and settlements could be negotiable, all the while retaining the freedom to make

²⁶¹ Interview with Nabil Kassis. Ramallah, May, 2007

changes during the interim period that could predetermine the final outcome prior to negotiations.

Having two tracks of negotiations, one in Washington with the *inside* leadership, and one in Oslo with a delegation only from the *outside*, in addition to the decline in coordination, proved to be unhealthy for the Palestinians, particularly when the PLO leadership *outside* did not consult with the *inside* leadership or take into consideration their practical experience of occupation and their primary concerns. Although the *inside* leadership remained supportive of the decisions and role of the *outside*, the period witnessed a decline in the complementary nature of relations that had characterized the relationship between *inside* and *outside* leadership up to that point, and elevated competition between the two. Both of these outcomes were new, appearing only with Oslo.

The differences in priorities, together with the *outside*'s absence in Washington and the *inside*'s absence in Oslo, contributed negatively to overall Palestinian negotiating performance. The PLO *outside* leadership focused on generalities and symbolic achievements but neglected the particular and detailed issues which had been represented by the *inside* leadership, with the result being that they signed a flawed and problematic set of agreements.

The structure of the Oslo negotiations, in which the PLO *outside* leadership exchanged a direct role in return for negotiations which were secret and unmediated, left the Palestinian negotiators vulnerable to the power imbalance between the two sides, while the exclusion of their technically qualified advisors (who had been present at Washington talks) left them ill-equipped to recognise all the weaknesses and potential problems with the texts themselves.

Throughout the negotiations, Israel continued with its occupation policies, expanding settlements and expropriating land. The Palestinians remained subject to an unfavourable international climate, including a weak and divided Arab world and a pro-Israeli American administration.

The consequence, as Edward Said noted, was that:

The DOP consolidated Israeli occupation with Palestinian acquiescence; it gave the Israelis sovereignty, control over water, security, external relations, and the veto power in everything of consequence occurring in the autonomous areas. Jerusalem, the settlements, and the roads remain in their hands, with no restrictions at all.²⁶²

The bitterness could also be seen in the way most Palestinian intellectuals *inside* perceived the agreement. George Giacaman, a prominent Palestinian intellectual and Birzeit University Dean, expressed that feeling:

The two Israeli-Palestinian agreements (Oslo I and Oslo II) represent the terms of settlement after the defeat, or specifically after the acceptance of defeat by the Palestinians. The acceptance of the defeat was a process with many stages, inasmuch as the Oslo agreements themselves constitute a process that continues to unfold and may not clearly end its results and implications.²⁶³

²⁶² Edward W. Said, "Symbols Versus Substance: A Year After the Declaration of Principles" in *Journal of Palestine Studies*, vol. XXIV, no. 2 (Winter 1995) p. 61.

²⁶³ George Giacaman, "In the Throes of Oslo: Palestinian Society, Civil Society and the Future," in George Giacaman and Dag Jorund Lonning (eds) *After Oslo, New Realities, Old Problems* (London: Pluto Press, 1998) p. 1.

CHAPTER FIVE: The Negotiations over the Implementation of the Declaration of Principles

Introduction

As soon as the PLO leadership achieved Israeli recognition and was accepted as negotiations interlocutor, it took on a different style of negotiating and changed its delegation composition. This chapter will demonstrate how the credibility of the PLO as the leader and legitimate representative of the Palestinian struggle, combined with the achievement of the Declaration of Principles (DOP) agreement, now enabled the PLO leadership in exile to co-opt the *inside* leadership and create a 'new' elite. This elite, on the one hand, had invested heavily in, and was dependent on, the relationship with Israel, and on the other hand was influential in the subsequent negotiations over the implementation of the DOP. The new elite, the way it shaped the Palestinian Authority, its performance in subsequent negotiations, as well as the transformation of Israel from an international lawbreaker to a party in peace talks all meant that Israel had a more advantageous position in those subsequent negotiations. The result was again a poor performance by the Palestinian negotiators, and agreements which did little to achieve the Palestinian ultimate aims.

This chapter will examine the Palestinian response to the Oslo Agreement, as embodied in the DOP, including the response of the PLO, the Palestinian public, and the opposition. Palestinian public opinion will be examined, as well as violent reactions to the agreement, to demonstrate the scale of the 'room to manoeuvre' which was now open to Arafat's 'kitchen' in negotiations in terms of Palestinian public opinion.

It will also focus on the Palestinian-Israeli negotiations that followed the signing of the Declaration of Principles, the purpose of which was to reach agreement on the mechanisms for implementation of the DOP. This will include changes in the composition of the delegation, the style of negotiations, and the decision-making process, in addition to the effects of these changes on *inside-outside* leadership relations. This discussion will highlight the structural weaknesses of both the Palestinian negotiating strategy and the negotiations format itself.

The DOP was supposed to be implemented in two stages; the first stage was embodied in the “Agreement on the Gaza Strip and Jericho Area” (Gaza-Jericho Agreement), because the DOP was to be implemented in the Gaza Strip and the small West Bank town of Jericho. The second stage was specified in the “Interim Agreement on Self-Government Authority in the West Bank and Gaza Strip” (Interim Agreement).

The Palestinian Authority established by these agreements employed an elite class; the composition of that elite, its effect on the negotiations and the implementation of the agreements will also be looked at in this chapter. This helps to explain the behaviour of the Palestinian negotiators and its effect on the nature of the agreements, their implementation, and the subsequent weakening of the leadership.

With the PLO leadership’s return to the OPT, and the establishment of a political system based on elections, public opinion began to carry important weight. This chapter will present data on and analyses of the basic trends in public opinion after each agreement and after implementation, as well as these trends’ impact upon the positions of the leadership.

The Palestinian Response to the Declaration of Principles

This section will examine the immediate reaction to the signing of the Declaration of Principles within the decision-making bodies of the PLO. Then, public debate and opinion about the agreement, especially that in the OPT, will be discussed. Finally, this section will explore the reaction of the Palestinian political opposition.

The highest body in the PLO structure, the Executive Committee, was not informed of the Oslo negotiations. Several weeks before the signing of the agreement, PLO Chairman Yasser Arafat started gradually briefing key figures of the leadership. On 9 September, 1993, the Executive Committee approved the agreement by exchanging letters of recognition between the PLO and Israel.

The PLO Executive committee presented the agreement for debate and ratification at a meeting of the Central Council on 11 October, 1993. Sixty-three members voted for it, eight opposed it, and nine abstained—the DOP was approved.

That session of the Central Council witnessed a number of interesting debates which would significantly influence the two subsequent agreements on implementation of the DOP—the Gaza-Jericho Agreement and the Interim Agreement. Although the DOP was approved by a comfortable majority of the PLO Central Council, this majority expressed their reservations about how it was to be implemented, with many arguing that the text of the DOP was at times so vague that it could give rise to several different interpretations. Because of this, they reasoned, what was of primary importance were the negotiations on implementation and the actual implementation itself. It was at this Central Council session that the magic words ‘the Palestinian reading of the DOP’ were first uttered, by which was meant that in the upcoming negotiations the PLO was to insist on its own interpretation of the DOP’s vaguely-worded articles in order to avoid any potential pitfalls.

The most articulate speech given, and one that reflected the mood of the majority of those voting to approve the DOP, was that of Mahmoud Abbas. In his speech, Abu Mazen said:

This agreement—the DOP—can have different interpretations, can have different ways of implementation, can lead to two different outcomes. It can lead us, possibly, to achieving our goal of an independent Palestinian state, but it can also take us to hell. And if you ask me where it will lead us, I would say... my hand is on my heart [I am worried].²⁶⁴

The significance of this speech on the subsequent negotiations was that the approval of the majority of the Central Council’s 107 members was based on a specific understanding of the DOP and the awareness that giving up this interpretation could be risky.

The negotiations and the implementation which followed justified the Central Council’s worries to a great extent, as will be demonstrated in this chapter.

On the eyes of the public, the DOP that was signed at the White House on 13 September came as a positive surprise to most of the Palestinian people. The few months preceding it had witnessed a deadlock in the Washington talks and the peace process was viewed as stagnant.

²⁶⁴ Qurei, *Ar-Riwaha al-Filistiniyya*, p. 295

The new breakthrough was accompanied by some symbolic achievements, such as allowing the Palestinian public to carry Palestinian flags (previously, this had been reason enough for Israel troops to open fire). On the other hand, it was accompanied by a large media campaign that exaggerated the achievements of the agreement to the public.

The Palestinian public received the DOP positively, and expressed that in visible ways, taking to the streets and celebrating the grand national achievement. A more scientific way of understanding the public opinion surrounding the agreement is to look at public opinion polls conducted after its signing. These polls demonstrated clear public support for the agreement and for the PLO leadership that negotiated it. In addition, it showed heightened optimism that this agreement would lead to an independent Palestinian state.

The Jerusalem Media and Communication Centre, a Palestinian Jerusalem-based independent research centre specializing in polling, conducted a public opinion poll on the Palestinian public's attitudes towards the DOP on the 19th and the 20th of September 1993.

The poll surveyed 1505 Palestinians aged 18 years and above in the West Bank including East Jerusalem and Gaza Strip on their attitudes towards the DOP. The survey, which was conducted face-to-face, included 920 interviewees in the West Bank and towns and villages, and 585 interviewees from Gaza. The margin of error in this poll was ± 3 .²⁶⁵

The questioner examined in a direct way the position of the respondents to the agreement by asking: "The PLO Leadership and the Israeli Government reached an agreement (Agreement on a declaration of principles about interim arrangements). Do you support this agreement?" A majority of 68.6% responded yes, 66.4% of them from West Bank and only 27% from Gaza (27.8% responded no, and 3.5% said that they had no opinion).

Another question aimed at understanding the reasoning behind this support or lack thereof asked if the respondent considered that "The agreement constitutes a step that might lead to a Palestinian state?" Just over 60% said they agreed, and only 33% said they don't agree and 6.9% had no opinion on this.

²⁶⁵ JMCC Public Opinion Poll No. 3, Published on 23 September, 1993.

The same poll also showed support for the negotiations themselves. Nearly 80% said they support the continuity of the negotiations between Israel and the PLO. This is especially significant in light of the fact that an earlier poll conducted before the DOP was signed by the same centre with the same sample frame and methodology had found that only 37.5% approved continuing with negotiations with Israel. A majority of 55.9% rejected continuing negotiations and 50.1% supported stopping the negotiations and Palestinians withdrawing from the talks²⁶⁶. The polls thus reflected a clear increase in public support for the PLO that had negotiated and signed this agreement. Question 9 stated: "Did the agreement affect your attitude towards the PLO?" Over 46% of respondents said that it had increased his or her support for the PLO, and only 19.1% said the agreement had decreased its support for the PLO. Nearly 25% said that the agreement didn't affect their attitude towards the PLO, and 9.8% had no opinion.

On another level, when the news of the agreement reached in Oslo between the PLO and the Israeli government came out, Palestinian political factions and political personalities were divided between opponents and supporters of this agreement. The two main secular political groups which led the popular opposition were the Popular Front for the Liberation of Palestine (PFLP) and the Democratic Front for the Liberation of Palestine (DFLP). That is, of course, in addition to the other two Islamic groups, Hamas and Islamic Jihad.

On the other hand, two secular political groups supported the agreement: the Palestinian Peoples Party (PPP) and the Palestinian Democratic Union-FIDA. Fatah was the main supporter of the agreement, as the faction that carried out the negotiations. Its leader, Arafat, was also head of the PLO that negotiated and signed the DOP. However, although a majority of Fatah members and supporters accepted the agreement, a minority of that group were also critical of the agreement.

During that period, due to the fact that most of these political organizations were underground and lacked sophisticated means of communications, such as television or radio at their disposal, many groups communicated with the public through the distribution of leaflets. The PFLP, the second largest political component of the PLO, convened a

²⁶⁶ JMCC Public Opinion Poll No. 2, Published on 2 August, 1993.

meeting of its central committee on 10 October 1993 and issued a leaflet expressing its opposition towards the agreement (the DOP).

The communiqué that was released after that meeting included the major arguments that the opposition groups, factions and persons were using in their efforts to gain the support of the public to their views. This communiqué considered the recognition of Israel to be a political crime, and that the signing of the DOP meant the Palestinian cause was entering a new dangerous phase because it means that the Palestinian leadership had collapsed in the face of the American-supported Israeli occupation.

The PFLP, according to the communiqué, opposed the agreement for the following reasons:

First: By signing this agreement the PLO gives up its political program calling for self-determination and statehood, with Jerusalem as its capital, in addition to the right of return to the refugees. Instead, it adopts a position that accepts less than the autonomy that Camp David peace treaty came up with.

Second: By excluding Jerusalem and maintaining the Israeli settlements in the Palestinian territories, the agreement will disintegrate these territories into fragmented pieces.

Third: This agreement will end the Intifada before achieving anything significant in return.

Fourth: Recognizing Israel and its right to exist means leading legitimacy to its record since its creation and questions the legitimacy of the Palestinian struggle for freedom and self-determination.

Five: The Agreement undermines international legitimacy and UN resolutions, which will be replaced by Israel's agreements with the PLO.

Six: This agreement will enable Israel to approach Arab countries and isolate the Palestinian people and cause from its Arab dimension and depth, further weakening the Palestinian position vis-à-vis Israel.

The communiqué stated that:

The Palestinian leadership that signed this agreement and exchanged recognition with the Zionist entity began to see that the realization of its political and economic

interests is though direct connection with and dependency on imperialistic plans and the Zionist entity. This has led the leadership to end the struggle against the occupation.²⁶⁷

The leaflet called upon the masses to oppose the agreement and unite forces and efforts to continue the Intifada and the struggle against the Israeli occupation as their response to the DOP.

In a later attempt to unite their positions, the PFLP, DFLP and Hamas issued another leaflet in September 1993 outlining their opposition to the DOP. It stated that:

The agreement that was reached between the aggressive Zionist entity and the individuals dominating the decision-making in the PLO does little more than make the Palestinian side a department working within the [occupying state], thus replacing the Israeli civil administration according to Israeli direction. It will resemble the Lahad militias in southern Lebanon and will be a guardian of our enemy, the settlements and the roads leading to them.²⁶⁸

The leaflet addressed Fatah members and supporters, calling on them to rescue the country by rejecting the agreement and calling for national unity over the agreed-upon political program that the groups perceived as violated by the DOP.

Some of the independent members of the Palestinian delegation to Washington, including the popular Palestinian personalities Haidar Abdulshafi, Hanan Ashrawi, and Mamdouh al-Aker, were also critical of the DOP. They particularly questioned the change in PLO position that had occurred in the change in venue between Washington and Oslo. The positions that were transformed were those on settlement expansion, jurisdiction, the inclusion of Jerusalem, and the integrity of the OPT. Haider Abdulshafi said in this regard:

the reason we could not reach an agreement with Israel in the Washington talks was that we insisted that all Palestinian territories occupied in 1967 should come under the jurisdiction of the Palestinian interim government, we refused to exclude the settlements [from this jurisdiction], and we insisted that Israel had to halt the expansion of these settlements. [This agreement] will implicitly recognise a separate and independent legal and administrative status of the Israeli settlements

²⁶⁷ Communiqué released and signed by the Central Committee at the PELP. Early October 1993.

²⁶⁸ Leaflet distribution in the occupied Palestinian territories in September 1993 and signed by the joint leaderships of PFLP and DFLP, and Hamas.

that were built illegally on Palestinian land, and [the settlements] will remain under Israeli jurisdiction.²⁶⁹

Finally, it can be argued that the immediate and overwhelming support for the DOP allowed Arafat the freedom to decide how to proceed in both future negotiations and the establishment of the Palestinian Authority. Apparently, he took advantage of the agreement's element of surprise, which prevented both supporters and opponents any time to assess events before the next stage of negotiations.

Negotiations over Gaza-Jericho (The Gaza-Jericho Agreement) and the Paris Protocol

This section will deal with changes in the composition of the Palestinian negotiating team, and new the conditions and environment surrounding the talks over Gaza-Jericho and the Paris Protocol, all of which came after the Declaration of Principles. In addition, this section will examine the resulting behaviour and performance of the PLO leadership.

The fact that between the two negotiations tracks, Washington and Oslo, the later came to agreement, in part established the composition of the Palestinian teams to negotiate the agreements on implementation. Another factor was Israel's recognition of the PLO that had resulted from the DOP. Members of the PLO *outside* leadership dominated the negotiations teams, and the *inside* leadership, including the Washington delegation and experts, were gradually marginalized.

Chairman Arafat appointed Nabil Sha'ath as chief negotiator for the implementation negotiations, particularly the Gaza-Jericho arrangements. Sha'ath convened the first meeting with his counterpart, Shahak, in October 1993. Arafat also convened his first talks with Rabin on 6 October, 1993. The higher liaison committee convened its first meeting with the membership of Mahmoud Abbas (Abu Mazen) and Shimon Peres on 13 October, 1993.

When these negotiations faced difficulties, meetings were convened in Oslo. These included, on the Palestinian side, Ahmad Qurei (Abu Ala), Yasser Abed Rabbo, Hassan

²⁶⁹ Haidar Abdel Shafi, 'The Challenges of the Interim Period to Palestinian Society,' Lecture published by JMCC (1994).

Asfour, and Nabil Sha'ath. These talks were followed by several meetings of the same team, with the addition of Akram Haniya, in the period between December 1993 and February 1994, in Paris and Cairo. Still there was no progress.

It thus became a habit, that whenever negotiations bore no fruit and the Israelis failed to convince their Palestinian counterparts, they would ask Israeli Prime Minister Shimon Peres to call for a meeting with Arafat to smooth the way. Ahmad Qurei presented one example:

Again, Uri Savir approached Peres and asked him to solve the problem with Arafat. Peres called Arafat while he was having dinner with Martin Indyk and Terje Roed Larsen, both of whom were interested in a summit meeting between Arafat and Peres. Abu Ammar agreed to meet on 10 August, 1994. I went mad when I knew that Arafat had agreed. The meeting included Peres, Abu Ammar, myself, Uri Savir, Abdul-Rizq al-Yahya, Yasser Abed Rabbo, Uzi Dayan and Zinger... and when the Israeli position was presented, particularly that the farther redeployment would take place once every six months, and to the astonishment of the Palestinian delegation, brother Abu Ammar accepted the Israeli position.²⁷⁰

Between the signing of the Declaration of Principles, and the signing of the Gaza-Jericho agreement, the negotiations were handled only by members of the leadership outside. The only exception was when the chief negotiator on the economic protocol, Ahmed Qurei included in his delegation a few technical experts from inside; Hassan Abu Libdeh, Ameen Haddad, Samir Huleileh, Samir Abdullah, and Hiba al-Husseini. Otherwise, the political leadership inside was marginalized, both in negotiations, and in decision-making.

The same political 'kitchen' continued sharing information, follow-up, and decision-making regarding the negotiations. But now, the members of that kitchen were also the negotiators, with a few additions, including Nabil Sha'ath, Yasser Abed Rabbo, Abdul-Rizq al-Yahya, Akram Haniya as well as the previous members: Arafat, Abbas, Qurei, and Asfour. There was almost no one from inside the West Bank and Gaza Strip involved, and minimal involvement from the official decision-making bodies of the PLO.

²⁷⁰ Qurei, *Ar-Riwaha al-Filistiniyya*, p. 348

The absence of both structure and *inside* leadership participation was the main determinants of negotiations performance in that period. These factors greatly reduced the level of accountability and transparency. Moreover, as will be shown later, these were major contributors to the talks' poor outcomes. The approach was intended to allow the leadership a lot of room to manoeuvre. Adhering to PLO institutional decision-making requirements, or including the *inside* leadership with its links and accountability to its public, could have restricted the negotiators in positive ways.

The fact that the PLO entered into the negotiations on implementation of the DOP without proper preparation and lack of structure or strategy may have been one reason why the negotiators from the inside were also wary of participating. For example, the author of this thesis participated in the Washington delegation and was invited to join the Palestinian delegation in negotiating the implementation of Oslo, talks that were to take place in Cairo, Egypt.

On that occasion, the author asked Yasser Arafat about the structure and composition of the delegation—who among the PLO leadership in Tunis would be supervising the delegation and giving it direction, and what strategy the delegation would be following in Cairo. In answer to all these questions, Arafat said: “There is no time for this now. Tomorrow is the opening of the talks. Just go, and you will find Nabil Sha’ath there and others. And when you come back, we will have time to deal with questions like this.”²⁷¹

The author subsequently declined to take part, and those questions remained largely unanswered.

Camille Mansour, another member of the Washington delegation, agreed to join Nabil Sha’ath in Cairo. He explained his resignation several weeks later by pointing to the lack of organization and clear structure in the delegation.

While the inside leaders were unhappy with their marginalization, criticizing the negotiators' performance, they were unable to influence the leadership's approach. First,

²⁷¹ Arafat speaking with the author in Tunis, October 1993.

the PLO enjoyed overwhelming popularity in the OPT, a fact that the inside leadership had contributed to over decades. Second, because those leaders inside continued to identify with the PLO's representation, political position, and symbolic role, they were less empowered to cultivate differences over relatively detailed issues. And third, as shown in last section, the DOP enjoyed huge popular support.

Having said that, lack of strategy, structure and preparation were not the only reasons for the poor performance and outcome. Israel was not forthcoming in the talks and all the while was continuing its illegal practices, thereby embarrassing and weakening the Palestinian leadership. Qurei explained that, "although Rabin was saying that he differentiated between Fatah men and Islamic fanatics, he started a policy of closure and collective punishment. He refused to release prisoners, especially from Fatah, which encouraged the opposition and gave it ammunitions."²⁷²

The Israeli Withdrawal from Gaza and Jericho

The first mention of withdrawal from Gaza and Jericho is contained in Article 14 of the DOP, which stipulates: "Israel will withdraw from the Gaza Strip and Jericho area, as detailed in the protocol attached as Annex 2."

On 6 October 1993, Yitzhak Rabin and Yasser Arafat held their first summit meeting following the signing of the DOP, in Cairo. At this meeting, the two agreed on mechanisms for the negotiations on implementation of the Gaza-Jericho stage of the DOP. Accordingly, on 13 October, a ceremonial opening session of the Senior Joint Liaison Committee took place in Cairo, headed by Mahmoud Abbas/Abu Mazen and Shimon Peres. They decided to hold the Gaza-Jericho negotiations in Taba, in the Egyptian Sinai, with two delegations headed by Nabil Sha'ath on the Palestinian side and Gen. Amnon Shahak on the Israeli side.

The Agreement on the Gaza Strip and Jericho Area, signed in Cairo on 4 May 1994 by Yasser Arafat, head of the PLO, and Yitzhak Rabin, Prime Minister of Israel, is composed

²⁷² Qurei, *Ar-Riwaha al-Filistiniyya*, p. 331

of 1) the body of the agreement; 2) four annexes on withdrawal, civil affairs, legal matters, and economic relations; 3) exchanged letters between the PLO and the state of Israel; and 4) six maps, showing respectively the Gaza Strip, the Jericho area, the proposed safe passage routes between the Gaza Strip and Jericho, the deployment of the Palestinian police in the Gaza Strip, the deployment of the Palestinian police in the Jericho, and maritime activity zones.

The signatories to this agreement are the government of the State of Israel and the Palestine Liberation Organisation, the PLO, as the representative of the Palestinian people.

The preamble of the Gaza-Jericho Agreement depicts it as the beginning of the implementation of the DOP: "Desirous of putting into effect the Declaration of Principles on Interim Self-Government Arrangements signed in Washington, DC on 13 September 1993."

The parties to the Gaza-Jericho Agreement also reaffirmed their understanding that it is an integral part of the peace process as a whole and that the negotiations on permanent status will lead to the implementation of United Nations Security Council resolutions 242 and 338.

The Gaza-Jericho Agreement included a schedule of the withdrawal of Israeli military forces, describing it as accelerated, and stating that this withdrawal should begin immediately after the signing of the agreement and should be concluded by three weeks from that date.

The Palestinian police, according to the Gaza-Jericho Agreement "shall be deployed and shall assume responsibility for public order and internal security of Palestinians in accordance with this Agreement and Annex I".²⁷³

Article III of the Gaza-Jericho Agreement, which deals with the transfer of authority, excludes from that authority any powers that are not specifically transferred in the

²⁷³ Gaza-Jericho Agreement, Article II

agreement. Similarly, although the military government was to withdraw, “the withdrawal of the military government shall not prevent it from continuing to exercise the powers and responsibilities specified in this Agreement”.²⁷⁴

Article IV details the structure, size and powers of the Palestinian Authority, which is supposed to include 24 Palestinians who would undertake to act in accordance with the agreement. This Authority “shall carry out and be responsible for all the legislative and executive powers and responsibilities transferred to it in this agreement”.²⁷⁵

Article V deals with jurisdiction; The Palestinian Authority would have territorial, functional and personal jurisdiction. There are exceptions to each of these areas of jurisdiction. Settlements and Israeli military locations are not included in the territorial jurisdiction to be turned over; functional jurisdiction is limited to the specific powers and responsibilities transferred to the Palestinian Authority in the agreement; and personal jurisdiction excludes Israelis.

The powers and responsibilities of the Palestinian Authority are limited to those transferred to it by the Israeli authorities according to Article VI of the agreement. These include legislative, administrative and judicial powers; the power to formulate policies and supervise their implementation; employ staff; establish departments; sue and be sued; and in addition, the power to keep and administer registers and records of population and to issue certificates, licenses and documents.

Article VI of the Gaza-Jericho Agreement also excludes: “any powers or responsibilities for foreign relations, which sphere includes the establishment abroad of embassies, consulates or other types of foreign mission or posts or permitting their establishment in the Gaza Strip or Jericho area.”²⁷⁶

The same article, however, allows the PLO to have specific foreign relations powers.

²⁷⁴ Ibid., Article III

²⁷⁵ Ibid., Article IV

²⁷⁶ Ibid., Article VI

The PLO may conduct negotiations and sign agreements with states or international organisations for the benefit of the Palestinian Authority in the following cases only: (1) economic agreements as specifically provided in Annex IV of this Agreement; (2) agreements with donor countries....; (3) agreements for the purposes of implementing the regional development plans detailed in Annex IV; (4) cultural, scientific and education agreements.²⁷⁷

On the legislative powers granted to the Palestinian Authority under the DOP, Article VII imposes substantial restrictions:

Legislation promulgated by the Palestinian Authority shall be communicated to a legislation subcommittee to be established. During the period of 30 days from the communication of the legislation, Israel may request that the legislation subcommittee decide whether such legislation exceeds the jurisdiction of the Palestinian Authority or is otherwise inconsistent with the provisions of the Agreement.²⁷⁸

The result of Article VII is that the Palestinian Authority can legislate, but Israel retains veto power on any Palestinian legislation, through joint bodies that are mandated to examine any objections, and to come up with a decision by consensus. And until the Palestinians managed to put new legislation into effect, they were to abide by the existing Israeli military laws. The article states:

Laws and military orders in effect in the Gaza Strip or Jericho area prior to the signing of this Agreement shall remain in force, unless amended or abrogated in accordance with this Agreement (Gaza-Jericho Agreement, Article VII).

The agreement guaranteed the Palestinians safe passage between the Gaza Strip and the Jericho area. One annex is devoted solely to the modalities and arrangements related to safe passage.

Annex 2 deals with the transfer of civil authorities from Israel to the Palestinians. Article 2 in Annex 2 specifies the spheres to be transferred, which are based on the structure of the Israeli Civil Administration in the Palestinian territories occupied by Israel. These spheres include: internal affairs, including municipal affairs; fisheries; surveying; statistics;

²⁷⁷ Ibid.

²⁷⁸ Ibid., Article VII

control; Civil Administration employees; legal administration, including the administration of the Palestinian legal system in the Gaza Strip and Jericho area; labour, education; social welfare; assessments; housing; tourism; parks; religious affairs; employee pensions; commerce and industry; health; transportation; agriculture; employment; land registration (except in settlements and military installations and nature reserves); electricity; public works; postal services; population registry and documentation; state land and absentees' property and other immovables; telecommunications; archaeology; water and sewage; direct taxation; indirect taxation; environmental protection; gas and petroleum; insurance; treasure; and planning and zoning. This last sphere is subject to severe restrictions tantamount to Israeli veto power. The Palestinian Authority should respect and keep in effect previous planning schemes; it can amend them but only if these amendments are consistent with the agreement, and Israel has the right to object to any new schemes or amendments which in any event should not be implemented before being considered by the joint coordination committee that, of course, must arrive at a decision by consensus.

Annex 3 of the Gaza-Jericho Agreement covers legal matters and gives the Palestinian Authority criminal jurisdiction over all offences committed in the areas under the Palestinian Authority, but states that: "Israel has sole criminal jurisdiction over the following offences: a) offences committed in the settlements and military installation areas; and b) offences committed in the Territory by Israelis."²⁷⁹

One of the key annexes to the agreement is the Protocol on Economic Relations.²⁸⁰ Economic relations have always been a significant factor in relations between Israel and the OPT.

The main difference to emerge during the Palestinian-Israeli negotiations over the Economic Protocol, which was signed in Paris on 29 April 1994, was the extent to which the Palestinian economy could move away from being controlled by and dependent on the Israeli economy. The Economic Protocol concentrated on three major aspects of economic relations: cooperation and coordination; importing; and taxes, both direct and indirect. The

²⁷⁹ Ibid., Annex 3

²⁸⁰ Economic Protocol, Annex 4

tensions surrounding cooperation are clear throughout the Economic Protocol: several joint committees are established to deal with this issue. The Joint Economic Committee (JEC) is the main committee, and consists of an equal number of Palestinians and Israelis. This committee is required to take decisions by consensus, to oversee the implementation of the Economic Protocol, has the power to establish other subcommittees, and is to resolve any disputes which may arise in the implementation of the Economic Protocol and the economic relations between the two sides. "The JEC and its subcommittees shall reach their decisions by agreement".²⁸¹ In effect, this amounted to an Israeli veto!

On the issue of imports, the Economic Protocol determines the amounts of goods which can be imported by the Palestinian Authority, and specifies two categories: "one list including the goods and the amounts that can be imported from Jordan and Egypt particularly, and from other Arab countries" (Article 3, Economic Protocol); and "goods on list A2, attached hereto as Appendix II from Arab, Islamic and other countries, which the Palestinians will be able to import in quantities agreed upon by the two sides...".²⁸²

Customs and value added tax (VAT) are to be the same in both Israel and the Palestinian Authority areas. Point 5.a of Article 3 of the Economic Protocol states:

With respect to all goods not specified in Lists A1, A2 and B, and with respect to quantities exceeding those determined in accordance with paras 2(a) and 3 above, the Israeli rates of customs, purchase tax, levies, excises and other charges prevailing at the date of signing of the Agreement as changed from time to time, shall serve as the minimum basis for the Palestinian Authority.

Point 7 of the same article also fixes the VAT at a percentage very close to that in Israel: "The Palestinian Authority will levy VAT at one rate on both locally produced goods and services and on imports by the Palestinians (whether covered by the three lists mentioned above or not), and may fix it at the levels of 15% to 16%."

Point 3 in Article VI states also: "The present Israeli VAT rate is 17%. The Palestinian VAT rate will be 15% to 16%."

²⁸¹ Ibid., Article 2

²⁸² Ibid., Article 3

Finally, it should be noted that the Economic Protocol excludes from the Palestinian Authority any jurisdiction over economic activities in the settlements and restricts it to the areas under the territorial jurisdiction of the Palestinian Authority as specified in the agreement. The implications of the Economic Protocol are discussed in the next Chapter of this thesis, but it should be aide here that analysts concluded that the Protocol was weighted heavily in Israel's favour, to the point of excluding possibilities of sustainable Palestinian economic recovery.²⁸³

The Gaza-Jericho Agreement also included a letter from Yasser Arafat, chairman of the PLO, to Yitzhak Rabin, and two from Rabin, prime minister of Israel, to Arafat. The first two exchanged between the two leaders contained the same text, most of which concerned undertakings by the PLO, including function in accordance with the agreement and activating the cooperation and coordination mechanism; helping Israel to locate missing soldiers, changing certain articles in the PLO Charter in accordance with Yasser Arafat's letter of 9 September 1993; agreeing not to call Arafat by the title of President but rather Chairman or *Ra'ees* (in Arabic); and to notify Israel of the names of the members of the Palestinian Authority.

The letters also contained an agreement by both sides to enter into negotiations on early empowerment of the Palestinians and to begin as soon as possible, following the guidelines of the dates set out in the DOP for negotiations on the interim arrangements. In addition, the two sides reiterate their commitment to begin permanent status negotiations as soon as possible, but no later than the beginning of the third year of the interim period. Furthermore, both sides agree in the letters to have the Gaza-Jericho Agreement ratified by their respective legislative bodies.

In addition, letters discuss the need for both parties to continue discussions on those issues which had not yet been finalised: a) the size of the Jericho area; b) the positioning of a Palestinian official at the bridge; and c) additional arrangements in the Rafah passage; and d) all outstanding issues specified in the Gaza-Jericho Agreement.

²⁸³ Emma Murphy, "Stacking the Deck: The Economics of the Israeli-PLO Accords" in *Middle East Report. Odds Against Peace*, No. 194/5, Vol. 25, 1995. pp. 35-42.

These two letters were signed 4 May 1994. A third letter, signed four days later on 8 May 1994 by Israeli prime minister Yitzhak Rabin, was merely a reiteration of the Israeli readiness to continue discussions on the four points raised in the two previous letters.

Finally, six maps were included in the Gaza-Jericho Agreement, as detailed above. These maps, which comprise a part of the agreement, were signed by Rabin and Arafat. However, Arafat, who objected to certain details—particularly the size of Jericho—personally wrote next to his signature the following words in Arabic: “still subject to discussion in accordance with the attached letter.”

Before analyzing the Gaza-Jericho agreement, it is worth mentioning two main Israeli strategies used in the negotiations, which are also illustrated in the agreements that followed the DOP. The first could be termed ‘the phasing strategy’. Using this approach, the peace process was divided into interim and permanent phases; the interim phase was itself phased into the Gaza-Jericho stage and everything remaining; what remained was phased into the Hebron negotiations and everything remaining. From this, redeployment was isolated and broken down into redeployment from the main towns prior to Palestinian elections, and a later redeployment with exceptions. The later redeployment was then broken down into three phases, one every six months.

The irony here is that this process appears endless. For example, the Israeli position on implementation of the third phase of further redeployment is that this third phase should itself occur in three phases.

The second strategy adopted by the Israelis was ‘compromising the compromise’. This approach complements the phasing strategy, and is clear in the majority of Israeli negotiating positions and tactics, as will be demonstrated in this chapter. One obvious example is visible in the handling of the West Bank town of Hebron. The Palestinians had already accepted a compromise on redeployment from Hebron: in the Interim Agreement, Hebron was not included in Area A along with all the other towns from which the Israeli army was to withdraw first. Then, when the time came for redeployment from Hebron—i.e. implementation of what was already a compromise—it was compromised even further.

This excessive inflexibility in the Israeli positions following the signing of the DOP was not only noticeable to Palestinians. Uri Savir, the Israelis' chief negotiator in the Oslo talks, noted in his book, *The Process*, that interference by the military in the talks which followed Oslo resulted in a hardening of the Israeli negotiating position. He wrote: "That the Israeli approach was dictated by the army invariably made immediate security considerations the dominant ones, so that the fundamentally political process was subordinated to the short-term military needs".²⁸⁴

Savir supports his argument by citing his Foreign Ministry report to Yitzhak Rabin, which states that: "[t]his Israeli approach necessarily limits Palestinian freedom of movement, which undermines their own interest in cultivating ties [with the Israelis]. This model is a prescription for hostile relations".²⁸⁵

It should also be noted that the way in which the implementation negotiations began marked a significant shift away from the Palestinian understandings of the DOP and towards the Israeli concept of the peace process. Hassan Asfour, one of the two Palestinians who negotiated and concluded the DOP, noted that:

The fact that the negotiations on the implementation of Oslo, namely on Gaza-Jericho and on the interim agreement, went in subsequent order is a contradiction of the DOP, which required them to be parallel. This stemmed from the Israeli concept that each step in the peace process should be based on the experiences gained in the previous step.²⁸⁶

Asfour explained that while the DOP required that the sides immediately embark on implementation of the Interim Agreement, Israel delayed this until after the actual implementation of the Gaza-Jericho Agreement, which for them served as a "test" of the Palestinians. They wanted to be able to use the experience of the Gaza-Jericho example in building the Interim Agreement, which they insisted must follow Gaza-Jericho rather be concurrent, as required by the DOP.

²⁸⁴ Uri Savir, *The Process*, p. 98.

²⁸⁵ Ibid., p. 99.

²⁸⁶ Interview with Hassan Asfour, March 2000.

In fact, this understanding was clear in a statement by Yitzhak Rabin which is quoted by Uri Savir in describing the way in which Rabin introduced the agreement to the Israeli public. Rabin said: “If the Palestinians do not pass the test of reality, we can instantly control any diversion by them from the path we have agreed on...”²⁸⁷

The negotiations exposed the huge gaps between the Palestinian and Israeli readings of the DOP, but an examination of the major differences between the negotiations and the outcome, namely the Gaza-Jericho Agreement, leaves little doubt that the Israeli interpretation was the dominant force in shaping the agreement. One important example was the question of with which side residual powers would lie. The Palestinians understood that Israel should withdraw from Gaza and Jericho, giving up its powers and responsibilities and that discussion should focus on the few exceptions remaining with the Israelis. The Israelis, by contrast, understood that Israel was to be the “source of authority” and according to Savir, “would grant the Palestinians limited powers and, most important, retain direct control of the crossing in and out of Gaza to Israel and Egypt”.²⁸⁸

The impact of these conflicting concepts, and the ambiguities of the agreements thus far, was that it was up to the outcome of the next round of negotiations to determine whether the agreement on implementation would specify clearly the powers and responsibilities transferred to the Palestinians, leaving anything remaining in the hands of the Israelis, or whether the agreement should stress the withdrawal and transfer of authority to the Palestinians, clearly specifying only those which were to remain with Israel—in other words, anything not mentioned as an exception would be transferred to the Palestinian Authority. Uri Savir explains:

What’s more, they [the Palestinians] demanded that civil powers be transferred to them wholesale, not piecemeal. As their demands were a function of their strategic goal in the peace process, one of the papers they presented in Taba explicitly stated: ‘Our aim is the establishment of a Palestinian state in accordance with the 1967 borders.’²⁸⁹

²⁸⁷ Savir, *The Process*, p. 96.

²⁸⁸ Ibid., p. 98.

²⁸⁹ Ibid.

In actuality, as demonstrated by the Gaza-Jericho agreement, the Interim Agreement specified in detail the powers and responsibilities to be transferred from Israel to the Palestinian Authority and anything that is not mentioned, residual powers, remains within the Israeli authority. Savir does not deny that “the gap was narrowed, mostly to the benefit of the stronger side”.²⁹⁰

Another major difference arose over control of border crossing points, particularly the Allenby Bridge on the River Jordan which separates the West Bank from Jordan. This issue was particularly important because one of the reasons that Arafat had insisted on adding Jericho to Gaza when the Gaza Strip had first been offered to him, was that Jericho lies on the border of the West Bank. Arafat’s intention was that the Palestinians, by controlling Jericho, would be controlling the crossing point to Jordan. For this reason he responded to Israeli demands to keep the crossing points under their control by saying, as reported by Savir, “I cannot go for Bantustans. Please find another formula. You don’t trust me!”.²⁹¹

The solution to this issue was arrived at by dividing the crossing point into two terminals, one for people arriving to Gaza and Jericho, and one for all the rest. The second terminal was to be managed totally by the Israelis, the first to be managed jointly in such a fashion that the Israelis, by working behind a one-way mirror, could see but would not be seen by those arriving. Such a compromise solution, which became typical, addressed the fundamental Israeli needs and the symbolic Palestinian needs.

The *Protocol on Economic Relations*, also known as the *Paris Protocol*, also falls shorter than Palestinians had hoped and does not adhere to their reading of the Oslo Declaration of Principles. The Palestinian objectives in the negotiations, according to the head of the delegation, Ahmad Qurei, were “to reach an agreement that ensure two objectives: first, allowing economic development and easing the suffering of the Palestinians in the territories, showing them the dividends of peace; and second, to allows to move another step towards independence in the economic sphere and to move toward reducing the

²⁹⁰ Savir, *The Process*, p. 99

²⁹¹ Ibid., p. 103.

dependence on the Israeli economy as part of our strategy for achieving independence in general.²⁹²

The Israelis had a completely opposite strategy presented by the head of the Israeli delegation, Avraham Shohat, the minister of finance. That strategy was described by Uri Savir:

Thus Shohat proposed that the Palestinian autonomous areas remain in a single customs union with Israel; that their trade with Jordan and the rest of the Arab world be limited to a list of products determined in advance...In short, the Palestinians would be wholly dependent on Israel's economy and security—or, to be more precise, on Israel's sense of security.²⁹³

The Economic Protocol, as illustrated earlier in this chapter, ensured the maintenance of the same pricing system in both Israel and Palestine by fixing and synchronising taxes and customs. This, of course, contradicts the objectives as stated by Qurei, serving to maintain the dependency and the difficulties of the Palestinian economy. This is particularly important given that a sound economic development policy for a newborn economy such as that in the West Bank and Gaza Strip would require a tax policy and pricing system quite different than that of an advanced economy like Israel's. In fact, the VAT rate was set at that of Israel, making Palestinian products relatively over-priced. Israel was allocated the role of collecting customs revenues for goods moving into and out of the OPT, giving it enormous power to withhold those revenues from the Palestinian Authority as was their due. The restrictions on Palestinian trade and the imposed customs union ensured that the OPT remained a largely captive market for Israeli products, while being unable to capitalise on their potential to act as a conduit for products from third countries to make it into the Israeli market.

It was only later realised by officials in the Palestinian Authority that the Economic Protocol would allow neither economic development nor economic independence. Khalid Salam, Yasser Arafat's economic advisor and in charged with overseeing much of the economic activities of the Palestinian Authority, stated two years after implementation of

²⁹² Interview with Ahmad Qurei, May, 2007

²⁹³ Savir, *The Process*, p. 100.

the Protocol had begun that: “The experience has taught us that the restrictions imposed by unified taxation, on import-export activities and on the pricing system, are a bottleneck for any economic development or disengagement from the Israeli economy”.²⁹⁴

In sum, comparing the differing Israeli and Palestinian ‘readings’ of the DOP and their contradicting objectives in the negotiations over the text of the Agreement on the Gaza Strip and Jericho Area leaves the clear impression that the agreement is based on Israeli assumptions and incorporates Israeli views far more than those of the Palestinians, particularly on issues of major difference, such as the crossing points, transfer of authorities, and the size of Jericho.

The fact that the Palestinian leadership started with the right positions, raised the right concerns and used the right arguments, but in the end accepted the Israeli positions can only be interpreted as weakness rather than ignorance. It can be seen as a continuation of the weakness that has characterised the political behaviour of the Palestinian leadership in the peace process in general.

The Gaza-Jericho negotiation and agreement strengthened the position of Arafat and the core leadership in ‘the kitchen’ in many ways. By avoiding any structure for the delegation, restricting the participation in the delegation to his closest associates, and avoiding any accountability to the PLO structure and transparency to the public, Arafat maintained vast manoeuvring room and enough power to tackle the decisions he felt convinced about. In addition, the return of Arafat to Gaza and Jericho accompanied by PLO fighters in police uniform increased his popularity. Israel allowed the return of 30 West Bank grassroots leaders who had been deported out of the OPT.

Nevertheless, this negotiation strategy and Arafat’s subsequent strength was a double-edged sword, making him vulnerable to the Israeli partner. He was unable to protect his positions through decisions of the PLO decision-making bodies, nor was he able to do so through Palestinian public opinion. Israel, on the other hand, referred to these constraints in negotiations all the time.

²⁹⁴ Interview with Khalid Salam, March, 2000.

After the DOP's signing and the start of implementation, Israel continued the practices that had marked its tenure as occupier, violating Palestinian rights and humiliating them through checkpoints, arrests, house demolitions, land confiscation, and illegal settlement expansion. Moreover, any economic benefits which might have come from the Economic Protocol or the international aid that accompanied the peace process were progressively eroded by the Israeli policy of closure, whereby the Palestinians would be confined for days, weeks or months on end to the West Bank or Gaza, unable to move either labour or goods to their markets.

Between 1993 and 1996 (considered the euphoric height of the Oslo process), the Israeli government imposed 342 days of total closure in the Gaza Strip and 291 days of total closure in the West Bank. Thus, for almost one third of a each year, between 1993 and 1996, Palestinians were prohibited from any physical or economic movement outside the West Bank and Gaza, and on the remaining days were subject to closure in a less extreme form.²⁹⁵

As Roy makes clear, the losses amounting from these closures totalled nearly 40% of Gaza's GNP in 1996 alone, and 19% of the West Bank's GNP. The international community was slow and ineffectual in responding to these Israeli policies. For example, closures led to poverty, but the international donors chose to meet this with poverty-alleviation measures rather than to insist that Israel cease its destructive policies.²⁹⁶

The continuation of these Israeli policies and practices defied the Palestinian public's high expectations. Meanwhile the donor countries, who were themselves proving to be very slow in contributing financially as promised, now began to impose additional pressures. According to Qurei:

[T]he donors started to insist on transparency in the way we spent the money, which complicated our situation....and in this context, the Palestinian Authority started to face very serious and complicated security, economic, and political conditions. At the same time, the Israeli government also started to face unprecedented political crises.²⁹⁷

²⁹⁵ Sara Roy, *Failing Peace*, p. 242.

²⁹⁶ Christian Aid, *Losing Ground: Israel, Poverty and the Palestinians* (London: 2002) p. 21.

²⁹⁷ Qurei, *Ar-Riwaha al-Filistiniyya*, pp. 331-332

Israel seemed to have understood Arafat's reality, and transferred his strength into weakness. It recognized his lack of structure, the absence of accountability, the public's high expectations, and his individualistic style of leadership and decision-making. Israel took advantage of that by taking hard-line negotiations positions, assuming that he had flexibility and room to manoeuvre. That, in turn, forced him to make additional concessions in order to show immediate progress that would maintain his public support and strength.

Indeed, while Israel denied Arafat substantial achievements, such as stopping the settlement expansion policy, they reinforced the patrimonial²⁹⁸ features of Arafat's leadership. Israel allowed Arafat monopoly over imports of basic commodities, which provided him with the necessary cash to compensate factions, personalities, Fatah cadres and other influential persons and groups in the absence of any substantial political or economic progress.

Another aspect of weak Palestinian performance resulted from the absence of Palestinians from the OPT in the delegations to the talks and the decision-making process. That was crucial because many of the issues being dealt with were practical issues with which the *inside* leadership and experts were simply more familiar. One example, which was rather a scandal at the time, was the incorrect mapping of the size of Jericho. Another was the negotiating of arrangements for border crossings by individuals who had never even been there.

In sum, two factors reinforced each other to bring about weak agreements and ineffectual implementation. One was the leaderships' poor performance in running the negotiations. The second was Israeli inflexibility and continuation of oppressive practices.

²⁹⁸ The concept 'patrimonial' is used according to the meaning developed by M. Weber and adopted to the Arab reality by: Hisham Sharabi, *New-Patriarchy: A Theory of Distorted Change in the Arab Society* (USA: Oxford University Press, 1988).

From Cairo Agreement to the Interim Agreement

The Israeli Knesset's approval of the Gaza-Jericho Agreement on 11 May, 1994 opened the doors for the beginning of implementation of the signed agreements between Israel and the PLO.

On 13 May, 1994, the al-Aqsa Brigades of the Palestinian Liberation Army (PLA) entered the Palestinian territories and took up duties as Palestinian policemen in Jericho. On 10 May, 157 Palestinian policemen crossed into the Gaza Strip from Egypt at Rafah crossing. On 31 October and 1 November respectively, Palestinian police took positions at the Rafah border crossing in Gaza and the Allenby Bridge in the West Bank. Soon after, on 1 July, Arafat made his historic return to the homeland of Palestine, crossing the Rafah border.

On 13 November, 1994, Israel transferred the Social Affairs Authority to the Palestinian Authority, followed by the Tourism Authority on 15 November. The Health Authority and Tax Authorities were transferred to the PA on the first of December and on 6 February 1995, the PA became responsible for the Postal Authority. On 29 March, the Palestinian Interior Ministry started distributing Palestinian passports. A Palestinian television station started broadcasting for the first time in the Palestinian areas on 6 June.

These developments opened the doors for a new era. The Palestinian leadership had moved to the Palestinian territories, established the first Palestinian authority with security and civil responsibility in Gaza and Jericho, and civil responsibilities (only) in the populated areas of the rest of the OPT, save Jerusalem. The PLO leadership continued to enjoy overwhelming public support as a result of the implementation of the agreement, including its return and the withdrawal of the Israeli army from parts of the occupied territories. That gave the PLO leadership credibility, and Arafat was perceived as a leader who delivers.

That period witnessed the establishment of the Palestinian security apparatuses including national security forces, intelligence, and the preventive security. The last was especially important because it recruited mainly Fatah activists, including the street leaders of the Intifada and-ex prisoners who had power and credibility. In addition, the leadership started, with financial and technical international aid, establishing public civil institutions. That

included the creation of various ministries, and non-ministerial authorities over land, water, energy, and the environment.

During this establishment phase, as mention above, Israel allowed the newly-established authority monopoly rights over imports on certain commodities from Israel, including fuel, tobacco, and cement. That gave Arafat a huge financial windfall. A small number of close aides of the president managed these businesses on his behalf.

After assuming authority in Gaza and Jericho, the first Palestinian cabinet was formed in 28 May, 1994 (before elections were held for the Legislative Council). The cabinet was dominated by PLO leaders who had returned with Arafat—Fatah personalities, almost half of them from the outside (these *outsiders* began to be referred to as ‘returnees’).

That first cabinet included 17 ministers, including Arafat, who also assumed the ministry of interior. A prominent analyst said:

The [first] Palestinian cabinet of 28 May 1994 was, for instance, a blend of outsiders and insiders. Out of seventeen ministers (including Arafat with the portfolio of Interior ministry), seven were outsiders and nine were insiders. The outsider ministers were: Yassir Amr (Minister of Education), Yasser Abed Rabbo (Minister of Culture and Arts), Samir Ghosheh (Minister of Labour), Ahmed Qrie’ (Minister of Economic and Trade), Muhammad al-Nashashibi (Minister of Finance), Nabil Shaath (Minister of Planning and International Cooperation), and Intisar al-Wazir (Minister of Social Affairs).

Insider ministers were: Abd al-Hafiz al-Ash’ab (Minister of Communication), Azmi al-Shu’abi (Minister of Youth and Sport), Riyad al-Za’nun (Minister of Health), Zakariya al-Agha (Minister of Housing), Frieih Abu Medien (Minister of Justice), Saeb Erekat (Minister of Local Government), Ilyas Frayj (Minister of Tourism), Hassan Tahboub (Minister of Islamic Waqf), and Abdel Aziz al-Haj Ahmad (Minister of Transportation).

Of these 16 ministers, eight were affiliated with Fatah—Ahmed Qurei, Nabil Shaath, Saeb Erekat, Intisar al-Wazir, Frieih Abu Medien, Zakariya al-Agha, Riyad al-Za’nun, and Abdel Aziz al-Haj Ahmad. Five had been categorized as independents (close to Fatah); two ministers (Yasser Abd Rabbo & Azmi al-Shu’abi) were affiliated with Fida (a splinter group of the DFLP) and one, Samir Ghosheh, attached himself to the Popular Struggle Front.

Consequently, Fatah dominated the major Palestinian executive body.²⁹⁹

Its overwhelming popularity, jobs and opportunities in both civil and security institutions, financial expansion from monopolistic activities, and contacts with the Israeli government enabled the PLO returnee leadership to co-opt the leadership inside. That was not difficult, because the leadership *inside*, which had begun to express unhappiness with the way the negotiations and the authority were running, had no differing political platform of substance with which to justify an opposition stand.

Meanwhile, a new elite was in the making. This elite was no longer 'inside' or 'outside', but rather mixed, although dominated by the PLO returnees. It was composed of powerful individuals from the returnee political elite, the newly-appointed high-ranking civil servants and minister/bureaucratic elite, high-ranking security officers/military elite, and the economic elite often connected to the monopolies. That enabled the outside to co-opt the insiders, also excluding others, and asserting the PLO leadership's domination over the new combined leadership. The details of this crucial development and its effect on the leadership and its negotiation's role follow in the coming chapter.

On the other hand, and while the PLO leadership was cultivating what would be later viewed as short-term achievements, Israel was cultivating the long-term dividends of the peace process. On 24 October 1994, Israel signed a peace treaty with Jordan. In 22 November, 1994, Yitzhak Rabin, accompanied by a large Israeli official and business delegation, represented Israel in the first regional economic conference for government and non-governmental businessmen.

In addition, Israel was no longer perceived as an occupying power in violation of international law (thus deserving of boycott), but rather the party to a peace process and agreement with its rival the PLO. That gave Israel the political, economic, and ethical advantage for building a new image and new political and economic achievements as will be detailed in the next chapter.

²⁹⁹ Azmi Bishara, 'Reflection on the Realities of the Oslo Process,' December 2000. pp. 7-8. [online]

The agreement and its implementation nonetheless created some opposition in Israel. This opposition culminated in a huge demonstration led by Benjamin Netanyahu, the leader of the right-wing Likud party. Incitement by the opposition encouraged extremists to act violently and the Israeli leadership started to show less flexibility towards Palestinians. This was reflected in a slow-down on implementing the agreement, and a resumption of restrictions on Palestinians. These events in turn provoked the Palestinian opposition, and generated internal difficulties for the PLO leadership in the OPT. Thus, the respective opposition groups began to reinforce each other in a series of chains of bloody actions and reactions aiming in most cases to sabotage the peace process and prevent its progression.

The first and most deadly event came only four months after the PLO signed the DOP when Israeli settler Baruch Goldstein opened fire on Muslim worshippers at Haram al-Ibrahimi Mosque in Hebron, killing 29 Palestinians. In 18 March, the United Nations Security Council issued Resolution 904 condemning that became known as ‘the Hebron Massacre’. The Islamic resistance movement Hamas promised in a leaflet to avenge the deaths with counterattacks.

The Hebron Massacre was followed by one of the bloodiest waves of violence in decades. The period from 6 April, 1994, to 8 September, 1995 witnessed the killing of not less than 70 Israelis, mostly in suicide bombings, and at least 20 Palestinians by Israeli soldiers and settlers.

From the discussion above, it is clear that the PLO leadership, while achieving return and the establishment of the first Palestinian Authority in the Palestinian territories, also faced serious challenges.

In addition to the limitations that resulted from shortcomings in the agreements itself, the Palestinian leadership was faced with unfavourable objective circumstances. In particular, Israel was adding difficulties. In the year of the implementation of the Cairo (Gaza-Jericho) agreement, Israel showed no respect for agreed-upon dates of implementation. The media, including the Palestinian press, repeated once and again the famous quote of Rabin: “There are no sacred dates.”

Israel also started to restrict the movement of Palestinians, preventing Palestinian workers from reaching their workplace in Israel. The Palestinian population began to face economic difficulties rather than the economic prosperity promised by the leadership. In addition, the donor community, led by the United States, delayed promised aid and used it as a leverage to extract farther concessions. The Palestinian leadership was desperate for the aid in order to meet public expectations, given growing opposition, and the additional requirements of building the capacities of authority institution.

In that year, the Palestinian leadership was handling major tasks, one in implementation of the agreement, including the establishment of an authority that was a quasi-government. The other was continuing negotiations with Israel for the interim self-government authority. Difficulties in implementation were created with the objective of affecting the Palestinian negotiations performance, as will be shown below.

The Interim Agreement: Negotiations, Content, Analysis and Implementation

This section will focus on the way the Palestinian leadership negotiated the Interim Agreement, and the interrelation between these negotiations and the implementation of previous agreements that were ongoing. It will also present the content of the Interim Agreement and analyze it. In addition, it will examine public attitudes and behaviour towards the agreement and its implementation. Light will be shed on the difficulties facing the Palestinian leadership resulting from Israeli positions in the negotiations, and Israel's behaviour during implementation. Palestinian public opinion and Palestinian and Israeli violence will be examined, with special attention for its effect on the Palestinian leadership.

While the Declaration of Principles and the Gaza-Jericho agreements were negotiated almost entirely by PLO leaders from outside, Palestinians from inside participated in negotiating the subsequent agreements. Their role, however, was mostly that of providing technical support, or lending the process credibility through their Fatah loyalties (for example, Jamil Tarifi entered the talks; he was a Fatah contractor who had made a fortune from contracts with the Israeli civil administration on infrastructure projects). Tarifi headed the Palestinian team on the agreement on preparatory transfer of powers and

responsibilities. Nabil Kassis, previously deputy head of the Washington negotiations, was an inside participant of a different mind. He said in an interview with me that he participated in the start of the negotiations, but soon was unable to tolerate the performance of the team and decided to quit.³⁰⁰

It is difficult to discern a structure to that period of negotiations. There were tens of negotiators working in various places at once. Qurei described one of these negotiations: “Contrary to Oslo, the two delegations consisted of about 200 persons from different sectors.”³⁰¹

Another example of the overlapping negotiations of multiple layers came from the same source:

We [Qurei and Savir] agreed on the principle of complete secrecy because in our experience, this was a condition for success. So we ‘covered’ our secret track with the two public tracks, the one run by Erekat and Singer, and the other between Tarifi and Shahor, coordinator of Israeli activities in the Palestinian territories.³⁰²

The lack of structure, poor performance, and the need to move quickly in order to achieve results to offset growing opposition led to poor outcomes and inferior implementation, which in turn weakened the leadership, and caused it to perform even more poorly. This will be shown in the following description of the content and analysis of the signed agreement.

The Interim Agreement was signed in Washington DC on 28 September, 1995, by Yitzhak Rabin for Israel and Yasser Arafat for the PLO. Also signing were the presidents of the United States of America, the Russian Federation, the Arab Republic of Egypt, the European Union, and the Kingdom of Norway.

³⁰⁰ Interview with Nabeel Kassis, Ramallah, May, 2007

³⁰¹ Qurei, p. 348.

³⁰² Ibid., p. 335.

The Interim Agreement superseded all previous agreements signed in the course of the Middle East peace process, with the exception of the DOP. The preamble of the Interim Agreement includes this statement:

Following the Gaza-Jericho Agreement; the Agreement on Preparatory Transfer of Powers and Responsibilities signed at Erez in Gaza on 29 August, 1994 (hereinafter “the Preparatory Transfer Agreement”); and the Protocol on Further Transfer of Powers and Responsibilities signed at Cairo on 27 August, 1995 (hereinafter ‘the Further Transfer Protocol’); which three agreements will be superseded by this Agreement”.³⁰³

The preamble is clear in putting the Interim Agreement within the framework of the Middle East peace process initiated in Madrid in October 1991. It is also clear in its intention that the negotiations on final status issues planned to follow the Interim Agreement commence as soon as possible, but no later than 4 May, 1996. These final status negotiations will lead to implementation of UN Security Council Resolutions 242 and 338.

Before delving into the contents of the Interim Agreement, it is worth examining what it excludes. The Interim Agreement, which defers the major and substantive aspects of the Palestinian-Israeli conflict until the final status talks, did not place any restrictions on Israel, the party with more power, that would have prevented it from continuing to create facts on the ground pre-emptive of Palestinian objectives in any final status talks.

In response to criticisms raised about the absence of any such restrictive clauses in the DOP, Hassan Asfour said:

The Interim Agreement, which is about the implementation of the DOP, should have included the need for a halt to settlement activities, because the DOP has a paragraph to that effect in Article IV. It says, ‘the two sides view the West Bank and the Gaza Strip as a single territorial unit, whose integrity will be preserved during the interim period,’ and

³⁰³ Interim Agreement, Preamble

since the Interim Agreement is about the implementation [of the DOP], it should have stated clearly the need to stop settlement expansion.³⁰⁴

As noted earlier in this thesis, one of the major factors preventing the success of the Washington negotiations was the insistence of the Palestinian delegation (from inside the occupied territories) that settlement expansion be halted. The fact that the issue is not even mentioned in the Interim Agreement is a serious omission in the agreement from the Palestinian perspective. The matter takes on an even greater significance in light of the fact that the one-year period between the Gaza-Jericho Agreement and the Interim Agreement witnessed active Israeli expansion of settlements, an increase in the number of settlers, and additional expropriations of land from the OPT.

The Interim Agreement not only failed to prevent or to make clear the illegality of Israeli settlement expansion, it legitimises the existing settlements and the application of Israeli law to these settlements and settlers in the OPT despite the contradiction of relevant international laws and conventions. Point 4.b in Article XVII states:

To this end, the Israeli military government shall retain the necessary legislative, judicial and executive powers and responsibilities, in accordance with international law. This provision shall not derogate from Israel's applicable legislation over Israelis in personam.³⁰⁵

This is simply an approved extra-territorial judicial jurisdiction which lays the foundation for apartheid situations, because it allows the application of two legal systems and two judicial systems in one entity—the Palestinian territories.

In fact, during the implementation of the Interim Agreement and in the few years that followed its signing, there was a dramatic rise in Israel's use of policies and practices aimed at creating a pre-emptive new status quo, primarily the expansion of settlements and

³⁰⁴ Interview with Hassan Asfour, Ramallah, March, 2000.

³⁰⁵ Interim Agreement, Article XVII, and Point 4. b

settlers. While doing so, Israel argued that its actions were not in violation of either the DOP or the Interim Agreement.

This is all especially important given that Israel's only openly-stated strategy vis-à-vis the OPT—and one that was maintained throughout the peace process and implementation period—was to carry on with settlement expansion and to ensure its continuation. That was the strategy that Palestinians failed to counter effectively.

An editorial dimension to this problem is that the Interim Agreement postpones the discussion on settlements without defining them, their size or their borders. This leaves the areas excluded from the Agreement subject to expansion as the settlements grew, and made time a crucial factor playing against the Palestinians, at least from this perspective.

As has already been noted, the DOP represented a compromise of many of the basic rights and positions of the Palestinians. The Interim Agreement marked a further compromise of the DOP—compromising the compromise. Possibly the most peculiar example of this is that while the DOP called for the need to preserve the integrity of the Palestinian territories, the Interim Agreement disintegrates these territories by dividing them into different areas, Zones A, B and C, with different provision and jurisdictions applicable to each.

The third point of Article X including the following:

- a. Area A means the populated areas delineated by the red line and shaded in brown on Map No. 1;
- b. Area B means the populated areas delineated by the red line and shaded in yellow on Map No. 2, and the built-up area of the hamlets listed in Appendix 6 to Annex 1; and
- c. Area C means areas of the West Bank outside Areas A and B....³⁰⁶

A thorough examination of the Map No. 1 attached to the Interim Agreement reveals the following points:

³⁰⁶ Interim Agreement, Article X

1. Area A, from which the Israeli army should redeploy, is only three percent of the Palestinian territories.
2. Area B is approximately 23 percent.
3. There is no geographic continuity between the seven towns that are designated Area A; instead they are separated completely by Areas B and C.
4. The populated but rural areas are designated Area B, but there is again a lack of any geographic continuity and they are separated by Area C.
5. Area A, which is primarily towns, is limited to the built-up areas only and includes no space for expansion.
6. Area C, which includes Israeli settlements, is the only category with geographic continuity.

The significance of this lies not only in the negative impact on the integrity of the territory as an entity, but also in the fact that the powers and responsibilities transferred to the Palestinian Authority vary between Areas A, B, and C. One example of this is security. Point 1 in Article XIII states that the Palestinian Authority will “assume the powers and responsibilities for internal security and public order in Area in that district.” Point 2.a concerning Area B states that the “Council will assume responsibility for public order for Palestinians. Israel shall have the overriding responsibility for security for the purpose of protecting Israelis and confronting the threat of terrorism.” Similarly, Article XI, which deals with land issues, differentiates between the scope of the powers given to the Palestinian Authority in Areas A, B, and C.

Analysis of the Interim Agreement presents a number of challenges; for this reason, three criteria are used here to assess the document. The first is the means by which issues disputed in the negotiations were settled; the second is to what extent the Interim Agreement facilitated each side in the creation of facts on the ground which would advance their progress toward their respective national goals; and the third is to what extent the Interim Agreement conforms with international law.

The Interim Agreement failed to specify borders to the settlements, which left Israel able to expand them. At the same time, the agreement does specify the borders of the Palestinian residential areas, and particularly the towns, in such a way as to prevent Palestinians from expanding their residential areas in order to allow natural growth. The absence of anything in the text to the effect of freezing settlement construction or expansion and the absence of anything specifying settlement residential zones has allowed Israel to continue to expand its settlements and, consequently, to further consolidate the occupation and make its reversal difficult. The most dangerous outcome of these flaws in the agreement is that they allow Israel to take advantage of the interim period and further the achievement of its objectives in the final status negotiations as far as the land—the essence of the Palestinian-Israeli conflict—is concerned.

The situation was similar vis-à-vis Jerusalem, the status of which was postponed to the final phase of negotiations. The Agreement does not prevent Israel from making legal, administrative, demographic and construction changes during the interim period of the kind that dramatically alter the situation on the ground to serve Israeli needs and objectives in the final status negotiations. The design of the Interim Agreement in effect gives Israel the advantage in Jerusalem, allowing it to continue the “creation of facts” policies that will determine, in practical terms, the future of Jerusalem, instead of leaving this to be decided by the two sides through negotiations.

It was clear from the beginning of the process that the Palestinian objective in final status negotiations would be the establishment of an independent Palestinian state on the part of Palestine that was occupied in 1967, including East Jerusalem. Equally as clear, however, is that among Israel’s objectives in final status negotiations is the prevention of the establishment of a Palestinian state. Given this contradiction, one question that might help to evaluate the Interim Agreement is whether or not it helps the Palestinians along the path toward achievement of their objectives. Looked at from this perspective, the absence of any practical mechanisms for ensuring the geographic contiguity and integrity of the land and the society become serious flaws, since these are essential conditions for any future state.

Despite the fact that the Interim Agreement regards the Palestinian territories as a single geographic unit, it effectively divides it into three areas that are geographically,

administratively and legally distinct: Areas A, B, and C. In addition, the Interim Agreement lacks any mechanism allowing continuity between two parts of the territories, the Gaza Strip and the West Bank. The end result is the disintegration of the Palestinian territories in more than one respect—geographic, administrative and economic. The subsequent difficulties in the movement of people and goods between the different parts of the territories, mainly between the West Bank and Gaza, and to a certain extent between the northern and southern West Bank, had an extremely detrimental impact on the integrity of the territories, the society and the economy, and was responsible for the economic—and to a lesser extent, the political—disintegration which followed the Interim Agreement.

Public opinion polls conducted after the implementation of the Interim Agreement, as Israel began to separate the West Bank and Gaza, showed increasing differences in opinion between Gazans and West Bank Palestinians, as well as between Jerusalemites and people from the remaining West Bank on most of the issues raised in the questions. Economic disintegration, too, was evident in the sharp reduction of the market available to West Bank producers, which was limited from both the West Bank and Gaza to only the West Bank, and for Gaza producers to Gaza only. The Economic Protocol attached to the Interim Agreement did not allow the Palestinian economy access to outside markets and the small, closed markets created a virtual bottleneck; clearly, then, this Agreement had primarily negative consequences for the economy, a major component in the building of a state.

The Interim Agreement is unhelpful with regard to the Palestinian need to create facts on the ground conducive to achieving their objectives in the final status negotiations, particularly regarding issues of land, which lie at the core of both the Palestinian-Israeli conflict and of the peace process. An examination of the way in which the Interim Agreement deals with issues such as land management, zoning and planning reveals that it does not make it easy for Palestinians to move freely to create the facts on the ground that they need. Furthermore, the text on these issues keeps Palestinian will hostage to Israeli decision-making power, albeit indirectly.

Article 22 of Annex 3 of the Interim Agreement states that:

powers and responsibilities in the sphere of Land Registration in the West Bank and the Gaza Strip will be transferred from the military government and its Civil Administration to the Palestinian side. This sphere includes, inter alia, registration

in the Land Registry of real estate transactions, first registrations of land, registrations of courts' decisions, registrations of parcelations pursuant to the Towns, Villages and Building Planning Law, No 79, of 1966, and the administration of Land Registry offices and processes.³⁰⁷

But an examination of the details of this article reveals restrictions and exceptions that effectively strip any meaning from the above paragraph, rendering it null and void. For example, Area C is excluded from the powers transferred, and Area C is the vast majority of the Palestinian territories. The transfer of these powers and responsibilities is made gradual and excludes Israelis and Israeli-related matters, while not specifying the rights of the Israelis. "The Palestinian side shall respect the legal rights of Israelis [including corporations owned by Israelis] related to land located in the areas under the territorial jurisdiction of the Council".³⁰⁸

Point 4 of Article 22 of Annex 3 enshrines the rights of Israelis and any Israeli entity to object to any Palestinian regulation or decision regarding land registration within a certain period of time. In the case of such an objection being raised, the two sides must refer such complaints to a joint committee which decides whether the Palestinian party can implement the decision or not:

...when an Israeli or a Palestinian considers that his or her rights may be affected by any enforcement, confirmation or registration proceedings, he or she may request within 30 days from the receipt of the information by the CAC [Civil Affairs Committee] in accordance with subparagraph c. below, that the issue be brought before a professional joint committee established by the two sides, hereafter 'the Joint Committee', prior to the carrying out of such procedure. The Joint Committee should convene within fourteen days from the submission of the objection to deal with all the relevant aspects pertaining to the issue and decide whether to approve the carrying out of the proceedings regarding which the objection has been submitted.

³⁰⁷ Article 22, Annex 3, Interim Agreement

³⁰⁸ Article 22, Annex 3, Point 3, Interim Agreement

Pending the approval by the Joint Committee, no enforcement, confirmation or registration regarding which the objection has been put forward may be carried out or registered in the Land Registry or in any other relevant registry.³⁰⁹

In the same article, subpoint c. of Point 5 obliges the Palestinians to inform the Israelis of any judgment in this regard: “The Palestinian side shall, at the earliest opportunity, provide the CAC with the information regarding any judgment or any request for enforcement, confirmation, or registration [including first registration of land] which may affect the rights of Israelis.”

Not all aspects of this agreement are negative vis-à-vis the Palestinians’ ability to create useful facts. The Agreement permits the Palestinians to establish an elected council of 88 members, which allows the possibility of establishing three distinct authorities—legislative, executive and judicial—and the size of the council and its powers and responsibilities creates a semblance of legitimacy and a political system that demonstrates efficiency and accountability despite some problems in the election arrangements as expressed in the agreement. The fact that all the Palestinian people in the territories were able to elect a single unified parliament allows the Palestinians to take a step towards self-determination and the creation of a democratic regime.

The second criteria used in this analysis is the extent to which the Interim Agreement is in harmony with the DOP and serves as a straightforward mechanism for implementation of the DOP. However, it seems clear that in this regard, the Interim Agreement represents a compromise, in many ways, of the DOP rather than its honest implementation.

One example is the fact that in the Interim Agreement, certain issues that the DOP included within the interim period obligations are postponed to final status negotiations. Point 3 of Article 13 of the DOP states: “Further redeployments to specified locations will be gradually implemented commensurate with the assumption of responsibility for public

³⁰⁹ Point 4, Article 22, Annex 3, Interim Agreement

order and internal security by the Palestinian police force pursuant to Article VIII above.”³¹⁰

The Interim Agreement describes the issue very differently: the redeployment is to take place gradually in three phases, with six months between each phase; and it will not necessarily include all the Palestinian territories except final status issues, determined in the DOP, but rather will be carried out to locations that are to be determined in the final status negotiations. Point 10 of Article 1, Annex 1 states:

The specified military locations referred to in Article X, paragraph 2 of this Agreement will be determined in the further redeployment phases within the specified time-frame ending not later than 18 months from the date of the inauguration of the Council, and will be negotiated in the permanent status negotiations.³¹¹

There are numerous other examples, all of which cannot be listed here. However, the DOP allows redeployment from Palestinian populated areas; it does not talk about gradualism or partiality, while the Interim Agreement chooses certain population areas from which Israel should *gradually* redeploy its army. The phases of the further redeployment are specified in Appendix 1 of the Interim Agreement as follows:

Pursuant to Article 1.8 of this Annex, the further redeployment of Israeli military forces to specified military locations will take places in phases as follows:

Phase 1: six months after the inauguration of the Council

Phase 2: twelve months after the inauguration of the Council

Phase 3: eighteen months after the inauguration of the Council³¹²

Israeli negotiators strongly insisted on phasing the implementation of the agreements, and then phasing these phases to the furthest extent possible. This phasing strategy has a rationale stemming from the Israeli concept of the peace process, which is that any future

³⁰⁵ Point 3, Article 13, DOP

³¹¹ Point 10, Article 1, Annex 1, Interim Agreement

³¹² Appendix 1, Interim Agreement

steps or phases are dependent on the level of success—from the Israeli point of view—of the phases already implemented.

The Israeli approach, which is based on a reward system for ‘good behaviour’, neglects the concept of the peace process having fixed terms of reference in the form of specific legal rights based on international legality and Security Council resolutions. In effect, this approach makes the process reversible, dependent on Israeli judgment of success to date. This contradicts the Palestinian view: that the process is irreversible and has specific objectives which were determined in the agreed-upon terms of reference. For this reason, the more phases the implementation process includes, the closer the agreement becomes to the Israeli concept.

Raja Shehadeh points out in his analysis of the Interim Agreement that: Sub Article 1 of Article XVII of the Interim Agreement (quoted below) concerning the jurisdiction of the council is more remarkable for what it excluded from the jurisdiction of the council than for what it included. Comparing it with the Article in the DOP dealing with jurisdiction, it is clear that it has diverged substantially from it.

The following paragraph specifies the exceptions to the jurisdictions granted to the Palestinian Authority under the DOP: “Jurisdiction of the council will cover West Bank and Gaza Strip territory, except for issues that will be negotiated in the permanent status negotiations”.³¹³

These exceptions to the Palestinians’ authority exceeded the exceptions laid down in the DOP. Article XVII, entitled “Jurisdiction,” included the following:

In accordance with the DOP, the jurisdiction of the council will cover West Bank and Gaza Strip territory as a single territorial unit, except for:

- a. Issues that will be negotiated in the permanent status negotiations: refugees, borders, foreign relations, and Israelis, and
- b. Powers and responsibilities not transferred to the Council.

³¹³ DOP, Article IV

It should be noted also that while the DOP determined that redeployment would be carried out, although with exceptions, the Interim Agreement added in the concept of gradualism, as explained earlier. This marks another significant difference between the DOP and the Interim Agreement on the DOP's implementation, and another compromise by the Palestinian leadership on a previous compromise, the DOP. Subpoint a., Point 2 of Article 17 states the following: "The territorial jurisdiction of the council shall encompass Gaza Strip and West Bank territory, except for Area C which, except for issues that will be negotiated in the permanent status negotiations, will be gradually transferred to Palestinian jurisdiction in three phases."³¹⁴

It has been argued earlier in this chapter that one of Israel's strategic objectives vis-a-vis the OPT was the establishment and expansion of settlements, and Israel's negotiating strategy attempted to ensure harmony between its settlement policies and the agreements with the Palestinians. The Interim Agreement included several examples that demonstrate that the agreement permits and even legitimises Israeli settlement. This is not only in direct contradiction to Palestinian needs and strategies, but blatantly contravenes international law, as will be shown below.

Under Article 17, Chapter 3, entitled "Legal Affairs," Point 4.b reads as follows:

To this end, the Israeli military government shall retain the necessary legislative, judicial and executive powers and responsibilities in accordance with international law. This provision shall not derogate from Israel's applicable legislation over Israelis in personam.³¹⁵

This paragraph gives the impression that Israel will apply Israeli law to settlers living in the OPT, which leaves two different legal systems and two different judiciaries applicable to two different peoples living in the one territorial unit—a typical apartheid system, a contradiction of international law, and contradictory to the interests and strategic objectives of the Palestinians within the negotiations process.

³⁰⁹ Interim Agreement, Article 17, Point 2.a

³¹⁵ Article 17, Chapter 3, entitled "Legal Affairs," Point 4. b

Another illustration of this point regarding Israeli settlements and settlers can be found in Point 3, Article 16 of Appendix 1, which states: “The Palestinian side shall respect the legal rights of Israelis (including corporations owned by Israelis) related to Government and Absentee land located in the areas under the territorial jurisdiction of the Council.”³¹⁶ This Palestinian admission that the Israelis have legal rights in the OPT is an acceptance and legitimisation of the illegal acquisition of Palestinian land and other results of the Israeli occupation.

Looking at the difficult issues that delayed an agreement and caused tension between the two sides is useful in highlighting ‘the compromise of the compromise’ that was imposed by the Israelis in the negotiations in implementing the DOP. Because of the intense negotiations on these issues in the final weeks of the Taba talks, both Palestinians and Israelis issued several public statements stating their fixed positions on these issues. There are at least three examples of issues that were settled after long and public disputes: Hebron, prisoners, and the redeployment map.

The publicly-declared Palestinian position on Hebron was that Hebron should be treated in a similar fashion to other Palestinian towns in the West Bank—including the scope of further Israeli redeployment, which would require the evacuation of the handful of settlers living there.³¹⁷ If this proved difficult, the next step should then be an agreed timetable which would ultimately end with an Israeli redeployment from the entire city.

In fact, the agreement reached on redeployment in Hebron differed greatly from that in other Palestinian towns, and represented a compromise on the original Palestinian position. The Hebron Protocol transferred civilian powers and responsibilities to the Palestinian Authority—and divided the city in two. One section, H-1, was to be under Palestinian control, while the second, H-2—one third of the entire city—was to be under Israeli control. H-2 includes most of the city centre.

³¹⁶ Point 3, Article 16 of Appendix 1

³¹⁷ Israel wanted special treatment for Hebron in the agreement because of the presence of some 400 Jewish settlers in the city centre, and the presence of a site considered holy to Jews and Muslims as well.

In addition, the Interim Agreement also included the redeployment from two-thirds of Hebron to be completed six months after the redeployment from the other West Bank towns and cities. Article VII of Annex 1 states: “There will be redeployment of Israeli military forces in the city of Hebron except for places and roads where arrangements are necessary for the security and protection of Israelis and their movement. The areas of such redeployment are delineated by red... (hereinafter ‘Area H-1’).”³¹⁸

The second example of a major dispute was the tension that emerged in the Interim Agreement talks in Taba over the eleventh-hour redeployment map presented by Israel. This map was publicly rejected by the Palestinian negotiators, who described it as ‘the map of cantonisation’ or the ‘leopard’s skin map’, because the Areas A were separated by Areas B and C, and Areas B were separated by Areas C. The way the map had been drawn meant that there was no geographic continuity between the two categories of land over which the Palestinians were being given control, named Areas A and B.

The reason behind this fragmentation is clear—to prevent the development of these territories into a state, which is exactly why the Palestinians in the negotiations rejected it. Arafat stated repeatedly that the Palestinians could not accept that map; it transformed their land cantons, and contradicted with the principle of geographic integrity that was clear in the DOP. Nevertheless, this map became part of the Interim Agreement.

The final example of a major contradiction between the DOP and the Interim Agreement is the issue of prisoners, an issue given top priority in the agenda and public statements of the Palestinian negotiators. Palestinian public opinion was that any agreement should include the release of all Palestinian prisoners—gradually, but within an agreed timetable. Hisham Abdulraziq, a Palestinian activist and member of the Palestinian delegation in charge of the prisoners portfolio who was later to become Palestinian Authority minister for prisoner affairs, made a number of public statements in which he insisted that “the Palestinians will not sign any agreement that does not include the release of all Palestinian prisoners”.³¹⁹

³¹⁸ see Article VII, Annex 1: “Guidelines for Hebron”.

³¹⁹ Statement made in *al-Quds* newspaper.

In the end, however, the Interim Agreement did not guarantee the release of all prisoners but only the release of some prisoners in three instalments—no specific number of prisoners or release dates were mentioned. The Interim Agreement includes an annex, Annex VII, entitled “Release of Palestinian Prisoners and Detainees.” This annex includes wording as to the intent that “the release of detainees and prisoners, as agreed upon in Article XVI of this Agreement will be carried out in three stages”.³²⁰ The annex also includes the categories of prisoners to be included in each phase of releases.

The examples discussed above illustrate Palestinian weakness in the negotiations with Israel over implementation of the DOP. The weakness was a direct result of relying on negotiators who demonstrated political loyalty rather than relevant expertise, which led to an emphasis on generalities rather than detail. The weakness also resulted from public pressure, which was disappointed with the developing situation and demanded progress, and from Israel, which was not honest in its implementation and continued to behave as an occupier.

Many issues were handled in exactly the same manner in both the Interim Agreement and the Gaza-Jericho Agreement: legislation; security concepts; arrangements at the border crossing points; and many others. Above all, the Economic Protocol that was signed in Paris by Israeli finance minister Avraham Shohat and Palestinian negotiator Ahmed Qurei (which was included in the Gaza-Jericho Agreement) was adopted and included as the Economic Protocol of the Interim Agreement.

In sum, the Interim Agreement reflected yet again the weakness of the Palestinian leadership. The composition and approach of the Palestinian negotiators, which were selected on the basis of factional and personal loyalties rather than proficiency and the teams’ fragmentation, all lead to a shift in Israel’s favour. In addition, the Palestinian side was weakened by Israel’s behaviour, which allowed Israeli interests, as embodied in its negotiation strategies, to dominate and take precedence over the objectives and interests of the Palestinian people.

³²⁰ Interim Agreement Point 1, Annex VII

The flaws of the Interim Agreement were not, however, immediately fully evident. Arafat and his Fatah leaders were able to 'sell' the agreement to the Palestinian population by emphasising symbolic gains. A week after the signing of the Interim Agreement, which was then called the 'Taba agreement' or 'Oslo II', the Jerusalem Media and Communication Centre (JMCC) conducted a public opinion poll on Palestinian attitudes towards the agreement and the effect of the agreement on the standing of both the Palestinian Authority and the opposition.

In the poll, a random sample of 1,273 Palestinians over 18 years of age were interviewed, 972 were in the West Bank, including East Jerusalem, and 346 in Gaza. The interviews were done in homes, conducted face-to-face on Friday and Saturday, 6-7 October, 1995.

The poll showed overwhelming Palestinian support for the agreement and the peace process in general. In addition, support for the opposition had declined, and majority of the public felt that the opposition was generally either impractical or vague. Nearly 66 percent of respondents said they either strongly or cautiously supported the agreement, and only 16.4 percent opposed it. Just over 19 percent believe that the agreement reinforced the Israeli occupation, while 69.3 percent believed that the agreement was a step towards the full or partial realization of Palestinian aspirations of an independent Palestinian state with Jerusalem as its capital.

Support for Hamas, the largest opposition group, declined after the agreement from 18 percent in a JMCC poll conducted on 21 June 1995 to 10.7 percent in this later poll. Of those who opposed the peace process, 49.8 percent were critical of the opposition for being "impractical" or vague, compared to the 33.9 percent who said the opposition was practical. In the same direction, support for imprisoned Hamas spiritual leader Sheikh Ahmad Yassin declined from 10.9 percent in a poll conducted by JMCC on 21 June 1995, to 5.5 percent in the later poll. A leftist leader who was critical of the agreement, Haidar Abdul Shafi, saw a decline in support from 7.1 percent on June 21 to 4.6 percent.

This poll also reflected an increase in the feeling that things were going to improve after the planned extension (according to the agreement) of the areas under Palestinian control from Gaza and Jericho to the rest of the Palestinian territories. Over 62 percent said that their feeling of security would improve when the Palestinian Authority took take over in

those areas, compared to only 11.2 percent who said the opposite (21.2% said that their feeling of security would not change).

According to the same poll, the agreement increased even the size of the minority that believed Israeli Prime Minister Yitzhak Rabin was sincere about implementing the peace agreement with Palestinians. On 21 June, the JMCC poll found that only 9.9 percent thought Rabin was sincere, while a week after the agreement's signing, 27.2 percent thought he was sincere. It is worth noticing that this slight change does not indicate a strategic change in the position of the Palestinian public, as the same poll found that 65.2 percent still believe Israel has no right to exist, while only 26.4 percent believe it does.

Implementation and the Deterioration into Violence

Implementation of the Israeli Palestinian Interim Agreement on the West Bank and Gaza Strip started on 16 January, 1995 when the Israeli Knesset ratified it. A day later the military redeployed from Abu Dis village near Jerusalem. This redeployment of Israeli forces and the Palestinian Authority's takeover of major Palestinian cities and towns was followed on 20 January by the first Palestinian elections. On 12 February, Arafat was sworn in as the first elected president of Palestine. The elected Palestinian Legislative Council held its inaugural session in Gaza City on 7 March.

After this promising start, however, things rapidly began to deteriorate. Dates were not respected by Israel during the implementation, tension and a lack of confidence characterized the relations between the two sides, and accusations of responsibility for the delay were exchanged between the two sides. Palestinians accused Israel of not respecting the agreement, especially the dates of implementation, in addition to continuing oppressive policies against Palestinians, including settlement expansion and confiscation of land. Israelis accused Palestinians of not investing effort in stopping the Palestinian opposition from carrying out violent attacks against Israelis.

In general, Israel implemented the parts of the agreement dealing with the transfer of administrative authorities, in addition to the first phase of the three phases of the farther redeployment of its forces in the OPT, as stipulated by the Interim Agreement. Through this process, the total area under control of the Palestinian Authority was 2-3% Area A

(under total civilian and security Palestinian control) and 23% Area B (under Palestinian civilian control and Israeli security control).

On 10 October, 1995, Israel released 600 Palestinian political prisoners. The next day, three towns in the West Bank were evacuated by the Israel army. On 13 November, the Palestinian Authority took over Jenin in the West Bank. Transfer of several other authorities to the Palestinian Authority took place on 18 November, including transport, licensing, weather, population registry, employment and land registration. One day later the Palestinian Authority took over Tulkarem, proceeding to the town of Nablus on 11 December, Bethlehem on 21 December and Ramallah on 27 December.

However, the areas under Palestinian control had no geographic continuity and were separated by Israeli-controlled areas, as illustrated in the Map attached to the Agreement. This situation left the Palestinian Authority and leadership hostage to the Israeli government whereby Israel controlled many vital interests of the Palestinian Authority, including movement in and out of the territories and movement between the various parts of these territories. This leverage was exercised repeatedly by the Israeli government frequently through its 'closure' policy.

In addition, in the course of the implementation as a means of appeasing the settlers, the Israeli government invested \$300 million in a massive construction of bypass roads, or highways connecting settlements to allow settlers to avoid Palestinian population centres. This involved further confiscation of Palestinian land and the added disintegration of major land blocs.

On 12 February 1996, the same day that President Arafat was sworn in to office, Israel imposed a total security closure across the OPT until the end of the main Muslim feast. On 12 June, 1996, the second deadline for the agreed-on Israeli redeployment from the Palestinian town of Hebron in the West Bank passed and was postponed indeterminably.

On 4 November 1995, and before carrying out the redeployment from Hebron or commencing implementation of the second and third phases of the reemployment, Prime Minister of Israel Yitzhak Rabin was assassinated by a Jewish fanatic. This development led to early elections in which the right-wing Likud bloc took over in the 14th elections of

the Knesset on 29 May 1996 Benjamin Netanyahu, who publicly opposed the Oslo Agreements, became the new Israeli prime minister. This change left the implementation of the rest of the agreements on hold indefinitely and introduced a deep stagnation to the peace process.

The period also witnessed an increase in oppressive measures by the Palestinian Authority; one example was the security raid of Al-Najah University. The increase in public lack of satisfaction with the Palestinian Authority's performance and its official repression led to an active campaign by Palestinian human rights organization. As a result, on 18 May, Palestinian security forces arrested the head of the Independent Commission for Citizens Rights, Dr. Eyad Sarraj. Advocate Raji Sorani, another leading human rights organization director, was also arrested in the same period. On 1 August, 1996, Palestinian police shot dead a man in Tulkarm while firing on a group of demonstrators protesting outside the Tulkarm prison.

At this point, the Palestinian Authority was in one of its weakest periods. Uncontrollable violence and attacks against Israelis by Hamas and Islamic Jihad embarrassed the PA, and transformed it into a repressive authority. This, in turn, led to tension with the public. Israel was not implementing most of the articles of the signed agreement and the Israeli closure was contributing to economic crisis. This weakness gave Israel leverage in further avoiding implementation of parts of the agreement, which created a vicious circle stemming from the by now obvious weaknesses of the agreements for Palestinians.

In light of the poor implementation of the interim agreement, further trends of decline in public opinion towards the agreement and leadership were evident. Public opinion polls conducted regularly to examine the attitudes of the Palestinian people towards the peace process showed that, while support for the peace process among Palestinians was still strong, support for the Interim Agreement and the Oslo process was declining.

In an analysis published by Arab Thought Forum and Jerusalem Media and Communication Centre written by Jamil Rabah, a clear trend showed that "less

Palestinians are supporting the Oslo agreements, and more are opposed to it as the mechanism of peace, while in the same time there is steadily growing support for the peace process in general.”³²¹ This study went deeper in showing that “this opposition is even higher among the educated who are presumed to be more politically active and thus more effective. After analyzing JMCC Poll number 21, conducted in July 1997, there was a statistical significance between the level of education of respondents and attitude towards the Oslo track”.³²²

JMCC’s polls showed that those who supported the agreement strongly declined systematically from 23.7 percent in October 1995 to 10.5 percent in August 97. Those who opposed the agreement, on the other hand, increased from 16.4 percent in October 1995 to 19.1 percent in October 1996 and finally 28.4 percent in August 1997.

As stated earlier, decline in support for the Interim Agreement did not correspond to the fairly consistent support for the peace process in general which, according to JMCC polls fluctuated only between 72.7 percent in October 1995 to 66 percent in July 1998.

The relatively stable public support for the peace process can be explained by the public’s belief in peace and high expectations for it, in addition to the lack of another alternative. Likewise, the deteriorating economic situation and Israel’s continuing confiscation of land in the face of the Palestinian Authority, which was failing to deliver strong institutions and a better quality of life all contributed to the public’s attitude.

Adel Zagha, head of the economics department at Birzeit University, explained the economic deterioration after the Oslo agreement by saying: “The standard of living for the population as a whole has fallen by 40 percent since the beginning of the Oslo process.”³²³

³²¹ Jamil Rabah, *Palestinian Public Opinion Since the Peace Process* (Jerusalem: Arab Thought Forum and Jerusalem Media and Communication Centre, 1998).

³²² Jamil Rabah, *Palestinian Public Opinion Since the Peace Process* (Jerusalem: Arab Thought Forum and Jerusalem Media and Communication Centre, 1998).

³²³ Adel Zagha, *Mortgaging Self-Reliance: Foreign Aid and Development in Palestine* (JMCC, November 1997) p. 8.

This economic deterioration seemed to have a major effect on the deterioration of Palestinian public support for the agreements. In a poll conducted by JMCC in 1997, 68.3 percent of the respondents said that the peace process had resulted in either negative or very negative effects on the Palestinian economy. The impact of the economic deterioration on public support for the Oslo agreement is clearer when we add that an unpublished JMCC poll conducted in March 1997 showed that the economic situation was the Palestinian public's main concern.

Conclusion

The majority of Palestinians on the official, public, and factional levels reacted positively to the Declaration of Principles agreement reached between the PLO and Israel. Nevertheless, a significant minority among these three groups opposed that agreement. The Israeli recognition of the PLO and its right to return, the willingness to withdraw from OPT, and the commitments to negotiate substantial political issues including Jerusalem, refugees, and Jewish settlements, were among the reasons why supporters advocated for the agreement.

Signing on the dotted line and then implementing the agreement, especially the return of the PLO leadership to the OPT, increased the popularity of the PLO top ranks—a popularity that was already high. The PLO leaders and fighters were received as heroes. This sentiment was accompanied by unrealistically high expectations resulting from an exaggeration of the benefits of the agreement in the process of the PLO's selling it to the public. That popularity culminated in the first election for the legislative council, when PLO returnee leaders were given the highest number of votes.

The implementation of the first phase of the DOP, the Gaza-Jericho agreement, was carried out in parallel with negotiations over the implementation of the rest of the interim agreement, and the establishment of the Palestinian Authority. That period witnessed a change in the composition and structure of the Palestinian negotiating delegation, in addition to a deterioration in the Palestinian negotiations performance. The *inside* leadership was marginalized and the talks were carried out in an absence of structure and strategy, resulting in weak and problematic agreements and implementation, which in turn

started to weaken the PLO leadership's public support and strength to withstand Israeli pressure.

The weakening of the Palestinian leadership enabled Israel to extract further compromises from the Palestinian side, which became desperate for achievements to hold up to the growing political opposition and decline its own public support. The Israeli government, also under pressure from growing opposition, began to hesitate in implementing the agreements. In addition, it continued its illegal occupation activities and oppressive policies, including newly restricting movement, expanding settlements, and arresting and killing Palestinians. These policies led to economic deterioration, humiliation and frustration, and ultimately discredited the peace process, and the leadership.

The PLO, which by then had also become the Palestinian Authority, was caught between the negative effects of its poor agreements, implementation, and governance on one hand, and the pressure of the Israelis in negotiations and implementation, on the other hand. The net outcome of that cycle was a further decline in its public support, the strengthening of the opposition, and stagnation in the peace process. That opened the door for a wave of violence and counter violence that widened and deepened the vicious circle.

One way to understand the weak behaviour exhibited by the Palestinians and illustrated in the agreements—besides the inherent nature of the PLO leadership—is that the PLO had already surrendered all its cards in return for being recognized as Israel's official partner in the peace process. Thus, it was left with little leverage to use in the talks which followed. Ahmad Qurei (Abu Ala') listed what he considered the four negotiating cards in his hands in the beginning of the Oslo negotiations. He included the unbreakable steadfastness of the Palestinian people, the ability to prevent any agreement that bypasses the PLO, the possibility of giving or withholding the security Israel needs and demands, and assistance in ending the Arab boycott and Israeli isolation in the region.³²⁴ A thorough look at the details of the letters of mutual recognition between Israel and the PLO shows that all these cards were already played from the start – even before talks on implementation and the final status talks that were ostensibly to come.

³²⁴ Ahmad Qurei, *Ar-Riwaha al-Filistiniyya*, pp. 78, 79.

Finally, it should be pointed out that the cycle of deteriorating leadership and implementations was in no way interrupted or ameliorated by the powers that might have intervened. Since the post DOP negotiations were between Israel and the Palestinians, there was no third party technically involved who might pressure Israel to reduce its damaging occupation policies or assist the Palestinian leadership more constructively. The United States chose not to advance such pressure on Israel, while the international donor community chose to ameliorate the symptoms with poverty relief policies while not pressuring Israel to alter its economically harmful policies and while simultaneously adding new pressures for financial accountability and good governance on an already beleaguered Palestinian Authority. Thus the environment did nothing to help the Palestinian Authority but served instead to compound the problems which created the spiral of violence.

CHAPTER SIX: Palestinian Leadership and Palestinian Authority

Introduction

The return of the PLO leadership to the OPT in accordance with the DOP marked a new era for the leadership and the public. The *inside-outside* dichotomy disappeared, the Palestinian leadership was transformed, and official institutions, which operated in a patrimonial manner, were dominated and controlled by Arafat and his Fatah 'kitchen'. These institutions, which the agreement made structurally dependent on Israel, were further constrained by Israeli restrictions. As result, the Palestinian Authority (PA) was unable to fulfil its obligations to its public; it was able neither to effectively confront the deteriorating economic situation, nor to alter Israel's unwillingness to implement the agreement.

This chapter will argue that the inherent weaknesses in the Palestinian-Israeli agreements resulted in structural constraints and problems within the Authority. These weaknesses were at once political, economic and administrative. In many instances, these weaknesses left the PA in some respects hostage to the Israeli government. This had a detrimental effect, in turn, on the negotiating stance of the PLO, and consequently led to additional flawed agreements.

We will first describe the two stages of the establishment of the PA, the first of which embodies the creation of the provisional government formed by the PLO leadership after the DOP and before the election of the Legislative Council, and the second stage following elections and incorporating many of the elected parliamentarians in addition to the appointed ones. During these stages, the returning leadership took advantage of its strong public support in order to dominate the executive branch and the security apparatuses. In addition, monopolistic companies were created to provide the leadership with the financial resources needed for its political activities.

This chapter will also show to what extent the implementation of agreements, particularly the Economic Protocol of the Interim Agreement, resulted in poor economic performance

and complete dependency on the Israeli economy. Israeli practices and weak agreements brought about a decline in the economic conditions of the Palestinian people, which in turn increased public opposition to the leadership. The leadership responded by tightening the screws on the opposition, which further isolated and weakened it. This deteriorating political and economic performance created a rift between the government and the elected council which, despite its Fatah majority, was obliged to respond to the public's growing anger.

Finally, this chapter will examine the experience of the first Palestinian Legislative Council, its election, composition, and relationship with the executive branch, emphasizing the interaction between the two as the council increasingly reflected the opinions of its electorate.

Throughout the chapter, there will be also a follow-up on the structure and behaviour of the leadership, both in governance and negotiations, in addition to the effect of that on the negotiations and their outcome.

The Establishment of the Palestinian Authority

This section will deal with the first phase of the PA's establishment. In particular, it will explore the provisional government established before parliamentary elections, in accordance with the Gaza-Jericho agreement. It will show how the returning PLO leadership, and particularly Fatah, dominated a government that was compromised by, subordinated to, and dependent on Israel.

The establishment of the PA was carried out in two phases, which were stipulated in two separate agreements. The first was the Agreement on the Gaza Strip and the Jericho Area signed in Cairo on 4 May, 1994. The second was the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip signed in Washington, DC on 28 September, 1995.

In the first phase, the PA was established without first holding elections. According to Article 4 of the agreement: "The PLO shall inform the government of Israel of the names of the members of the Palestinian Authority and any change of members. Changes in the

membership of the Palestinian Authority will take effect upon an exchange of letters between the PLO and the Government of Israel.”³²⁵

The structure and composition of the authority was also stipulated in detail in the same agreement as follows: “The Palestinian Authority will consist of one body of 24 members which shall carry out and be responsible for all the legislative and the executive powers and responsibilities transferred to it under this agreement”.³²⁶

The membership of the authority was restricted to those Palestinians who supported the Agreement. Article 4 also states: “Each member of the Palestinian Authority shall enter into office upon undertaking to act in accordance with this agreement”.³²⁷ In accordance with this, PLO Chairman Yasser Arafat announced the political program of the PA on 28 May, 1994, returned to the homeland on 1 July, 1994, and four days later presided over the swearing-in of the new PA ministers in Jericho.

The PA was established by a decision of the PLO, which was considered the sole legitimate representative of the Palestinian people and the Palestinian party to the peace negotiations and agreements with Israel. Accordingly, the authority gained its legitimacy from both the agreements and the PLO.

This Authority was supposed to serve temporarily until the general election, exercising executive and legislative powers. Their agenda included the general objective of “implementation and execution of authority in the Palestinian lands, starting with Gaza and Jericho, through its endorsed responsibilities and mandate and through a Palestinian definition of its legitimacy and obligations”.³²⁸

The political program of the government also included: “preparing for legislative and municipal elections and insuring their free nature and legitimacy”. There was the clear stipulation that the authority would:

³²⁵ Agreement on the Gaza Strip and Jericho Area, Cairo, May 1994.

³²⁶ Ibid.

³²⁷ Ibid.

³²⁸ Political Program of the Palestinian National Authority, 28 May, 1994.

draft laws and decrees specifically for national authority institutions. These will regulate various aspects of life, which will enhance the concept and principles of democracy and elections. They will safeguard citizens' rights, general freedoms, the independence of the judiciary system, separation of powers, achievement of male/female equality, and equality of opportunity and merit, which will strengthen the foundation for a free market economy. It will also guarantee the private sector a primary role.³²⁹

The first Palestinian government was dominated by its largest faction, Fatah, the faction that had determined the political performance of the PLO. This allowed Fatah to shape the PA according to its own vision and interests. Prior to the election, for example, most of the important positions in the authority were given to Fatah cadres. The following survey illustrates this:

Before the general election of 1996, the Palestinian Authority was formed as follows: Fatah held at least two of the top three positions in each Ministry. Thirty-three of the 40 deputy ministers in the 20 ministries were from Fatah. Six were independent but pro-Fatah. Only one—who later resigned—was from another faction. This meant that Fatah totally dominated the non-political positions.³³⁰

As detailed in Chapter Five of this thesis, the first cabinet was dominated by Fatah and close aides of Arafat. All other vital institutions that were either established by the PA or existed before were also controlled in the same way. Jamil Hilal noted that: "Fatah controls all the institutions of the PA such as the Radio and Television Broadcasting, the Central Bureau of Statistics, the Monetary Authority, and the Controller's Office".³³¹ Even more significant was Fatah's complete control and monopoly over all of the security apparatuses, its loyalists filling the positions of all high-ranking officers as well as the vast majority of personnel.

Further, the Fatah political 'kitchen' continued to dominate and control the ongoing negotiations with Israel (these individuals included Arafat himself, Mahmoud Abbas,

³²⁹ Ibid.

³³⁰ Jamil Hilal, *The Palestinian Political System after Oslo: An Analytical Study* (Ramallah: Muwatin, 1998) p. 198.

³³¹ Hilal, p. 200.

Ahmad Qurei and Saeb Erekat, and Yasser Abed Rabbo, who was not Fatah but very close to Arafat.)

Key Fatah personalities established companies that monopolized the importation (particularly from Israel) of essential commodities. Israel allowed that as part of its carrot-and-stick policy. This added to Fatah's already comparably significant economic power base.

Thus, the major characteristic of the newly established PA was that it was dominated by one party, Fatah. It was a one-party regime. Nabil Amr, prominent Fatah leader, elected member of the Legislative Council and later a minister in the PA said: "The relationship between Fatah and the PA can be described as a merger. The PA is Fatah and Fatah is the Palestinian Authority, and the others are there only as decoration."³³²

The transformation of Fatah into an organization controlling the major sources of power of the PA raised sensitive questions—even more so when significant players in Fatah were made government employees and members of the security services. As Legislative Council Speaker Ahmad Qurei stated in an interview in *al-Quds* newspaper on 7 May 1997, "The number of employees in the various institutions of the Palestinian Authority in May 1997 is 79,000, most of whom are members of Fatah."

Some analysts argued that Fatah domination of the PA was required for it to fulfil the special security role it was supposed to play according to the Oslo agreement. Jamil Hilal says in this regard:

The fact that the majority of the Palestinian security forces are members of Fatah is an indicator of its role, particularly in light of growing Israeli (and American) pressure on the Palestinian Authority to oppress the opposition under the pretext of fighting terror. This reflects an attempt to transform the authority into an agent for Israel.³³³

³³² Nabil Amer, *Journal of Palestine Studies* 21, Winter 1995.

³³³ Hilal, p. 201.

These arrangements helped to enhance the public position of the returning Palestinian leadership of Fatah in general, and Arafat in particular, and managed to create a regime that was similar to many of the Arab regimes. It was mixture of a one-party regime and a patrimonial legacy. As Jamil Hilal put it: “The Oslo agreement has hastened, or has been manipulated to hasten, developments in the Palestinian political system toward what appears to be a one-party system generating a neo-patrimonial bureaucratic regime under the supreme authority of one leader”.³³⁴

All this appears to have been endorsed by Israel. The V.I.P.—Very Important Person—that was initially mentioned in the Interim Agreement as being afforded certain special rights, on one hand reflected Israeli approval of the new Palestinian leadership, and on the other hand aimed at creating further dependency of the authority on Israel. This is particularly significant because this same leadership and Authority was in talks with Israel for implementation of the DOP.

The Election of the Raas and the Palestinian Legislative Council

The second phase of the establishment of the PA differed in its incorporation of elected representatives into the structures of the PA, commencing with the first ever Palestinian general elections. The idea of elections was conceptualized in the first agreement, the DOP, signed in Washington on 13 September 1993. This agreement stated: “In order that the Palestinian people in the West Bank and Gaza Strip may govern themselves according to democratic principles, direct, free and general political elections will be held for the council under agreed supervision and international observation, while the Palestinian police will ensure public order.”³³⁵

The DOP was also clear that, although these elections were to be “free and democratic”, the exact details and dates of the vote were subject to approval by Israel. “An agreement

³³⁴ Hilal, “The Effect of the Oslo Agreement on the Palestinian Political System”, *After Oslo: New Realities, Old Problems*, edited by George Giacaman and Dag Jorund Lonning (Lansing: University of Michigan Press, 1998) p. 77.

³³⁵ Declaration of Principles on Interim Self-Government Arrangements, Washington DC, 13 September 1993.

will be concluded on the exact mode and conditions of the elections in accordance with protocol attached as Annex 1, with the goal of holding the elections not later than nine months after the entry into force of this Declaration of Principles”.³³⁶

The details of the establishment of the PA were further developed in the 1995 *Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip*. The description of the structure of that Authority in the agreement included that “the Palestinian Council and the *Ra’ees* [‘president’, but also ‘head’ in Arabic] of the Executive Authority of the council constitute the Palestinian Interim Self-Government Authority, which will be elected by the Palestinian people of the West Bank, Jerusalem and Gaza Strip for a transitional period”.³³⁷

The PA that was appointed by the PLO functioned from 5 July, 1994 to January 1996. President Arafat called for the first Palestinian elections through Presidential Decree Number 1 for the year 1995. Arafat signed this decree in his capacity as Chairman of the Executive Authority of the Palestinian Liberation Organization and as the President of the Palestinian National Authority a post he assumed as leader of the PLO. Article 1 of that decree stated that “[t]he Palestinian people in the Gaza Strip, the West Bank and Jerusalem are called to take part in general, free and direct elections. They will elect the President of the Palestinian National Authority and the Members of the Palestinian Council on Saturday 20 January 1996.”³³⁸

On 14 December, 1995, President Arafat issued a second decree in which he divided the OPT into 16 constituencies and specified the number of seats in each one. In addition, the decree allocated five seats for Christians in various areas. Seven days later, in decree number three, Arafat appointed a Central Election Commission that included nine public figures and was headed by Mahmoud Abbas, the number two man in the PLO and Fatah. Decree number four established a Central Election Appeals Court that included five judges.

³³⁶ Ibid.

³³⁷ Ibid.

³³⁸ Jerusalem Media and Communication Centre, *The Palestinian Council* (Jerusalem: JMCC, 1998) p. 15.

While the elections went according to these presidential decrees, the resolutions of the Central Election Commission and the bylaws established by the PLO, at the same time, everything was done in accordance with the stipulations of the agreements signed with Israel. Annex two of the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, signed in Washington on 28 September 1996 and entitled “Protocol Concerning Elections”, addresses all issues concerning the elections. Included in this annex were the scope of responsibilities of the Central Election Commission, the right to vote, registration arrangements, qualification and nomination of candidates, election campaigns, format for canvassing information, international observation of the elections, and arrangements concerning the elections in Jerusalem. Annex Two was clear that:

1) Pursuant to Article III of the Declaration of Principles and in accordance with the provisions of this Annex, direct, free and general elections will be held for the council and simultaneously for the *Ra'ees* of the Executive Authority. 2) The holding of elections for the position of the *Ra'ees* and for the Palestinian Council shall be governed by this Annex and the Law on the Election of the *Ra'ees* and the Palestinian Council and the regulations made under this law. The Election Law and the election regulations shall be consistent with the provisions of this agreement.³³⁹

The agreement also specified the structure of the council. It stipulated that the Palestinian Council, with the *Ra'ees* of the Executive Authority of the Council, would constitute the Palestinian Interim Self-Government Authority. It also stated that the Palestinian people in the West Bank, Jerusalem, and the Gaza Strip would elect the council for a transitional period not exceeding five years from the signing of the Gaza-Jericho Agreement on 4 May, 1994.

According to the agreement, territorial jurisdiction of the council encompassed the Gaza Strip except for Area C, which was to be gradually transferred to Palestinian jurisdiction in three phases. Each phase was to take place after an interval of six months, with the transfer to be completed 18 months after the inauguration of the Council. At this time, the council was to cover West Bank and Gaza Strip territory, except for issues that were to be negotiated in the permanent status negotiations. Territorial jurisdiction of the council

³³⁹ Israeli Palestinian Interim Agreement on the West Bank and the Gaza Strip, Article I, Annex II, p. 109.

included land, subsoil and territorial waters, in accordance with the provisions of the agreement.

The council was also to have legislative powers. The Interim Agreement defined legislation as “any primary and secondary legislation, including basic laws, laws, regulations and other legislative acts”.³⁴⁰ The primary legislative power was to lie in the council as a whole, but the *Ra'ees* of the Executive Authority of the council would have specific legislative powers including the power to initiate legislation or present proposed legislation to the council. In addition, he also would have the power to promulgate legislation adopted by the council. The *Ra'ees* would also be able to issue secondary legislation, including regulations, relating to any matter specified and lying within the scope established in the legislation adopted by the council.

The legislative powers of the council remained limited to what Israel had acceded to in this agreement. Israel also ensured that the accumulated body of laws and military orders it created though the 30 years of occupation, in order to consolidate that occupation, should remain intact. Point 4a of Article XVIII in the Chapter entitled “Legislative Affairs” states:

Legislation, including legislation which amends or abrogates existing laws or military orders, which exceeds the jurisdiction of the council or which is otherwise inconsistent with the provisions of the DOP, this agreement, or of any other agreement that may be reached between the two sides during the interim period, shall have no effect and shall be void *ab initio*.³⁴¹

The agreement also specified in detail the structure and composition of the Executive Authority of the Council. The agreement determined that the *Ra'ees* of the council should be an *officio* member of the Executive Authority. The Executive Authority would be structured in the following way:

All of the other members of the Executive Authority, except as provided in subparagraph (c) below, shall be members of the Council, chosen and proposed to the council by the *Ra'ees* of the Executive Authority and approved by the Council.

³⁴⁰ Ibid.

³⁴¹ Ibid., p. 21.

The *Ra'ees* of the Executive Authority shall have the right to appoint some persons, in number not exceeding 20% of the total membership of the Executive Authority, who are not members of the Council, to exercise executive authority and participate in government tasks. Such appointed members may not vote on meetings of the Council.

Non-elected members of the Executive Authority must have a valid address in an area under the jurisdiction of the Council.³⁴²

The Agreement ensured special relations between Israel and the council:

Israel and the council should seek to foster mutual understanding and tolerance and shall accordingly abstain from incitement, including hostile propaganda against each other. Israel and the council will insure that their respective education system contribute to peace between the Israeli and the Palestinian people and peace in the entire region, and will refrain from the introduction of any action that could adversely affect the process of reconciliation.³⁴³

The First Palestinian Elections

Elections took place on 20 February 1996 with a heavy international media and monitoring presence. International observers, headed by former American president Jimmy Carter, reported that the elections were generally free and fair. The elections were boycotted by the opposition. Hamas, the strongest opposition movement and the organization representing Islamic fundamentalists, declared a boycott and were joined by the Popular Front for the Liberation of Palestine (PFLP) and the Democratic Front for the Liberation of Palestine (DFLP). The boycott was based on the opposition of these groups to the Oslo agreements that had brought about the elections.

In the presidential elections, which took place in the same day, Chairman Arafat was the main candidate, in addition to an elderly women activist named Almeha Khalil. She made it clear that she sought simply to make the presidential election more meaningful by not leaving only one candidate in the race. Arafat won with comfortable majority, which farther consolidated his already established power and authority by giving him presidential statues.

³⁴² Ibid., p. 11.

³⁴³ Ibid. p. 12

Public opinion polls showed later that the position taken by opposition groups was not popular. In one poll, conducted after the conclusion of the elections, in answer to the question “Did the election results meet your expectations?”, only 21% said “no”; 39.8% said results had matched their expectations; and 32.4% felt results had “somewhat met” their expectation. Only 6.9% of respondents had no opinion.

In the same poll, only 20.4% felt that the elections had not been fair and only 21.5% were pessimistic about the future performance of the elected council.³⁴⁴

The timing of the election was politically significant, coming immediately after Israeli redeployment from the major cities and towns of the West Bank and Gaza Strip. The Israeli army pulled out of the West Bank town of Jenin on 19 November 1995. Arafat immediately paid a historical visit to Jenin and delivered a ‘liberation speech’ that was received with great public enthusiasm. The same thing happened in the town of Nablus when Arafat declared it liberated on 15 December, 1995, in Bethlehem on 21 December, in Ramallah on 30 December and in Tulkarm on 31 December.

Voter turnout in the Legislative Council elections proved to be high—70.13% in the West Bank and 87.18% in the Gaza Strip—making the average 75.86%. The same high levels of participation were witnessed in the presidential election, where the turnout was 71.6%.

The election results represented a huge victory for Fatah, which is unsurprising. This was due to the following:

1. The timing of the elections, coming just shortly after the Israeli withdrawals from all major Palestinian cities and towns, affecting a large percentage of the Palestinian population in the OPT. The withdrawals created a sense of optimism about the peace process and the Palestinian Authority.
2. The elections boycott of the opposition parties. Hamas (the Islamic fundamentalist movement) and the two leftist opposition factions, DFLP and PFLP,

³⁴⁰ JMCC, poll, n. 13, 1-2 February, 1996

declared a boycott of the elections on the basis of their opposition to the Israeli-Palestinian Interim Agreement which had stipulated these elections in the first place.

3. The fact that Fatah had a stranglehold on the PA structure including security, civilian and media positions in the period between the establishment of the provisional Palestinian government and the elections gave Fatah a huge advantage in the elections.

4. The heavy political weight of Chairman Arafat who, as head of Fatah and a historical leader, had special credibility among Palestinian public, especially in the OPT.

These factors are in addition to the fact that Fatah was the largest, strongest and richest political group in the PLO before the establishment of the PA, and was also seen as the leading political group in the history of the Palestinian struggle against the Israeli occupation.

According to a study published by the Jerusalem Media and Communication Centre, Fatah candidates won 68 of the 88 council seats, giving them a majority of 73%. The rest of the seats were distributed as follows: independent candidates (18%) won 16 seats. Four seats went to pro-Hamas independent candidates (a handful of Hamas members ran in the election despite their organization's decision to boycott the elections). One seat was won by a candidate from a small pro-Fatah party called Fida'. Finally, a PFLP candidate who also ran despite his faction's boycott took one seat.

The same study revealed other significant features about the composition of the elected Council. A majority (64) of the elected members were either PLO officials or close to the PLO. On the other hand, 78 of the elected members had been extremely active in the resistance against the Israeli occupation: 37 had been imprisoned and deported; seven had been deported, 8 had served long terms of imprisonment, 12 had been administratively detained, and 14 had a militant past. Data provided shows that: "Council members'

political history was a significant factor in winning the election, unlike in Jordan, for example, where many of the parliament members were elected on a tribal basis".³⁴⁵

Another significant feature was the disproportionately high number of returnees, with the PLO in the majority. Seven of the members were returning deportees, 29 PLO returnees, and 52 residents. What is even more significant in this regard is the fact that in 14 out of 16 constituencies, the candidates who received the highest number of votes were returnees who had served as high-ranking PLO officials *outside*.

A 'New' Political Elite

A 'new' political elite was in the making. It was composed of the returning PLO/Fatah political 'kitchen', the monopoly elite, and the high ranking officials in the military and civilian structures. This elite was characterised by its political and economic dependency on Israel, and therefore, it was a soft negotiator with Israel.

As noted above, the Palestinian leadership established the PA after the signing of the first agreement, and in parallel, started the negotiations that led to the Interim Agreement. In these negotiations and those that followed, Palestinians were increasingly in a disadvantageous position. This was first due to the fact that the agreement, as has been shown, further shifted the balance of power against the Palestinians, who become hostage to Israeli demands. Second, and also as result of the agreement, a new elite was created amongst the Palestinian leadership and bureaucracy, an elite with vested interests in specific relations with Israel that were not always in harmony with the national interests of the Palestinian people.

When Israeli officials evaluate the DOP, they take these features into consideration, particularly the fact that the terms of the agreement kept the Palestinian side dependant on Israel, and created an even more dependant elite. It is interesting to note the way in which an Israeli government official described the DOP to the Israeli opposition:

³⁴⁵ Jerusalem Media and Communication Centre, *The Palestinian Council*, Figure 5.

We control electrical power, water resources, and telecommunications and so on. We control everything. There are a number of natives who serve as middlemen. What could suit our purposes better? If you read it, [asking the opposition to read Oslo agreement] you not only will accept it, you will become its enthusiastic supporters. The power imbalance between the Palestinians and us never served our interests better in the past, even before the Intifada.³⁴⁶

The Palestinian delegation that was charged with the task of negotiating the Interim Agreement and subsequent talks was effected by the new reality wrought by the earlier negotiations and agreements. Specifically, four aspects of the new reality had negative effects for the later negotiations: 1) the new Palestinian elite and its links with Israel; 2) dependency on Israel; 3) arrangements that left Palestinian-controlled towns and cities—the populated areas—separated by Israeli-controlled blocs; and 4) absolute Israeli control over borders.

The first point was the least visible but most effective. The agreement, together with the style of governance adopted by the PA, led to the creation of a group of individuals who had narrow interests that did not necessary conform to those of the nation and the public. Better relations with Israel better served these narrow interests, and Israel used this leverage on order to extract concessions from this group. Azmi Bishara was one of the first to tackle this sensitive issue. He wrote:

This group of co-opted individuals—which includes also some former militants and prisoners—has become in a way, a clientele network, and for them the main issue is how to keep the peace process alive under all circumstances. In the process itself, privileges can become a source of pressure on them; for example after any ‘terrorist’ action or during Israeli holidays a hermetic closure in the Occupied Territories is imposed by Israel. During this closure all permits to pass the checkpoints are cancelled, including those granted to the so-called VIPs. Only members of the exclusive status (VIP 1)—new categories invented by Israel—are allowed to keep the permits.³⁴⁷

VIP status and its related procedures and categories was first introduced in the Interim Agreement, detailed in Section F, Appendix 5, Article XIII from Annex 1. It is a special status granted to “holders of most senior positions within the council and officers of the

³⁴⁶ Legal Adviser to the Israeli Foreign Ministry, quoted from *Ha'aretz* by Azmi Bishara in “Reflections on the Realities of the Oslo Process,” published in *After Oslo*, p. 221.

³⁴⁷ *Ibid.*, pp. 220-221.

Palestinian police of the rank of Major General (hereinafter—category 1)”. There are also categories 2 and 3.

The granting of VIP status is carried out through the provision of a special identity card. The PA must apply for these cards from the Israelis and “Upon approving VIP status, the CAC will issue to the person concerned a certificate confirming such status”.³⁴⁸

The VIP cards allow the holders special treatment both at the crossing points and in passing Israeli military checkpoints in the West Bank and Gaza strip. VIPs are allowed to enter Israel and Jerusalem, as Jerusalem is considered by Israel as annexed to Israel. The VIP cards are even more important because of the division (by Israeli-drawn borders around Jerusalem) of the West Bank into isolated northern and southern regions, which means that few people can travel freely throughout the area.

Other respected Palestinian intellectuals noticed the influence of material advantages on the political behaviour of some PA officials. Professor Edward W. Said posed the following question:

Many of Arafat’s advisers are intelligent men and women. Why are they so silent? And why do the most gifted so willingly accept a few material advantages (a car, an office, a position, a VIP designation) in return for continuing to work with a man whose tactics they loathe and whose mistakes over the past few years they know, and have said openly, have brought us as Palestinians and as Arabs to one of the lowest point in our history?³⁴⁹

Following the establishment of the PA, Israel has been in a position to exert extremely effective pressure on the Palestinians at almost no cost. By invalidating the VIP pass, Israel can prevent the meeting, and consequently the functioning, of the most vital government, security and non-government bodies. Members of the Legislative Council, of the Cabinet and of the higher Security Council and other security commanding committees, all whom are from the different Palestinian towns, villages and refugees camps, would subsequently not be able to travel from one controlled Palestinian area to the other in order to convene meetings.

³⁴⁸ Interim Agreement, Section 5, Article 8, annex 1.

³⁴⁹ Edward W. Said, *The End of the Peace Process* (New York: Pantheon Books, 2000) p. 136.

The PA itself was also weakened politically and made dependent to a large extent—including economically—on Israel. The Israeli-Palestinian Interim Agreement on the West Bank and Gaza Strip seriously weakened the Palestinian political position. It removed a number of conditions that previously had been sources of leverage for the Palestinian side, and added to the leverage of the Israelis.

Prior to the agreement, political conditions were dominated by the struggle between the two sides. The Israelis were occupying the OPT, controlling the Palestinians in the OPT and exploiting the economy there. The Palestinians in turn were suffering but resisting and struggling in various ways. Direct resistance through armed struggle was a heavy security burden on Israel. Intifada-style resistance was a huge moral and security problem for the Israelis, and damaged Israel's international public image.

Furthermore, being in conflict with Palestinians denied Israel any acceptance in the region, keeping it entirely isolated. The Arab boycott of Israel was reason enough for many countries to refuse to recognise or establish political relations with Israel.

Legally, international law and legitimacy required Israel to adhere to all the relevant resolutions of the United Nations. That would have included withdrawal from all of the OPT, including East Jerusalem, in addition to dismantling the settlements. Relevant UN resolutions also required Israel to guarantee the Palestinian refugees the right of return or compensation.

After the agreement, and because of it, many aspects of this political reality changed. The PA was required by the agreement to play a security role, which resulting in the crushing of all forms of armed resistance. In addition, the agreement created a situation whereby there was no interaction between the Palestinian public and Israelis, whether they were civilians, settlers or military (the PA was the go-between). The political implication of such arrangements was that an Intifada-type resistance became virtually impossible. This was a direct result of the Israeli evacuation of Palestinian populated areas and the placing of those areas under Palestinian security control.

The PLO formally recognized Israel and committed itself in the agreement to cooperation with Israel and to a role in facilitating regional cooperation. This opened the door for Israel

to end its isolation in the region. Another result was that the international image of Israel was transformed from an aggressive and oppressive state to a partner in a peace process.

These examples illustrate the level of dependency on Israel created by the agreements, and the extent to which the PA was virtually hostage to Israeli will. These striking political, economic, legal and administrative realities have clearly influenced the way the PA and the delegations to the peace talks have negotiated with Israel in follow-up negotiations.

One way to measure the impact is to look at some relevant aspects of the outcome of these negotiations. As shown below, the later agreements marked further consolidation of the PA's dependency on Israel. The Interim Agreement left Israel with the upper hand in administering the powers and responsibilities given to the PA. In many cases, the Palestinian side required Israeli approval, or Israel was otherwise in a position to object or veto procedures, decisions or legislation. An example of this was the arrangements for crossing points to Egypt and Jordan explained in detail earlier here.

Another example from the same annex relates the responsibilities of the manager of the Palestinian wing of the crossing, who has the responsibility of hiring but only after Israeli approval. Section 2 point A of the annex says: "The assignments of the Manager of the Palestinian wing shall be the following: a. employment of Palestinian staff in the Palestinian wing. The list of Palestinian candidates for employment for the Palestinian wing shall be passed by the manager of the Palestinian wing director general for security clearance."³⁵⁰

The PA inherited a legal and administrative system and structure from the occupation. It also committed itself to legal and administrative constraints that were not mentioned in the agreement itself. The agreement created numerous joint committees to handle procedural and administrative aspects of Palestinian life. In addition, committees dealing with legal matters and disputes were also established on several levels.

³⁵⁰ Ibid.

A typical way of restricting the responsibilities of the Palestinian side was through joint committees that reach decisions by consensus. Article 16, Annex III deals with the sensitive issue of government and absentee land and immovable: "Powers and responsibilities of the Custodian of Government and the Absentees Property in the West Bank and the Gaza Strip with regard to Government and Absentees Land and immovable, shall be transferred from the military government and its Civil Administration to the Palestinian side."³⁵¹ The next point goes on to say: "The Palestinian side shall respect the legal rights of the Israelis (including corporations owned by Israelis) related to government and Absentee land located in the areas under in the areas under the territorial jurisdiction of the Council."³⁵²

The next two points in the same article set restrictions that neutralize the previously-transferred responsibility.

- a. The Palestinian court shall be empowered to deal with disputes regarding rights related to land.
- b. Notwithstanding the above, when Israeli or Palestinian consider that his or her rights may be affected by any enforcement, confirmation or registration proceedings, he or she may request, within 30 days from the receipt of information by the CAC in accordance with subparagraph
- c. below, that the issue be brought before a Professional Joint Committee established by the two side.³⁵³

Other examples of this same problem are noted in Article 22 on land registration. The powers and responsibilities on land registration were transferred by the agreement to the PA, however, if a Palestinian or Israeli person or entity felt that his or her rights were affected, they could complain to the Israeli-Palestinian joint committee. The article confirmed that: "Pending the approval by the joint Committee, no enforcement,

³⁵¹ Ibid., p. 148.

³⁵² Ibid.

³⁵³ Ibid.

confirmation or registration, regarding which the objection has put forward, may be carried out or registered in the Land Registry or in any other relevant registry”.³⁵⁴

The Interim Agreement suffers from the same problem at the legislative level. The Palestinian Authority has legislative powers; its legislation should not contradict with the other articles of the agreement. Any dispute that arises over whether or not a piece of legislation is in contravention of the agreement will be referred to a joint legal committee and the disputed legislation will take effect only when this committee has reached a consensus decision.

Point two of Article XVIII, Chapter 3, in the main body of the agreement states that “[t]he Council has the power, within its jurisdiction as defined in article XVII of this agreement, to adopt legislation.” This power, however, is restricted in point 4.a. of the same article, which states the following:

Legislation, including legislation which amends or abrogates existing laws or military orders, which exceeds the jurisdiction of the council or which is otherwise inconsistent with the provisions of the DOP, this agreement or of any other agreement that may be reached between the two sides during the interim period, shall have no effect and shall be void and *initio*.³⁵⁵

Point 5 of the same chapter commits the PA to communicate any new legislation to Israel: “All legislation shall be communicated to the Israeli side of the Legal committee”.³⁵⁶ In addition, to ensure that the PA can legislate only what Israel does not object to, the agreement gave Israel the possibility to review such legislation. Point 6 of the same chapter says:

Without derogating from the provisions of paragraph 4 above, the Israeli side of the legal committee may refer for the attention of the committee any legislation regarding which Israel considers the provisions of paragraph 4 apply, in order to discuss issues arising from such legislation. The legal committee will consider the legislation referred to it at the earliest opportunity.³⁵⁷

³⁵⁴ Ibid., p. 154.

³⁵⁵ Ibid.

³⁵⁶ Ibid.

³⁵⁷ Ibid., p. 20.

The Economic Status of the Palestinian National Authority

Economic relations between Israel and the Palestinian side were regulated in the *Protocol on Economic Relations*. This protocol was negotiated between Israel and PLO representatives in France and signed in Paris on 29 April, 1994. Later this protocol became Annex 5 in the *Israeli-Palestinian Interim Agreement on the West Bank and Gaza Strip*.

The economic protocol was perceived to be an important component of the agreement; its preamble stated that “[t]he two parties view the economic domain as the cornerstone in their mutual relations with a view to enhance their interest in the achievement of a just, lasting and comprehensive peace”.³⁵⁸

The economic agreement maintained complete Palestinian dependency on the Israeli economy, and did not mark any move towards economic independence. A prominent indicator to this would be the indirect taxes. Point 7 in article III stated the following: “The Palestinian Authority will levy Value Added Taxes at one rate on both locally produced goods and services and on imports by Palestinians. (Whether covered by the three lists mentioned above or not, it may fix it at the level of 15% to 16 %).”³⁵⁹

One of the most prominent critics of the Economic Protocol came from a specialized professional study group that was assembled by the private sector company, Management Consulting Services. The study was commissioned by and in cooperation with the President’s Office. The task of the study group was to review the difficulties raised by the Economic Protocol two years after the start of implementation.

The report presented to the President noted that:

This agreement does not create a customs union between two symmetrical parties, because the Israeli customs policy forms the basis of the Palestinian economy. Israel can alter customs scales and prices unilaterally without Palestinian approval, and without any consideration for Palestinian interests.

³⁵⁸ Interim Agreement, Annex V, p. 214.

³⁵⁹ Interim Agreement, Economic Protocol, p. 218.

It [the agreement] is a custom union with the strong entity controlling the weak one and, with some exceptions, the previously-determined commodities list. The customs policy based on the agreement and imposed on the Palestinians and which were formulated according to Israeli economic priorities, are not based on Palestinian development needs. These needs demand special custom policy, not necessarily protective, but different from the Israeli priorities.³⁶⁰

Another important point raised by the report referred to the gap between the agreement and its implementation; in addition, it noted the negative impact of Israeli measures.

The first article reaffirmed the geographical unity of the Palestinian territory. The actual implementation of the agreement showed a clear contradiction between what was stated in the preamble and the first article, which created the basis of the agreement, and what is actually happening on the ground because of ongoing Israeli measures taken against the Palestinian economy. The last of these measures was the closure imposed in February 1996, which has lasted for more than a month, and the prolonged internal closure of the Palestinian territories between isolated cantons, all of which has caused the Palestinian economy losses totalling hundreds of millions of dollars.³⁶¹

The situation achieved by the agreement conformed with well-known Israel objectives. Emma C. Murphy concluded that: "In the end, the Israeli wishes prevailed. A custom union was established between Israel, the West Bank and the Gaza Strip. With the Israeli import tariff, other trade taxes, import licensing and standards have all been accepted by the Palestinians."³⁶²

The DOP served another objective Israel had always sought: the use of its new relations with Palestinians as a bridge to regional markets. Emma C. Murphy concluded that:

The Declaration [DOP] further sought to link projected Palestinian economic development to a regional economic development program that would integrate Israel into network of regional trade and economic cooperation and trump the Arab boycott. In return for passing responsibility for welfare of the territories (which it

³⁶⁰ *The Palestinian-Israeli Economic Agreement: A Study of Problems and Shortcomings* (Ramallah: Management Consultancies Service, April 1996) p. 3.

³⁶¹ *Ibid.*, p. 4.

³⁶² Emma C. Murphy, *Israel and the Palestinians: The Economic Rewards of Peace?* (Durham: University of Durham, March 1995) p. 14.

continued to occupy) to the PLO, the international donor community and the private sector, Israel would gain access to markets and investments long denied.³⁶³

The economic reality created by the agreement left the Palestinian side weaker and even more dependent, while delivering direct and indirect benefits to Israel. The agreement with the Palestinians succeeded in beginning the process of ending the Arab boycott of Israel. Murphy quoted an Israeli journalist as saying:

[S]ince its inception, [the Arab boycott against Israel] has been a relatively effective weapon. Official estimates put the damage caused by the boycott, mainly in its secondary and tertiary aspects, at some \$40 billion. Even if this figure is inflated, the boycott was clearly effective in blocking the formation of working relations between Israeli and multinationals, from Europe and Asia in particular.”³⁶⁴

That was important to Israel and has always been an Israeli and American demand of the Arab states. The annual report of the American Trade Bureau of March 2000 reported American success in dismantling the Arab boycott of Israel:

Jordan's ending of the boycott has been in effect since 16 August 2000, with the implementation of legislation that implemented the Jordanian-Israeli peace treaty. Egypt ended all aspects of boycott after 1980 as result of the implementation of the Egyptian-Israeli Peace Treaty. The Palestinian Authority agreed in a letter to the American Commerce attaché in 1998, not to implement the Arab boycott. Members of the Arab Gulf Cooperation Council announced in September 1994, that it is no longer abiding by the boycott in the second degree. In 1996, both Oman and Qatar ended their boycott and established commercial arrangements with Israel. The list of the Arab countries that stopped implementing the Arab boycott includes Mauritania, Morocco, Tunis, which recognized Israel and established limited diplomatic relations. In addition, Yemen gave up practical implementation of the Arab boycott, and Algeria is only committed to the boycott in principle but not in practice.³⁶⁵

Even when we look at the peace process in conjunction with the 'new world order' and the process of globalization, the Palestinian side is still the loser, particularly on the economic level. In one of the first studies of the political economy of the Middle East peace process, Murphy wrote that:

³⁶³ Emma C Murphy, "Stacking the Deck The Economics of the Israeli-PLO Accords", *Middle East Report* (May-June/July-August 1995) p. 36.

³⁶⁴ *Ibid.*, p. 18.

³⁶⁵ *Al-Ayyam* newspaper, Ramallah, no 1587 vol 5 (2000).

There still will be winners and losers. The Palestinians still are being excluded from the economic development process. International aid and infrastructure building may repair some of the damage done by Israel in the nearly 30 years of occupation, but they do not equate with sustainable development. The current terms of the Israeli PA agreement still impose restrictions on such development.³⁶⁶

Mohammed Shtayyeh, director-general of the Palestinian Economic Council for Development and Reconstruction (PECDAR), summarized the impact of Israeli policies and practices vis-à-vis the Palestinian economy following the Interim Agreement and the Economic Protocol. He noted:

The Palestinian GDP declined in 1997 by 24% compared with 1993, and annual per capita income declined from \$1800 to 1100 in West Bank and from \$1400 to \$750 in Gaza Strip. As result Palestinian' purchasing power declined as well and many fell below the poverty line—some 500,000 people, 30% of the population, were living on less than two dollars a day. In addition, the unemployment rate increased to 41% in Gaza Strip, and 29% in West Bank. One of the most devastating effects of the Israeli closure policy is that it lessens investor confidence in Palestine.³⁶⁷

The conclusion can clearly be drawn that the Palestinian economy, already devastated as result of 30 years of occupation, was not in much better position after the agreement. Israeli measures, the closure policy in particular, combined with the stipulations of the Economic Protocol, further weakened the Palestinian economy to a point where even planning for development or rehabilitation was impossible. This weakness was also reflected in the Palestinian economy's structural and infrastructure dependence on the Israeli economy, with water, electricity and telecommunications for the OPT being supplied by Israel.

On the level of infrastructure, the combination of 30 years of Israeli military occupation and the Interim Agreement left Palestinian infrastructure totally dependent on Israel. The agreement gave the PA powers and responsibilities related to the water supply, while leaving the water supply and decision of whether to dig wells reliant on Israeli approval.

³⁶⁶ Emma C. Murphy, "The Arab-Israeli Peace Process: Responding to the Economics of Globalization", *Critique* (Fall 1996) p. 11.

³⁶⁷ Mohammed Shtayyeh, *The Palestinian Economy in the Transitional Period* (Jerusalem: PECDAR, 1999) p. 18.

Point G, Article 40, Annex III, states: “Existing water and sewage systems shall be operated in coordinated manner, as set out in this Article”.

The same annex establishes a Joint Water Committee. With regard to the JWC’s decision-making and the structure, the Point 13 states: “The JWC shall be comprised of an equal number of representatives from each side”. Point 14 of the same article states: “All decisions of the JWC shall be reached by consensus, including the agenda, its procedures and other matters”. Schedule 8 of the same annex specifies the responsibilities and obligations of the (JWC). According to Point A of that schedule: “All licensing and drilling of new wells and the increase of extrication from any water sources by either side shall require the prior approval of the JWC”.³⁶⁸

Palestinian telecommunications are equally dependent on Israel. While the PA operates the local telecommunication network, connections with the *outside* world can only go through the Israeli system. An official from the Palestinian Telecommunications Company, Paltel, said:

All the international calls from the Palestinian territories [made] through the Palestinian telecommunication system can only be transmitted through two switchboards, one in Ramallah and one in Gaza, and from there it goes through the Israeli telecommunication system. At the moment, and as result of privatizing telecommunication in Israel, Paltel can choose with which Israeli international telecommunication company to go.³⁶⁹

The most severe Palestinian infrastructure dependency is in the field of electricity and power supply. At the start of the Israeli occupation, electricity was generated by two bodies, the Jerusalem Electricity Company, and some municipalities such as Nablus and Gaza. During the period of the occupation, however, these sources were gradually weakened and eventually stopped any production. The president of the Jerusalem Electricity Company, Mr. Hussein said in this regard:

Both municipalities and the Jerusalem Electricity Company, which is owned by municipalities and Jordanian Government, used to produce 100% of the electricity supply needed in the West Bank, including East Jerusalem and Gaza strip. Israeli

³⁶⁸ Interim Agreement, Annex III, Point G, Article 40.

³⁶⁹ Interview with Mr. W. N, member of the board of executives of Paltel, Ramallah, March 2000.

policies were responsible for a gradual decline until production fell to zero. At the moment, 100% of the electricity we supply is purchased from Israel.³⁷⁰

After the signing of the DOP, the international community decided to establish a financial mechanism that would provide the necessary support for the Palestinian people. From the very beginning, its aim was to provide an incentive to Palestinians 'to buy in' to the peace process. Its immediate objective was to help in both the reconstruction process and the process of building the institutions of the future state. However, with the deteriorating economic situation of the authority, the international aid began to evolve to serve other functions.

This evolution was first visible as the aid began to form 'compensation' to Palestinians for losses resulting from Israel's reluctance to implement the agreements, and economic damage done by the Israeli closure policy and restrictions on the movement of persons and cargo. The second change was that the funding sought to 'encourage' the Palestinian leadership to be more forthcoming in its negotiations with Israel, and in cracking down on radical opposition elements.

The United States was instrumental in this aspect. A research project on foreign aid and development in the OPT published in Jerusalem described how the international community met in Washington on 1 October, 1993 at a US-hosted conference to support the Middle East peace process. This conference concluded with the donor community pledging US \$2,996,32 million to the Palestinians to be disbursed between 1994 and 1998. At the donor conference in Washington DC on 30 November, 1998, donors pledged a further 3.8 billion for the next five years; the US alone pledged to increase donations from US\$500 million to US\$900 million.³⁷¹ (For further details on this subject, see Rex Brynen's book.)³⁷²

³⁷⁰ Interview with Mr. Ali Hussein, president of Jerusalem Electricity Company, Jerusalem, March 2000.

³⁷¹ The Jerusalem Media and Communications Centre, *Foreign Aid and Development in Palestine*, (Jerusalem: JMCC, 1999), p. 3.

³⁷² Rex Brynen, *A Very Political Economy: Peace Building and Foreign Aid in the West Bank and Gaza Strip* (July, 2000)

Increasing economic decline and growing political opposition made the PA desperate for donors' financial and economic aid. The United States, being the leading and most influential donor country and close ally of Israel, manipulated the international aid to increase the dependency of, and extract more negotiation concessions from, the PA. In the beginning, donors insisted on proper financial audits, accountability and transparency. Later, however, there began to be a trade-off: these conditions were relaxed apropos to the delivery of more flexible negotiating positions. It is interesting to observe that international donor conferences were usually timed to convene after major negotiations breakthroughs.

These developments weakened the PA position vis-à-vis Israel while at the same time strengthened and consolidated Arafat's patrimonial rule.

The Council Responds

Three main factors were responsible for the poor performance of the new co-opted, compromised, largely pro-Arafat Fatah leadership and its subsequently tense relationship with the public and the elected council. One was economic decline resulting from both weak agreements and harmful Israeli practices. Second was mismanagement and corruption, and third was Israeli unwillingness to stop consolidating the occupation even as it proceeded with agreements meant to implement a Palestinian statehood.

The Fatah majority of the council meant that Arafat still wielded considerable authority over the council. But these elected representatives also felt accountable to their constituencies, a public that was likely to vote again in another election. As will be shown, the behaviour of the council towards the executive branch was a reflection of public opinion towards the executive.

The 400-page Interim Agreement written in legalese was not easy to read and decipher. At the same time, the leadership (also in control of the media) was exaggerating its positive aspects. The agreement's signing was accompanied by symbolic and sometimes substantive achievements that created a public euphoria glossing over the agreement's details.

It was only when the agreement was implemented that the public started to understand it. The public observed that the agreement had no clauses to stop Israel's land confiscation,

settlement expansion and other occupation practices. In addition, it was clear that no matter how ‘good’ the agreement was, Israel seemed not very serious about its implementation. Economic deterioration dragged on the public’s spirits and shone a light on the new authority’s incompetence.

Israeli settlement policies, which are illegal and considered by Palestinians as incompatible with the peace process, were also observed and documented by the UN. The report of the United Nations Economic and Social Council dated 22 July 1997 concluded that:

The building of settlements in and around Jerusalem and near the green line did not stop during the Governments led by Prime Minister Yitzhak Rabin and Shimon Peres, despite continuous assurances that settlement activities would be frozen. Following his election as a prime minister in May 1996, and his establishment of a new government, Benjamin Netanyahu initiated a policy of building in areas where settlement building has been frozen, negatively affecting the peace process.³⁷³

More precisely, Sara Roy noticed that:

[I]n the years between the Oslo inception and its unofficial end in September 2000...influx of 100,000 new Israeli settlers into the West Bank and Gaza—which doubled the settler population—and the addition of at least 30 new Israeli settlements, and settlement related infrastructure since 1993. During that time, the Government of Israel confiscated over 40,000 acres of Palestinian land—much of it viable agricultural land worth more than \$1 billion.³⁷⁴

All that led to gradual but growing doubts from the public concerning the implementation of the agreement, and led critics to raise their voices against the agreement and the authority. This took some time, however, and the lag was reflected in the Legislative Council, which also came rather late to raise these issues before the executive.

The debate and the tensions between the Palestinian Legislative Council and the PA, particularly the executive, mirror the debate and tensions that have emerged between the authority and the general public. While a certain amount of debate between executive and legislative branches of any governing authority is healthy and even desirable, in the

³⁷³ General Assembly, Fifty-second session, Item 12, Report of the Economic and Social Council 1997, Geneva. (Full account of Israeli settlements expansion can be found in that report.)

³⁷⁴ Roy, *Failing Peace*, p. 234

Palestinian case the lack of political legitimate opposition form, Fatah's domination, and the lack of independence all help to limit the constructive nature of any debate.

In the beginning, the council's operations were marked by relatively smooth relations with the Authority, largely because the council was concentrating on political issues surrounding relations with Israel, which were tense anyway. The council generally avoided controversial (domestic) issues and was supportive of the fledgling Authority.

A typical example of the discourse of this period can be found amongst the early resolutions of the council, e.g. Resolution number (5/2/2) of the Palestinian Legislative Council, passed during the second session of the first term held in Ramallah 3-3 April 1996. This resolution called on the council to:

First: To encourage and deepen democratic dialogue between all Palestinian forces, of all political and ideological positions, in order to strengthen Palestinian national unity and to support the Palestinian Authority, the existence of which is a national achievement on the road to establishing a Palestinian state with Jerusalem as its capital. Second: to call upon the Palestinian National Authority to request from the Israeli government that it respect the letter and the spirit of the agreement signed with the PLO.³⁷⁵

Thus, the nature of the council's activities and the resolutions passed reflected the situation at the time. The main concerns of the general public at that time were the fact that Israel was not implementing the agreement, and was taking repressive measures damaging to the Palestinian population. The same resolution continues:

Israel should immediately end the arrest campaigns and house raids targeted at our people and the deportation of Gazan students from the West Bank, given that the Gaza Strip and the West Bank are one geopolitical unit. In addition, the PNA should demand Israel's commitment to establish a safe passageway between the two areas and end the siege and closure imposed on the Palestinian National Authority territories, which separates families.³⁷⁶

At a later stage, however, and as result of both the changing political reality and the dynamics of the democratic process and representation, relations between the council and

³⁷⁵ Jerusalem Media and Communication Centre, *The Palestinian Council*, p. 82.

³⁷⁶ Ibid.

the authority began to change. Tense debate started to replace previously smooth relations. This could be explained by differences in interests, which also began to emerge along with the changing reality. Two main areas of tension marked the new relationship: the political arena and the area of governance (or the non-political performance) of the PA.

There are several cases (e.g. the row over political prisoners) that exemplify these two dimensions. The PA, after political pressure from Israel and the US government, launched a widespread campaign of arrests targeting alleged Islamic fundamentalists, which gave rise to numerous violations of human rights. This sparked strong public protests, and calls for the public's elected representative to act to protect human and civil rights. The result was heated debates in the council sessions between PLC members and members of Arafat's cabinet, which frequently ended in the issuance of resolutions critical of the authority. Council resolution 48/7/1 is a good example:

To request that the Executive immediately release [detained] students of universities, colleges and secondary schools so they can sit exams which will start on Saturday 8 June 1996, and to similarly release all teachers and professors.

To request from the Executive authority to release all detainees who have not been proven guilty.

To request that the Executive authority bring to court those who have been found guilty.

To request that the Executive authority adhere to the procedures detailed in the Trial Law [for arrest, investigation, and search] No. 4 of 1924.³⁷⁷

On the political level, Israel's measures against Palestinians, its lack of respect for the signed agreements, and especially its settlement expansion policy and the Palestinian public's protests against them all influenced positions taken by the council, which conflicted with policies of the executive. Thus, on the political level, there was increasing tension resulting from the clash of conflicting interests. The PA, while concerned about Israeli settlement expansion, was unable to take any practical measures to halt it, since this could have damaged the authority's relations with the US government and with Israel and might have interfered with the flow of funds to the PA from donor countries.

³⁷⁷ Jerusalem Media and Communication Centre, *The Palestinian Council*, p. 101.

The difference in interests and its impact on Authority actions led the council to call for drastic action. In session no 58/9/1, in Ramallah, the council issued a resolution which included the following: "To request the Executive Authority study a proposal calling for freezing multilateral negotiations and linking them with the extension of the Israeli government's commitment to halting land confiscation, settlement expansion and construction of bypass roads".³⁷⁸

Another point of tension between the authority and the council was the idea of having a Basic Law—equivalent to a constitution in independent countries—that would govern relations between the different branches of the authority (legislative, executive and judiciary) as well as relations between the public and the authority. Article 1 of the third draft of this basic law states that: "The Palestinian people are the source of all authorities which shall be exercised, during the transitional period, through the legislative and judicial authorities in the manner provided for in this Basic Law".³⁷⁹

The president of the PA kept stalling and making objections to specific points of the draft Basic Law until it was assumed that his ratification would never occur. One prominent Fatah Council member recalled:

We kept arguing with Abu Ammar [Arafat] about the Basic Law until we realized that no matter how much time and effort we put in, the Old Man was not going to sign it. There are two possible explanations for this. One is that the Basic Law includes articles that would annoy the Israelis, who would claim that it was in violation of the Interim Agreement. The other is that this document restricts the President's power and would force on him a style of governance that he is not accustomed to.³⁸⁰

One example of what could be considered a violation of the agreement can be found in Article 5 of the draft Basic Law, which says:

Jerusalem shall be the capital of Palestine. During the transitional period, the PA may set up the government headquarters in any other place in Palestine". Another example is in Article 6, which says: "Sovereignty over the national resources in

³⁷⁸ Ibid., p. 107.

³⁷⁹ Draft Basic Law, Occasional Document Series (Jerusalem: Jerusalem Media and Communication Centre, June 1994) p. 3.

³⁸⁰ Interview with Legislative Council member Marwan Barghouti, March 2000.

Palestine is vested in the Palestinian people, and shall be exploited and disposed of in the interests of the Palestinian people according to law.³⁸¹

The PLC became more and more critical of the authority, and this coincided with an increase in the public's criticism of the authority. The PLC's public standing began to slide because it was unable to deliver to the public. The arrest of the prominent journalist Daoud Kuttab was an illustration of the situation. Kuttab was the director of an independent television program responsible for the live broadcasts of PLC sessions, including heated debates between council members or between the council and cabinet members. Exposing these sessions to the public proved embarrassing to the executive and Kuttab was arrested by PA security forces. The PLC intervened on his behalf but failed to get him released, which was a public humiliation for the elected body. The council then adopted a strongly-worded resolution in its 11th session:

Denouncing the arrest by the one of the security organs of Brother Daoud Kuttab and affirming that he broadcasted Council sessions only after signing an official contract with the Council.

To continue transmitting the sessions of the Council, and to form an information committee to implement this.³⁸²

The debate over the issue of corruption and mismanagement within the PA marked the climax of the tension between the council and the Authority. The Council, after a rise in public anti-corruption protests, established a committee to investigate the issue and formulate policy recommendations. The results of opinion polls taken during this period reflect the level of public concern over the issue of corruption, with a vast majority of the public believing that there was corruption in PA.

The committee emphasised to the Legislative Council:

[T]he necessity of correcting the legal framework of companies which were established with public funds and with which Palestinian Authority officials and employees have been involved. The committee recommends one of the following methods: 1) turning them into public corporations in which both the public and

³⁸¹ The Basic Law of the Palestinian Authority

³⁸² Jerusalem Media and Communication Centre, *The Legislative Council*, p. 187.

private sectors have a vested interest; 2) turning them from private corporations to legally established public sector institutions.³⁸³

The nature and consequences of these monopolies will be thoroughly examined in the next chapter.

The public started to complain against lack of accountability and transparency, in addition to human rights abuses, but monopolies were the mostly criticised by the public which was reflected in research and reports such as the following example:

The PA has also introduced monopolies where the encouragement of competition would have served the public interests better. These unregulated and unaccountable monopolies, in the hands of few powerful figures, control major sectors of the economy...there is a clear link between lack of accountability and lack of development.³⁸⁴

In a public opinion poll conducted by JMCC on 3-4 April 1997, 78.8% of Palestinians questioned felt there was either some corruption or large-scale corruption in the PA. That same poll showed that the public had a poor opinion of the performance of the Legislative Council. When asked to *evaluate* the PLC's general performance 6.9% felt it was very good, 46.9% good, 24.6% bad, and 7.3 very bad. In addition, 14.3% gave no answer.

This low rating was not the result of the political role played by the PLC; the public seemed satisfied with the political and representative level of the council's performance. The same poll showed 73.9% of respondents feeling that the council did represent the political aspirations of the Palestinian people. Therefore, it is likely that the public was critical of the weakness in the accountability role of the council. The growing public criticism of the authority encouraged the council to take more active role, particularly regarding the governance role of the authority, however, that was limited by the fact of the Fatah majority of the council.

Pursuant to Legislative Council resolution number (2-11-169), issued 27 May 1997, a special committee was formed of members from both the Budget & Financial Affairs

³⁸³ Legislative Council Resolution No 1/9/57.

³⁸⁴ Christian Aid, *Losing ground, Israel, poverty and Palestinians*, p. 49.

Committee and the Public Monitoring Committee. This committee was given a mandate to investigate the issue of corruption within the PA and submit its findings and recommendations to the council within three weeks.

The committee carried out their investigation in the majority of departments of the authority and presented their recommendations to the PLC, highlighting illegalities and corruption in most departments and ministries. The committee's report also referred some of the cases uncovered to the general prosecutor:

In conclusion and as a result of what has been previously stated, the committee recommends that the honoured Council demand: that the head of the dissolve the cabinet and form a new, professionally qualified cabinet; further, to prohibit the return of any ministers convicted of wrong-doing or who have not performed their duties well; moreover, to fully authorize the new cabinet to conduct immediately administrative and structural reforms and follow up the implementation of this report's recommendations.³⁸⁵

The cabinet responded by "putting their resignations at the disposal of the President", who ignored the report and took no action. One year later, the PA president had a cabinet reshuffle in which he removed no one, but added several new members, including three council members who had helped draft the corruption investigatory report.

It can be argued that the issues raised by the council are largely representative of the public's concerns. But the extent to which the council was able to exert pressure in its relations and debate with the authority did not meet public expectations. This explains the systematic decline in the council's public rating in public opinion polls.

Conclusion

The implementation of agreements with Israel allowed the PLO leadership to return to the OPT and to establish the first Palestinian authority on Palestinian land. These

³⁸⁵ Jerusalem Media and Communication Centre, *The Legislative Council*, p. 170.

developments were perceived as important achievements, however, it can be concluded from this chapter, that this achievement came at a heavy price.

Poor Palestinian negotiating performance, as discussed in previous chapters, led to flawed agreements and problematic implementation. The interim agreement produced an authority that was structurally dependent on Israel. When the Authority's patrimonial style of governance was combined with Israeli measures, the Palestinian people under the new PA found themselves in deteriorating political and economic conditions. That led to the opening of heated debates between the public and the authority, which further weakened it, not only vis-à-vis its public, but in facing Israel as well. An indicative example is the monopolies that provided Arafat with further means of implementing patrimonial rule, but at the same time sparked criticism that led the elected Council to appoint a special committee to investigate the issue of monopolies and companies enjoying special privileges

As result of its inability to face deteriorating economic conditions, the PA pursued aid from the international donor community, which was in turn used to blackmail and further weaken it in negotiations. The PA's desperation, combined with a leadership style learned in exile in the Arab world, led to poor governance. Corruption became evident and led to serious rifts between the elected council and the executive authority; nevertheless, the Fatah majority in the council limited the corrective role the council attempted to play.

This chapter has demonstrated that the flaws and weaknesses of the PA were detrimental to Palestinians' subsequent negotiating performance, aggravating the imbalance of power between the two sides. These flaws, however, resulted at least in part from the nature of the agreement, which itself was the product of weak and ineffective negotiating positions.

A vicious circle developed on the Palestinian side of the negotiating table. Poor performance in talks with Israel helped to produce flawed agreements that further weakened the Palestinian side in all respects, including their ability to negotiate with Israel. More flawed agreements resulted, and so the cycle continued.

In closure, the Palestinian leadership was ultimately transformed as a result of that circle of failure. It became compromised, dependant on Israel, incapable of facing political and

economic challenges, and most important, oppressive in its response to public criticism. Its style in both negotiating and governing led it to lose its original reservoir of power—public confidence and support garnered through the years of exile and uprising—leaving it helpless before Israel’s whims and dictates.

CONCLUSIONS

This thesis sought to answer the following question:

“To what extent did the composition and behaviour of the Palestinian leadership have an impact on the process and outcomes of negotiations with Israel from the Madrid conference to the Oslo interim agreements?”

The thesis answered this question by concluding that the change in the leadership composition of negotiating teams, specifically marginalization by the external leadership of the internal leadership (replacing previously complementary relations), led to poor negotiating performance and ultimately flawed agreements. These, in turn, (and bearing in mind a continuously hostile negotiating environment) led to still poorer performance in the on-going negotiations. A vicious cycle of weak performances and flawed agreements was established which can therefore, *in part at least*, be attributed to the composition and behaviour of the Palestinian leadership as it was represented in the negotiating teams.

The invitation to the peace process arrived when the Palestinian leadership in exile *outside* was at its weakest, and sought to further weaken it by restricting participation in the peace talks to Palestinians from the OPT except East Jerusalem. The *outside* leadership, comprised of Arafat’s inner circle in Tunis, had its own legitimacy, institutional and financial power but decided to fall back on the strong political support and loyalty of the leadership in the OPT by appointing a delegation from *inside* in order to avoid the political danger of exclusion and marginalization. The Palestinian delegation from *inside* was selected from individuals with popular credibility and the credentials of struggle, which meant that they were loyal to the *inside*’s main source of power, the Palestinian public in the OPT. Thus, the relationship between the *inside* and *outside* leaderships was complementary: the *inside* needed the legitimacy and political access of the *outside*, and the *outside* needed the unity and representation of the *inside*. This mutual opportunism exposed, however, each leadership’s differences in structure and priorities, which stemmed from their different contexts. Because its priorities and approach prevailed, the *outside* manipulated the *inside* delegation to encourage secret but direct talks between the PLO and Israel in Oslo, in parallel with the talks in Washington. The Oslo talks’ lack of structure and terms of reference, the absence of a third party, as well as the missing expertise of the

negotiators from the OPT (who had personal knowledge of both the Israelis and the terrain), led to a weak Palestinian performance. The imbalance of powers between Israel and the Palestinians prevailed, and resulted in an agreement that was flawed. This, combined with an unfavourable environment created by Israel's expansion of illegal settlements, the asymmetry of power, and the biased position of the US mediator, led to flawed *implementation* of the agreement. Among the unfortunate outcomes of the DOP was the creation of a Palestinian Authority that was structurally dependent on and compromised by Israel, which thereafter affected the Palestinian leadership's implementation of subsequent agreements. Thus, a vicious cycle was created where problematic structure, delegation composition, and the leadership and delegation's behaviour led to poor process, which in turn brought about flawed agreements, which influenced the Palestinian performance – and so on.

This thesis began by surveying the extensive literature available on the Washington and Oslo negotiations processes. The survey reveals areas of misunderstanding and gaps in knowledge. This thesis sought to fill some of these gaps and correct some wrong conclusions.

The literature survey discloses scholars' serious misunderstandings about the Palestinian leadership, particularly the relations between its two components, *inside* and *outside*. The literature perceived the leadership as a bureaucratic structure existing in exile, where the *inside* was more moderate than *outside*, and that the relationship between these two components of the leadership was static and competitive. In contrast, however, this thesis concluded that the Palestinian leadership was perceived by Palestinians as a framework for political unity, taking the lead in their struggle and embodying their national aspirations for self-determination and return. The PLO incorporated the leadership *inside* and *outside*, whose relations were dynamic and changing but more complementary than competitive. The evolution of their shared political position did not result from one moderate force influencing another group, but rather through natural, healthy debates both *inside* and *outside* that produced a position advocating the two-state solution based on international legality.

As Chapter One concludes, much of the literature approached the peace process analytically by focusing on its outcomes and blaming the actors, especially Palestinians. To

judge the process by its outcomes was premature and led to incorrect analyses. In addition, the overwhelming tendency of scholars to explain the process' outcomes, particularly negative results, by blaming the leaders was insufficient. Instead, this thesis showed that focusing on the structure of the leadership and negotiations delegation, in addition to the structure of the process, more sufficiently explains the outcome. The best example of this was the Palestinian inner circle's decision to turn to the secret Oslo channel, which had a structure that stripped the Palestinian side of its strengths and safeguards—namely, terms of reference, a third party and Palestinian public opinion—and left Palestinians to the mercy of the balance of power.

To better understand the nature, structure, behaviour and internal relations of the Palestinian leadership during the talks, this thesis showed the evolution of the leadership through the lessons of history, including the environment in which both the *inside* and *outside* leaderships emerged.

Our foremost conclusion in this regard was that at the outset of the peace process the *inside* and *outside* were interdependent in the sense that the *inside* leadership, which was subject to the rigors of the Israeli occupation, needed the guidance and support of the *outside* in order to develop and mature. In the same way, the *outside* needed the loyalty and legitimacy it received from the *inside*. Both sought political and organizational unity for strength and recognition. The leadership in the OPT and the leadership *outside* had a complementary relationship, therefore, that enabled both of them to survive the challenges of Palestinian participation in the peace process, and the danger of exclusion, in the eve of the process and its beginnings.

The common existential challenges facing the Palestinian people everywhere unified them politically in demanding an end to the occupation, the establishment of an independent state and the return of the refugees. The challenge posed by attaining legitimacy and recognition, both vital for survival and success, brought together the *inside* and *outside* under one umbrella organization, the PLO.

This thesis proved that the contrasting realities out of which these two leaderships were born, however, led them to subsequently employ different approaches and priorities. The *inside* leadership was faced with the immediate dangers of the Israeli occupation—

settlement expansion in particular—and the harassment experienced by Palestinians in the OPT. Similarly, living in Palestinian society protected the political positions of the *inside* leadership, ensuring adherence to the public interest. Elections held in various institutions in the OPT provided accountability. The *outside* leadership, on the other hand, was more concerned with its immediate role and the challenges of achieving legitimacy and recognition (and later on, maintaining it), ensuring a place and status in the Arab world, as well as the required financial resources. These differing circumstances led to a dichotomy in interests, even as the *inside* and *outside* leaderships had the same political position and relied upon each other for survival.

This dichotomy enabled the PLO to overcome the Israeli-imposed and American-enforced conditions for Palestinian participation in peace talks, while hoping to improve on those conditions during the course of the negotiations. Their complementary relationship, the *inside*'s loyalty to the *outside*, and the *outside*'s confidence in the *inside*, enabled Palestinians to participate in the historically-significant Madrid conference through a PLO-appointed delegation representing the agreed-on position of the PLO. This led to growing Palestinian and international support for the cause.

One of the main findings of the thesis was that during the talks, and despite political and organizational harmony, differences in priorities between the two components of the leadership began to emerge. Mindful of the need to achieve recognition of the PLO as the legitimate representative of the Palestinian people, the delegation was more concerned with achieving the gradual end of the occupation, beginning with an acknowledgment of its legal status and by achieving a halt to the occupation's further consolidation. The *outside* leadership, on the other hand, was primarily concerned with achieving recognition and financial security for itself and playing a direct role in the negotiations, alongside the other objectives of ending the occupation.

More importantly, this thesis concludes that the structure of the process, and its effect on the behaviour of the leadership, was one of the main causes of its failure. The open-ended nature of the process, the vagueness of the terms of reference, restrictions on Palestinian representation, and the partial role of the sponsor all contributed to the weakness of the Palestinian leadership, and its negotiations performance. An illustration of this was when the PLO leadership, seeking to participate in the negotiations, manipulated the Washington

delegation to encourage Israel to bypass them and turn to secret but direct talks, thus paying the price of abandoning all terms of reference.

One of the most interesting analyses of these structural problems was offered by Professor Herbert Kelman:

The major structural limitation of the Oslo agreement, which put the new relationship to severe test, was the lack of explicit commitment to the two-state solution as the endpoint of negotiation, [because of this] both Arafat and Rabin did maintain reserve options as fall-back positions in the event the arrangements and the negotiations stipulated for the interim period did not work out as they had hoped. On the Israeli side, the reserve option was to resume control over Palestinian territories; on the Palestinian side, it was to resume armed struggle.³⁸⁶

The individualistic style of leadership and the marginalizing of PLO institutions, together with a decline in coordination between the leadership and the delegation of the *inside*, allowed poor negotiations performance on the part of Palestinians at the new secret channel in Oslo. Desperate for recognition and a direct role in the talks, the PLO leadership (in fact, only Chairman Arafat and another four leaders) bypassed the *inside* leadership, PLO institutions and the Palestinian public. That led to negotiations that had no terms of reference or moderating third party, and excluded the expertise gained by the delegation to the Washington talks and their extensive knowledge of the OPT and Israel.

As this thesis concludes, the immediate impact of this new structure was a trade-off: Arafat committed Palestinians to ending the Intifada (even as Israel escaped earlier Palestinian demands that it stop consolidating the occupation), in exchange for Israel's recognition of the PLO as the representative of the Palestinian people and the party in charge of implementing agreements, alongside promises that Israel would later negotiate the substantial issues of Jerusalem, refugees and settlements.

This negotiating structure and behaviour led to an unprecedented decline in cooperation and coordination between the *inside* and *outside* leaderships and, to the beginning of the marginalization of the *inside* by the *outside*. This, in turn, negatively affected the

³⁸⁶ Herbert Kelman, "The Israeli-Palestinian Peace Process and Its Vicissitudes", *American Psychologist*, Vol. 62, No. 4, 287-303 (2007) p. 292.

complementary relationship that was an important source of strength for both parts of the leadership and the Palestinian cause. Moreover, this change led the Oslo talks to focus on generalities and symbolic issues at the expense of the practical and substantial issues that were raised by the *inside* leadership in Washington. This, in turn, led to the end of the deadlock and a flawed agreement.

This thesis also concludes that the sudden announcement of the DOP agreement, its positive reception by PLO institutions and the Palestinian public, and the recognition of the PLO by Israel and its return to the OPT led to an increase in the popularity of the PLO leadership *outside* and strengthened its political standing. These developments in turn deepened the *outside* leadership's structural and performance deficiencies, and enabled it to co-opt and marginalize the *inside* leadership, thereby leading to even worse performance.

The return of the *outside* PLO leadership to the OPT in accordance with the agreement naturally ended the *inside-outside* dichotomy, which had previously played a positive role in Palestinian politics, including the negotiations. At the same time, this opened the door for the establishment of the Palestinian Authority and the creation of new elite. The authority and its elite were shaped largely by the restrictions of the agreement and the individualistic and patrimonial nature of the returning leadership.

The thesis showed how the agreement encouraged structural dependency of the Palestinian Authority on Israel. In addition, Israel allowed PLO-initiated companies to monopolize the import of vital commodities from and through Israel. These monopolies, together with the new security elite, civilian bureaucratic elite and the top PLO returning leadership, formed the new leadership structure in the OPT. With this new composition, the Palestinian leadership/Authority was also charged with continuing the negotiations for the implementation of the rest of the agreement.

The Palestinian public first came face-to-face with this historic leadership, not as a symbol of unity and leader of struggle, but rather as a government under severe restrictions and characterized by specific interests, as Chapter Two of this thesis explained, can be accounted for by class and other interests shared with Arab regimes.

The flimsy agreements and their implementation, the dependent PA and the vested interests of the new elite, together with the resumption of Israeli occupation measures that exposed the real nature of the agreements encouraged opposition to the agreements and led to a gradual decline in the public position of the leadership.

As Chapter Five illustrated, in the negotiations that followed, Israel took advantage of the growing weakness of the leadership, which was now more dependent on Israel and desperate for progress in the talks and for foreign financial aid, which was also manipulated to pressurize the Palestinian leadership. That enabled Israel to extract more concessions, and consequently produced poorer agreements.

This thesis concluded that a cycle was thus established: poor negotiations performance led to flawed agreements that negatively affected the structure and performance of the leadership which led to an increase in violence and strengthened the opposition, reducing the leadership's popularity and allowing it to be further exploited in negotiations.

Chapter Six concluded that an outcome of that cycle was that the Palestinian leadership became compromised, corrupt, dependent on Israel, incapable of facing challenges, and most important, oppressive in its response to public criticism. Its style of negotiating and leadership led it to lose its original reservoir of power—public confidence and support garnered through the years of exile and uprising—leaving it helpless before Israel's whims and dictates.

As pointed out in several places in the thesis, the composition and behaviour of the leadership were not the only factors that impacted the outcome of the process; this thesis alludes to other factors whenever relevant. As showed earlier, the imbalance of power, Israeli practices on the ground in the OPT and the American bias towards Israel all played a role in determining the outcome. However, these other factors of the negotiations environment are beyond the scope of this thesis.

This conclusion invites further research on these objective factors that also had impacts on the outcome of the process. That will complement our research and make it possible to assess the different weights of the different factors affecting the outcome of the peace process.

The agreement allowed the PLO leadership to reproduce in the OPT the structure of governance that had dominated *outside*. The PA was largely patrimonial in nature, dominated by Arafat and a handful number of Fatah leaders who controlled the economy, security, PA bureaucracy, and above all, negotiations with Israel.

Now, however, as the thesis noticed above, these practices existed in a very different environment. After the experience of free and democratic elections, the Palestinian public and their elected council took positions against bad governance, corruption, and weakness in the face of Israeli violations of Palestinian rights. The Palestinian opposition gained in power, and tension grew between the public and the PA, which was thereby stripped of an important source of power—the public support of a people who had stood together for decades of steadfastness and struggle against occupation.

Where did this take us? Israel understood the Palestinian situation and reality, and manipulated its weaknesses. The first Palestinian Intifada was responsible for a transformation in the Israeli attitude: the use of force was no longer sufficient, and political compromise became inevitable. But while Israel may have prepared itself for an exchange of land for peace, in the course of negotiations, its leaders must have realized that they might be able to have their cake and eat it, too—in other words, achieve peace and its dividends without ending the occupation.

In parallel with the gradual Israeli co-option and neutralization of the Palestinian leadership, the Palestinian people were growing distant from their leadership, and the opposition was gaining ground. The ultimate outcome was that when the leadership was transformed, the public was not. Gradually, new expressions of its will started to emerge. As much as Israel might consider itself clever and victorious in the aftermath of the peace process, it should recognize that the strategy of taking advantage of the weaknesses of the Palestinian leadership at the expense of the Palestinian legitimate rights has been responsible for the emergence of Hamas as a rising leadership.

This has proved to be a short-sighted policy on the part of Israel. The Palestinian people in the OPT have been determined in rejecting the occupation and fighting for its end. After 40 years of occupation, this rejection appears to be as fresh as it was in 1967. The failure of the peace process to end the occupation, the deterioration of social and economic

conditions, and the poor governance of the PA, led to new trends in Palestinian public opinion. Gradually, public opinion shifted from supporting the Fatah leadership and the agreements it signed with Israel, to opposing it and supporting its opposition.

The collapse of Camp David final status negotiations opened the door for a return of Israeli direct occupation and renewed Palestinian resistance in the form of the 'second' Intifada. The leadership that was attached to the failure peace process became irrelevant, and the opposition Hamas movement, which was achieving the public's demand for revenge against the atrocities of the occupation, became growingly popular and ultimately won the parliamentary elections of 2006.

This conclusion invites further research into the effects of the Israeli approach to the peace process on the change in the attitudes of the Palestinian public, the fall of the historic leadership, and the rise of a new one: Hamas.

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APPENDICES

United Nation Security Council Resolution 242

(1967) of 22 November 1967

The Security Council,

Expressing its continuing concern with the grave situation in the Middle East,

Emphasizing the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security,

Emphasizing further that all Member States in their acceptance of the Charter of the United Nations have undertaken a commitment to act in accordance with Article 2 of the Charter,

1. Affirms that the fulfillment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles:

(i) Withdrawal of Israel armed forces from territories occupied in the recent conflict;

(ii) Termination of all claims or states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force;

2. Affirms further the necessity

(a) For guaranteeing freedom of navigation through international waterways in the area;

(b) For achieving a just settlement of the refugee problem;

(c) For guaranteeing the territorial inviolability and political independence of every State in the area, through measures including the establishment of demilitarized zones;

3. Requests the Secretary-General to designate a Special Representative to proceed to the Middle East to establish and maintain contacts with the States concerned in order to promote agreement and assist efforts to achieve a peaceful and accepted settlement in accordance with the provisions and principles in this resolution;

4. Requests the Secretary-General to report to the Security Council on the progress of the efforts of the Special Representative as soon as possible. Adopted unanimously at the 1382nd meeting.

United Nations Security Council Resolution 338

(1973) 22 October 1973

The Security Council

1. Calls upon all parties to the present fighting to cease all firing and terminate all military activity immediately, no later than 12 hours after the moment of the adoption of this decision, in the positions they now occupy;
2. Calls upon the parties concerned to start immediately after the cease-fire the implementation of Security Council resolution 242 (1967) in all of its parts;
3. Decides that, immediately and concurrently with the cease-fire, negotiations shall start between the parties concerned under appropriate auspices aimed at establishing a just and durable peace in the Middle East.

Adopted at the 1747th meeting by 14 votes to none.

1/ One member (China) did not participate in the voting.

US Letters of Assurances on the Terms of the Peace

Washington, October 1991

Letters of Assurances (LOSs) were issued to each party to the Conference by the United States in mid-October 1991.

The following are several of the main points of the US Letter of Assurance to the Palestinian Side: Palestinian and Israelis must respect each other's security, identity and political rights.

We believe that the Palestinians should gain control over political, economic and other decisions that affect them and their fate

The US will seek to avoid any prolongation and stalling by any party. All negotiations should proceed as quickly as possible toward agreement.

The U.S. is opposed to Israeli annexation of East Jerusalem and extension of Israeli law on it and the extension of Jerusalem's municipal boundaries. We encourage all sides to avoid unilateral acts that would exasperate local tensions or make negotiations more difficult or preempt their final outcome.

The US supports the right of Palestinians to bring any issue including East Jerusalem to the table. The purpose of negotiations transitional issues is to effect the peaceful and orderly transfer of authority from Israel to Palestinians. Palestinians need to achieve rapid control over political,

economic, and other decisions that affects their lives and to adjust to a new situation in which Palestinians exercise authority in the West Bank and Gaza.

Once agreed the interim self-governing arrangements will last for a period of five years. Beginning the third year of the period of self-governing arrangements, negotiations will take place on permanent status. It is the aim of the U.S. government that permanent status negotiations will be concluded by the end of the transitional period.

The US believes that no party should take unilateral actions that seek to predetermine issues that can only be reached through negotiations. In this regard the U.S. has opposed and will continue to oppose settlement activity in the territories occupied in 1967 which remain an obstacle to peace.

US-Soviet Letter of Invitation to the Peace Talks in Madrid

The following is the full text of the invitation to the Madrid peace conference jointly issued by US Secretary of State James Baker and Soviet Foreign Minister Boris Pankin to Israel, Syria, Jordan, Lebanon and the Palestinians.

19 October 1991

Your Excellency,

On behalf of President Gorbachev and President Bush, we are very pleased to convey the attached invitation. After extensive consultations with Israel, Arab states, and the Palestinians, we have concluded that an historic opportunity exists to advance the prospects for genuine peace throughout the region. The United States and the Soviet Union are deeply committed to helping the parties realize this opportunity.

We look forward to working with you closely in this historic endeavor, and count on your continuing support and active participation.

To facilitate preparations for the conference, and ensuring negotiations, we urgently request your positive response as soon as possible, but no later than 6:00 p.m. Washington time, 23 October.

Sincerely,

James A. Baker, III

Boris Dmitriyevich Pankin

Invitation

After extensive consultations with Arab states, Israel, and the Palestinians, the United Nations and the Soviet Union believe that an historic opportunity exists to advance the prospects for genuine peace throughout the region. The United States and the Soviet Union are prepared to assist the parties to achieve a just, lasting and comprehensive peace settlement, through direct negotiations along two tracks, between Israel and the Arab states, and between Israel and the Palestinians, based on United Nations Security Council Resolutions 242 and 338. The objective of this process is real peace.

Towards that end, the president of the U.S. and the president of the USSR invite you to a peace conference, which their countries will co-sponsor, followed immediately by direct negotiations. The conference will be convened in Madrid on 30 October 1991.

President Bush and President Gorbachev request your acceptance of this invitation no later than 6 P.M. Washington time, 23 October 1991, in order to ensure proper organization and preparations of the conference.

Direct bilateral negotiations will begin four days after the opening of the conference. Those parties who wish to attend the multilateral negotiations will convene two weeks after opening of the conference to organize those negotiations. The co-sponsors believe that those negotiations should focus on region-wide issues such as arms control and regional security, water, refugee issues, environment, economic development, and other subjects of mutual interest.

The co-sponsors will chair the conference which will be held at ministerial level. Governments to be invited include Israel, Syria, Lebanon and Jordan. Palestinians will be invited and attend as part of a joint Jordanian-Palestinian delegation. Egypt will be invited to the conference as a participant. The European Community will be a participant in the conference, alongside the United States and the Soviet Union and will be represented by its presidency. The Gulf Cooperation Council will be invited to send its secretary-general to the conference as an observer, and GCC member states will be invited to participate in organizing the negotiations on multilateral issues. The United Nations will be invited to send an observer, representing the secretary-general.

The conference will have no power to impose solutions on the parties or veto agreements reached by them. It will have no authority to make decisions for the parties and no ability to vote on issues or results. The conference can reconvene only with the consent of all the parties.

With respect to the negotiations between Israel and Palestinians who are part of the joint Jordanian-Palestinian delegation, negotiations will be conducted in phases, beginning with talks on interim self-government arrangements. These talks will be conducted with the objective of reaching agreement within one year. Once agreed the interim self-government arrangements will last for a period of five years. Beginning the third year of the period of interim self-government arrangements, negotiations will take place on permanent status. These permanent status negotiations, and the negotiations between Israel and the Arab states, will take place on the basis of resolutions 242 and 338.

It is understood that the co-sponsors are committed to making this process succeed. It is their intention to convene the conference and negotiations with those parties who agree to attend.

The co-sponsors believe that this process offers the promise of ending decades of confrontation and conflict and the hope of lasting peace. Thus, the co-sponsors hope that the parties will approach these negotiations in the spirit of good will and mutual respect. In this way, the peace process can begin to break down the mutual suspicions and mistrust that perpetuate the conflict and allow the parties to begin to resolve their differences. Indeed, only through such a process can real peace and reconciliation among the Arab states, Israel and the Palestinians be achieved. And only through this process can the peoples of the Middle East attain the peace and security they richly deserve.

Declaration of Principles on Interim Self-Government Arrangements

Washington DC, 13 September 1993

Contents

Declaration of Principles on Interim Self-Government Arrangements

Annex I: Protocol on the Mode and Conditions of Elections

Annex II: Protocol on Withdrawal of Israeli Forces from the Gaza Strip and Jericho Area

Annex III: Protocol on Israeli-Palestinian Cooperation in Economic and Development Programs

Annex IV: Protocol on Israeli-Palestinian Cooperation Concerning Regional Development Programs

Agreed Minutes to the Declaration of Principles on Interim Self-Government Arrangements

Exchanged Letters

Declaration of Principles

The Government of the State of Israel and the P.L.O. team (in the Jordanian-Palestinian delegation to the Middle East Peace Conference) (the "Palestinian Delegation"), representing the Palestinian people, agree that it is time to put an end to decades of confrontation and conflict, recognize their mutual legitimate and political rights, and strive to live in peaceful coexistence and mutual dignity and security and achieve a just, lasting and comprehensive peace settlement and historic reconciliation through the agreed political process. Accordingly, the two sides agree to the following principles:

Article I

AIM OF THE NEGOTIATIONS

The aim of the Israeli-Palestinian negotiations within the current Middle East peace process is, among other things, to establish a Palestinian Interim Self-Government Authority, the elected Council (the "Council"), for the Palestinian people in the West Bank and the Gaza Strip, for a transitional period not exceeding five years, leading to a permanent settlement based on Security Council Resolutions 242 and 338.

It is understood that the interim arrangements are an integral part of the whole peace process and that the negotiations on the permanent status will lead to the implementation of Security Council Resolutions 242 and 338.

Article II

FRAMEWORK FOR THE INTERIM PERIOD

The agreed framework for the interim period is set forth in this Declaration of Principles.

Article III

ELECTIONS

1. In order that the Palestinian people in the West Bank and Gaza Strip may govern themselves according to democratic principles, direct, free and general political elections will be held for the Council under agreed supervision and international observation, while the Palestinian police will ensure public order.
2. An agreement will be concluded on the exact mode and conditions of the elections in accordance with the protocol attached as Annex I, with the goal of holding the elections not later than nine months after the entry into force of this Declaration of Principles.
3. These elections will constitute a significant interim preparatory step toward the realization of the legitimate rights of the Palestinian people and their just requirements.

Article IV

JURISDICTION

Jurisdiction of the Council will cover West Bank and Gaza Strip territory, except for issues that will be negotiated in the permanent status negotiations. The two sides view the West Bank and the Gaza Strip as a single territorial unit, whose integrity will be preserved during the interim period.

Article V

TRANSITIONAL PERIOD AND PERMANENT STATUS NEGOTIATIONS

1. The five-year transitional period will begin upon the withdrawal from the Gaza Strip and Jericho area.
2. Permanent status negotiations will commence as soon as possible, but not later than the beginning of the third year of the interim period, between the Government of Israel and the Palestinian people representatives.
3. It is understood that these negotiations shall cover remaining issues, including: Jerusalem, refugees, settlements, security arrangements, borders, relations and cooperation with other neighbors, and other issues of common interest.
4. The two parties agree that the outcome of the permanent status negotiations should not be prejudiced or preempted by agreements reached for the interim period.

Article VI

PREPARATORY TRANSFER OF POWERS AND RESPONSIBILITIES

1. Upon the entry into force of this Declaration of Principles and the withdrawal from the Gaza Strip and the Jericho area, a transfer of authority from the Israeli military government and its Civil Administration to the authorised Palestinians for this task, as detailed herein, will commence. This transfer of authority will be of a preparatory nature until the inauguration of the Council.

2. Immediately after the entry into force of this Declaration of Principles and the withdrawal from the Gaza Strip and Jericho area, with the view to promoting economic development in the West Bank and Gaza Strip, authority will be transferred to the Palestinians on the following spheres: education and culture, health, social welfare, direct taxation, and tourism. The Palestinian side will commence in building the Palestinian police force, as agreed upon. Pending the inauguration of the Council, the two parties may negotiate the transfer of additional powers and responsibilities, as agreed upon.

Article VII

INTERIM AGREEMENT

1. The Israeli and Palestinian delegations will negotiate an agreement on the interim period (the "Interim Agreement").

2. The Interim Agreement shall specify, among other things, the structure of the Council, the number of its members, and the transfer of powers and responsibilities from the Israeli military government and its Civil Administration to the Council. The Interim Agreement shall also specify the Council's executive authority, legislative authority in accordance with Article IX below, and the independent Palestinian judicial organs.

3. The Interim Agreement shall include arrangements, to be implemented upon the inauguration of the Council, for the assumption by the Council of all of the powers and responsibilities transferred previously in accordance with Article VI above.

4. In order to enable the Council to promote economic growth, upon its inauguration, the Council will establish, among other things, a Palestinian Electricity Authority, a Gaza Sea Port Authority, a Palestinian Development Bank, a Palestinian Export Promotion Board, a Palestinian Environmental Authority, a Palestinian Land Authority and a Palestinian Water Administration Authority, and any other Authorities agreed upon, in accordance with the Interim Agreement that will specify their powers and responsibilities.

5. After the inauguration of the Council, the Civil Administration will be dissolved, and the Israeli military government will be withdrawn.

Article VIII

PUBLIC ORDER AND SECURITY

In order to guarantee public order and internal security for the Palestinians of the West Bank and the Gaza Strip, the Council will establish a strong police force, while Israel will continue to carry the responsibility for defending against external threats, as well as the responsibility for overall security of Israelis for the purpose of safeguarding their internal security and public order.

Article IX

LAWS AND MILITARY ORDERS

1. The Council will be empowered to legislate, in accordance with the Interim Agreement, within all authorities transferred to it.

2. Both parties will review jointly laws and military orders presently in force in remaining spheres.

Article X

JOINT ISRAELI-PALESTINIAN LIAISON COMMITTEE

In order to provide for a smooth implementation of this Declaration of Principles and any subsequent agreements pertaining to the interim period, upon the entry into force of this Declaration of Principles, a Joint Israeli-Palestinian Liaison Committee will be established in order to deal with issues requiring coordination, other issues of common interest, and disputes.

Article XI

ISRAELI-PALESTINIAN COOPERATION IN ECONOMIC FIELDS

Recognizing the mutual benefit of cooperation in promoting the development of the West Bank, the Gaza Strip and Israel, upon the entry into force of this Declaration of Principles, an Israeli-Palestinian Economic Cooperation Committee will be established in order to develop and implement in a cooperative manner the programs identified in the protocols attached as Annex III and Annex IV.

Article XII

LIAISON AND COOPERATION WITH JORDAN AND EGYPT

The two parties will invite the Governments of Jordan and Egypt to participate in establishing further liaison and cooperation arrangements between the Government of Israel and the Palestinian representatives, on the one hand, and the Governments of Jordan and Egypt, on the other hand, to promote cooperation between them. These arrangements will include the constitution of a Continuing Committee that will decide by agreement on the modalities of admission of persons displaced from the West Bank and Gaza Strip in 1967, together with necessary measures to prevent disruption and disorder. Other matters of common concern will be dealt with by this Committee.

Article XIII

REDEPLOYMENT OF ISRAELI FORCES

1. After the entry into force of this Declaration of Principles, and not later than the eve of elections for the Council, a redeployment of Israeli military forces in the West Bank and the Gaza Strip will take place, in addition to withdrawal of Israeli forces carried out in accordance with Article XIV.

2. In redeploying its military forces, Israel will be guided by the principle that its military forces should be redeployed outside populated areas.

3. Further redeployments to specified locations will be gradually implemented commensurate with the assumption of responsibility for public order and internal security by the Palestinian police force pursuant to Article VIII above.

Article XIV

ISRAELI WITHDRAWAL FROM THE GAZA STRIP AND JERICHO AREA

Israel will withdraw from the Gaza Strip and Jericho area, as detailed in the protocol attached as Annex II.

Article XV

RESOLUTION OF DISPUTES

1. Disputes arising out of the application or interpretation of this Declaration of Principles, or any subsequent agreements pertaining to the interim period, shall be resolved by negotiations through the Joint Liaison Committee to be established pursuant to Article X above.
2. Disputes which cannot be settled by negotiations may be resolved by a mechanism of conciliation to be agreed upon by the parties.
3. The parties may agree to submit to arbitration disputes relating to the interim period, which cannot be settled through conciliation. To this end, upon the agreement of both parties, the parties will establish an Arbitration Committee.

Article XVI

ISRAELI-PALESTINIAN COOPERATION CONCERNING REGIONAL PROGRAMS

Both parties view the multilateral working groups as an appropriate instrument for promoting a "Marshall Plan," the regional programs and other programs, including special programs for the West Bank and Gaza Strip, as indicated in the protocol attached as Annex IV.

Article XVII

MISCELLANEOUS PROVISIONS

1. This Declaration of Principles will enter into force one month after its signing.
2. All protocols annexed to this Declaration of Principles and Agreed Minutes pertaining thereto shall be regarded as an integral part hereof.

DONE at Washington, D.C., this thirteenth day of September, 1993.

For the Government of Israel: (SHIMON PERES)

For the P.L.O.: (MAHMOUD ABBAS)

Witnessed By: The United States of America: (WARREN CHRISTOPHER)

The Russian Federation: (ANDREI KOZYREV)

ANNEX I

PROTOCOL ON THE MODE AND CONDITIONS OF ELECTIONS

1. Palestinians of Jerusalem who live there will have the right to participate in the election process, according to an agreement between the two sides.

2. In addition, the election agreement should cover, among other things, the following issues:

a. the system of elections;

b. the mode of the agreed supervision and international observation and their personal composition; and

c. rules and regulations regarding election campaign, including agreed arrangements for the organizing of mass media, and the possibility of licensing a broadcasting and TV station.

3. The future status of displaced Palestinians who were registered on 4th June 1967 will not be prejudiced because they are unable to participate in the election process due to practical reasons.

ANNEX II

PROTOCOL ON WITHDRAWAL OF ISRAELI FORCES FROM THE GAZA STRIP AND JERICHO AREA

1. The two sides will conclude and sign within two months from the date of entry into force of this Declaration of Principles, an agreement on the withdrawal of Israeli military forces from the Gaza Strip and Jericho area. This agreement will include comprehensive arrangements to apply in the Gaza Strip and the Jericho area subsequent to the Israeli withdrawal.

2. Israel will implement an accelerated and scheduled withdrawal of Israeli military forces from the Gaza Strip and Jericho area, beginning immediately with the signing of the agreement on the Gaza Strip and Jericho area and to be completed within a period not exceeding four months after the signing of this agreement.

3. The above agreement will include, among other things:

a. Arrangements for a smooth and peaceful transfer of authority from the Israeli military government and its Civil Administration to the Palestinian representatives.

b. Structure, powers and responsibilities of the Palestinian authority in these areas, except: external security, settlements, Israelis, foreign relations, and other mutually agreed matters.

c. Arrangements for the assumption of internal security and public order by the Palestinian police force consisting of police officers recruited locally and from abroad (holding Jordanian passports and Palestinian documents issued by Egypt). Those who will participate in the Palestinian police force coming from abroad should be trained as police and police officers.

d. A temporary international or foreign presence, as agreed upon.

e. Establishment of a joint Palestinian-Israeli Coordination and Cooperation Committee for mutual security purposes.

f. An economic development and stabilization program, including the establishment of an Emergency Fund, to encourage foreign investment, and financial and economic support.

Both sides will coordinate and cooperate jointly and unilaterally with regional and international parties to support these aims.

g. Arrangements for a safe passage for persons and transportation between the Gaza Strip and Jericho area.

4. The above agreement will include arrangements for coordination between both parties regarding passages:

a. Gaza-Egypt; and

b. Jericho-jordan.

5. The offices responsible for carrying out the powers and responsibilities of the Palestinian authority under this Annex II and Article VI of the Declaration of Principles will be located in the Gaza Strip and in the Jericho area pending the inauguration of the Council.

6. Other than these agreed arrangements, the status of the Gaza Strip and Jericho area will continue to be an integral part of the West Bank and Gaza Strip, and will not be changed in the interim period.

ANNEX III

PROTOCOL ON ISRAELI-PALESTINIAN COOPERATION IN ECONOMIC AND DEVELOPMENT PROGRAMS

The two sides agree to establish an Israeli-Palestinian Continuing Committee for Economic Cooperation, focusing, among other things, on the following:

1. Cooperation in the field of water, including a Water Development Program prepared by experts from both sides, which will also specify the mode of cooperation in the management of water resources in the West Bank and Gaza Strip, and will include proposals for studies and plans on water rights of each party, as well as on the equitable utilization of joint water resources for implementation in and beyond the interim period.

2. Cooperation in the field of electricity, including an Electricity Development Program, which will also specify the mode of cooperation for the production, maintenance, purchase and sale of electricity resources.

3. Cooperation in the field of energy, including an Energy Development Program, which will provide for the exploitation of oil and gas for industrial purposes, particularly in the Gaza Strip and in the Negev, and will encourage further joint exploitation of other energy resources. This Program may also provide for the construction of a Petrochemical industrial complex in the Gaza Strip and the construction of oil and gas pipelines.

4. Cooperation in the field of finance, including a Financial Development and Action Program for the encouragement of international investment in the West Bank and the Gaza Strip, and in Israel, as well as the establishment of a Palestinian Development Bank.

5. Cooperation in the field of transport and communications, including a Program, which will define guidelines for the establishment of a Gaza Sea Port Area, and will provide for the establishing of transport and communications lines to and from the West Bank and the Gaza Strip

to Israel and to other countries. In addition, this Program will provide for carrying out the necessary construction of roads, railways, communications lines, etc.

6. Cooperation in the field of trade, including studies, and Trade Promotion Programs, which will encourage local, regional and inter-regional trade, as well as a feasibility study of creating free trade zones in the Gaza Strip and in Israel, mutual access to these zones, and cooperation in other areas related to trade and commerce.

7. Cooperation in the field of industry, including Industrial Development Programs, which will provide for the establishment of joint Israeli-Palestinian Industrial Research and Development Centers, will promote Palestinian-Israeli joint ventures, and provide guidelines for cooperation in the textile, food, pharmaceutical, electronics, diamonds, computer and science-based industries.

8. A program for cooperation in, and regulation of, labor relations and cooperation in social welfare issues.

9. A Human Resources Development and Cooperation Plan, providing for joint Israeli-Palestinian workshops and seminars, and for the establishment of joint vocational training centers, research institutes and data banks.

10. An Environmental Protection Plan, providing for joint and/or coordinated measures in this sphere.

11. A program for developing coordination and cooperation in the field of communication and media.

12. Any other programs of mutual interest.

ANNEX IV

PROTOCOL ON ISRAELI-PALESTINIAN COOPERATION CONCERNING REGIONAL DEVELOPMENT PROGRAMS

1. The two sides will cooperate in the context of the multilateral peace efforts in promoting a Development Program for the region, including the West Bank and the Gaza Strip, to be initiated by the G-7. The parties will request the G-7 to seek the participation in this program of other interested states, such as members of the Organisation for Economic Cooperation and Development, regional Arab states and institutions, as well as members of the private sector.

2. The Development Program will consist of two elements:

- a. an Economic Development Program for the West Bank and the Gaza Strip.
- b. a Regional Economic Development Program.

A. The Economic Development Program for the West Bank and the Gaza Strip will consist of the following elements:

- (1) A Social Rehabilitation Program, including a Housing and Construction Program.
- (2) A Small and Medium Business Development Plan.

(3) An Infrastructure Development Program (water, electricity, transportation and communications, etc.).

(4) A Human Resources Plan.

(5) Other programs.

B. The Regional Economic Development Program may consist of the following elements:

(1) The establishment of a Middle East Development Fund, as a first step, and a Middle East Development Bank, as a second step.

(2) The development of a joint Israeli-Palestinian-Jordanian Plan for coordinated exploitation of the Dead Sea area.

(3) The Mediterranean Sea (Gaza)Dead Sea Canal.

(4) Regional Desalinization and other water development projects.

(5) A regional plan for agricultural development, including a coordinated regional effort for the prevention of desertification.

(6) Interconnection of electricity grids.

(7) Regional cooperation for the transfer, distribution and industrial exploitation of gas, oil and other energy resources.

(8) A Regional Tourism, Transportation and Telecommunications Development Plan.

(9) Regional cooperation in other spheres.

3. The two sides will encourage the multilateral working groups, and will coordinate towards their success. The two parties will encourage intersessional activities, as well as pre-feasibility and feasibility studies, within the various multilateral working groups.

AGREED MINUTES TO THE DECLARATION OF PRINCIPLES ON INTERIM SELF-GOVERNMENT ARRANGEMENTS

A. GENERAL UNDERSTANDINGS AND AGREEMENTS

Any powers and responsibilities transferred to the Palestinians pursuant to the Declaration of Principles prior to the inauguration of the Council will be subject to the same principles pertaining to Article IV, as set out in these Agreed Minutes below.

B. SPECIFIC UNDERSTANDINGS AND AGREEMENTS

Article IV

It is understood that:

1. Jurisdiction of the Council will cover West Bank and Gaza Strip territory, except for issues that will be negotiated in the permanent status negotiations: Jerusalem, settlements, military locations, and Israelis.

2. The Councils jurisdiction will apply with regard to the agreed powers, responsibilities, spheres and authorities transferred to it.

Article VI(2)

It is agreed that the transfer of authority will be as follows:

1. The Palestinian side will inform the Israeli side of the names of the authorised Palestinians who will assume the powers, authorities and responsibilities that will be transferred to the Palestinians according to the Declaration of Principles in the following fields: education and culture, health, social welfare, direct taxation, tourism, and any other authorities agreed upon.

2. It is understood that the rights and obligations of these offices will not be affected.

3. Each of the spheres described above will continue to enjoy existing budgetary allocations in accordance with arrangements to be mutually agreed upon. These arrangements also will provide for the necessary adjustments required in order to take into account the taxes collected by the direct taxation office.

4. Upon the execution of the Declaration of Principles, the Israeli and Palestinian delegations will immediately commence negotiations on a detailed plan for the transfer of authority on the above offices in accordance with the above understandings.

Article VII(2)

The Interim Agreement will also include arrangements for coordination and cooperation.

Article VII(5)

The withdrawal of the military government will not prevent Israel from exercising the powers and responsibilities not transferred to the Council.

Article VIII

It is understood that the Interim Agreement will include arrangements for cooperation and coordination between the two parties in this regard. It is also agreed that the transfer of powers and responsibilities to the

Palestinian police will be accomplished in a phased manner, as agreed in the Interim Agreement.

Article X

It is agreed that, upon the entry into force of the Declaration of Principles, the Israeli and Palestinian delegations will exchange the names of the individuals designated by them as members of the Joint Israeli-Palestinian Liaison Committee. It is further agreed that each side will have an equal number of members in the Joint Committee. The Joint Committee will reach decisions by agreement. The Joint Committee may add other technicians and experts, as necessary. The Joint Committee will decide on the frequency and place or places of its meetings.

ANNEX II

It is understood that, subsequent to the Israeli withdrawal, Israel will continue to be responsible for external security, and for internal security and public order of settlements and Israelis. Israeli military forces and civilians may continue to use roads freely within the Gaza Strip and the Jericho area.

DONE at Washington, D.C., this thirteenth day of September, 1993.

For the Government of Israel: (SHIMON PERES)

For the P.L.O.: (MAHMOUD ABBAS)

Witnessed By: The United States of America: (WARREN CHRISTOPHER)

The Russian Federation: (ANDREI KOZYREV)

Exchanged letters

September 9, 1993

Mr. Prime Minister,

The signing of the Declaration of Principles marks a new era in the history of the Middle East. In firm conviction thereof, I would like to confirm the following PLO commitments:

The PLO recognizes the right of the State of Israel to exist in peace and security.

The PLO accepts United Nations Security Council Resolutions 242 and 338.

The PLO commits itself to the Middle East peace process, and to a peaceful resolution of the conflict between the two sides and declares that all outstanding issues relating to permanent status will be resolved through negotiations.

The PLO considers that the signing of the Declaration of Principles constitutes a historic event, inaugurating a new epoch of peaceful coexistence, free from violence and all other acts which endanger peace and stability. Accordingly, the PLO renounces the use of terrorism and other acts of violence and will assume responsibility over all PLO elements and personnel in order to assure their compliance, prevent violations and discipline violators.

In view of the promise of a new era and the signing of the Declaration of Principles and based on Palestinian acceptance of Security Council Resolutions 242 and 338, the PLO affirms that those articles of the Palestinian Covenant which deny Israel's right to exist, and the provisions of the Covenant which are inconsistent with the commitments of this letter are now inoperative and no longer valid. Consequently, the PLO undertakes to submit to the Palestinian National Council for formal approval the necessary changes in regard to the Palestinian Covenant.

Sincerely,

Yasser Arafat
Chairman
The Palestine Liberation Organization

Yitzhak Rabin
Prime Minister of Israel

September 9, 1993

Mr. Chairman,

In response to your letter of September 9, 1993, I wish to confirm to you that, in light of the PLO commitments included in your letter, the Government of Israel has decided to recognize the PLO as the representative of the Palestinian people and commence negotiations with the PLO within the Middle East peace process.

Sincerely,

Yitzhak Rabin
Prime Minister of Israel

September 10, 1993
Yasser Arafat
Chairman
The Palestine Liberation Organization

September 9, 1993

Dear Minister Holst,

I would like to confirm to you that, upon the signing of the Declaration of Principles, I will include the following positions in my public statements:

In light of the new era marked by the signing of the Declaration of Principles, the PLO encourages and calls upon the Palestinian people in the West Bank and Gaza Strip to take part in the steps leading to the normalization of life, rejecting violence and terrorism, contributing to peace and stability and participating actively in shaping reconstruction, economic development and cooperation.

Sincerely,

Yasser Arafat
Chairman
The Palestine Liberation Organization

His Excellency
Johan Jorgen Holst
Foreign Minister of Norway

Agreement on the Gaza Strip and the Jericho Area

May 4, 1994

The Government of the State of Israel and the Palestine Liberation Organization (hereinafter "the PLO"), the representative of the Palestinian people;

PREAMBLE

WITHIN the framework of the Middle East peace process initiated at Madrid in October 1991;

REAFFIRMING their determination to live in peaceful coexistence, mutual dignity and security, while recognizing their mutual legitimate and political rights;

REAFFIRMING their desire to achieve a just, lasting and comprehensive peace settlement through the agreed political process;

REAFFIRMING their adherence to the mutual recognition and commitments expressed in the letters dated September 9, 1993, signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO;

REAFFIRMING their understanding that the interim self-government arrangements, including the arrangements to apply in the Gaza Strip and the Jericho Area contained in this Agreement, are an integral part of the whole peace process and that the negotiations on the permanent status will lead to the implementation of Security Council Resolutions 242 and 338;

DESIROUS of putting into effect the Declaration of Principles on Interim Self-Government Arrangements signed at Washington, D.C. on September 13, 1993, and the Agreed Minutes thereto (hereinafter "the Declaration of Principles"), and in particular the Protocol on withdrawal of Israeli forces from the Gaza Strip and the Jericho Area;

HEREBY AGREE to the following arrangements regarding the Gaza Strip and the Jericho Area:

ARTICLE I

DEFINITIONS

For the purpose of this Agreement:

- a. the Gaza Strip and the Jericho Area are delineated on map No. 1 and Article IX below (hereinafter "the Palestinian Police").
- b. In order to carry out Israel's responsibility for external security and for internal security and public order of Settlements and Israelis, Israel shall, concurrently with the withdrawal, redeploy its remaining military forces to the Settlements and the Military Installation Area, in accordance with the provisions of this Agreement. Subject to the provisions of this Agreement, this redeployment shall constitute full implementation of Article XIII of the Declaration of Principles with regard to the Gaza Strip and the Jericho Area only.

- c. For the purposes of this Agreement, "Israeli military forces" may include Israel police and other Israeli security forces.
- d. Israelis, including Israeli military forces, may continue to use roads freely within the Gaza Strip and the Jericho Area. Palestinians may use public roads crossing the Settlements freely, as provided for in Annex I.
- e. The Palestinian Police shall be deployed and shall assume responsibility for public order and internal security of Palestinians in accordance with this Agreement and Annex I.

ARTICLE III

TRANSFER OF AUTHORITY

- 1. Israel shall transfer authority as specified in this Agreement from the Israeli military government and its Civil Administration to the Palestinian Authority, hereby established, in accordance with Article V of this Agreement, except for the authority that Israel shall continue to exercise as specified in this Agreement.
- 2. As regards the transfer and assumption of authority in civil spheres, powers and responsibilities shall be transferred and assumed as set out in the Protocol Concerning Civil Affairs attached as Annex II.
- 3. Arrangements for a smooth and peaceful transfer of the agreed powers and responsibilities are set out in Annex II.
- 4. Upon the completion of the Israeli withdrawal and the transfer of powers and responsibilities as detailed in paragraphs 1 and 2 above and in Annex II, the Civil Administration in the Gaza Strip and the Jericho Area will be dissolved and the Israeli military government will be withdrawn. The withdrawal of the military government shall not prevent it from continuing to exercise the powers and responsibilities specified in this Agreement.
- 5. A Joint Civil Affairs Coordination and Cooperation Committee (hereinafter "the CAC") and two Joint Regional Civil Affairs Subcommittees for the Gaza Strip and the Jericho Area respectively shall be established in order to provide for coordination and cooperation in civil affairs between the Palestinian Authority and Israel, as detailed in Annex II.
- 6. The offices of the Palestinian Authority shall be located in the Gaza Strip and the Jericho Area pending the inauguration of the Council to be elected pursuant to the Declaration of Principles.

ARTICLE IV

STRUCTURE AND COMPOSITION OF THE PALESTINIAN AUTHORITY

- 1. The Palestinian Authority will consist of one body of 24 members which shall carry out and be responsible for all the legislative and executive powers and responsibilities transferred to it under this Agreement, in accordance with this Article, and shall be responsible for the exercise of judicial functions in accordance with Article VI, subparagraph I.b. of this Agreement.
- 2. The Palestinian Authority shall administer the departments transferred to it and may establish, within its jurisdiction, other departments and subordinate administrative units as

necessary for the fulfillment of its responsibilities. It shall determine its own internal procedures.

3. The PLO shall inform the Government of Israel of the names of the members of the Palestinian Authority and any change of members. Changes in the membership of the Palestinian Authority will take effect upon an exchange of letters between the PLO and the Government of Israel.
4. Each member of the Palestinian Authority shall enter into office upon undertaking to act in accordance with this Agreement.

ARTICLE V

JURISDICTION

1. The authority of the Palestinian Authority encompasses all matters that fall within its territorial, functional and personal jurisdiction, as follows:
 - a. The territorial jurisdiction covers the Gaza Strip and the Jericho Area territory, as defined in Article I, except for Settlements and the Military Installation Area.

Territorial jurisdiction shall include land, subsoil and territorial waters, in accordance with the provisions of this Agreement.

- b. The functional jurisdiction encompasses all powers and responsibilities as specified in this Agreement. This jurisdiction does not include foreign relations, internal security and public order of Settlements and the Military Installation Area and Israelis, and external security.
 - c. The personal jurisdiction extends to all persons within the territorial jurisdiction referred to above, except for Israelis, unless otherwise provided in this Agreement.
2. The Palestinian Authority has, within its authority, legislative, executive and judicial powers and responsibilities, as provided for in this Agreement.
3.
 - a. Israel has authority over the Settlements, the Military Installation Area, Israelis, external security, internal security and public order of Settlements, the Military Installation Area and Israelis, and those agreed powers and responsibilities specified in this Agreement.
 - b. Israel shall exercise its authority through its military government, which, for that end, shall continue to have the necessary legislative, judicial and executive powers and responsibilities, in accordance with international law. This provision shall not derogate from Israel's applicable legislation over Israelis in personam.
4. The exercise of authority with regard to the electromagnetic sphere and airspace shall be in accordance with the provisions of this Agreement.
5. The provisions of this Article are subject to the specific legal arrangements detailed in the Protocol Concerning Legal Matters attached as Annex III . Israel and the Palestinian Authority may negotiate further legal arrangements.
6. Israel and the Palestinian Authority shall cooperate on matters of legal assistance in criminal and civil matters through the legal subcommittee of the CAC.

ARTICLE VI

POWERS AND RESPONSIBILITIES OF THE PALESTINIAN AUTHORITY

1. Subject to the provisions of this Agreement, the Palestinian Authority, within its jurisdiction:
 - a. has legislative powers as set out in Article VII of this Agreement, as well as executive powers;
 - b. will administer justice through an independent judiciary;
 - c. will have, inter alia, power to formulate policies, supervise their implementation, employ staff, establish departments, authorities and institutions, sue and be sued and conclude contracts; and
 - d. will have, inter alia, the power to keep and administer registers and records of the population, and issue certificates, licenses and documents.
2.
 - a. In accordance with the Declaration of Principles, the Palestinian Authority will not have powers and responsibilities in the sphere of foreign relations, which sphere includes the establishment abroad of embassies, consulates or other types of foreign missions and posts or permitting their establishment in the Gaza Strip or the Jericho Area, the appointment of or admission of diplomatic and consular staff, and the exercise of diplomatic functions.
 - b. Notwithstanding the provisions of this paragraph, the PLO may conduct negotiations and sign agreements with states or international organizations for the benefit of the Palestinian Authority in the following cases only:
 1. economic agreements, as specifically provided in Annex IV of this Agreement;
 2. agreements with donor countries for the purpose of implementing arrangements for the provision of assistance to the Palestinian Authority;
 3. agreements for the purpose of implementing the regional development plans detailed in Annex IV of the Declaration of Principles or in agreements entered into in the framework of the multilateral negotiations; and
 4. cultural, scientific and educational agreements.
 - c. Dealings between the Palestinian Authority and representatives of foreign states and international organizations, as well as the establishment in the Gaza Strip and the Jericho Area of representative offices other than those described in subparagraph 2.a. above, for the purpose of implementing the agreements referred to in subparagraph 2.b. above, shall not be considered foreign relations.

ARTICLE VII

LEGISLATIVE POWERS OF THE PALESTINIAN AUTHORITY

1. The Palestinian Authority will have the power, within its jurisdiction, to promulgate legislation, including basic laws, laws, regulations and other legislative acts.
2. Legislation promulgated by the Palestinian Authority shall be consistent with the provisions of this Agreement.
3. Legislation promulgated by the Palestinian Authority shall be communicated to a legislation subcommittee to be established by the CAC (hereinafter "the Legislation Subcommittee"). During a period of 30 days from the communication of the legislation, Israel may request that the Legislation Subcommittee decide whether such legislation

exceeds the jurisdiction of the Palestinian Authority or is otherwise inconsistent with the provisions of this Agreement.

4. Upon receipt of the Israeli request, the Legislation Subcommittee shall decide, as an initial matter, on the entry into force of the legislation pending its decision on the merits of the matter.
5. If the Legislation Subcommittee is unable to reach a decision with regard to the entry into force of the legislation within 15 days, this issue will be referred to a board of review. This board of review shall be comprised of two judges, retired judges or senior jurists (hereinafter "Judges"), one from each side, to be appointed from a compiled list of three Judges proposed by each.

In order to expedite the proceedings before this board of review, the two most senior Judges, one from each side, shall develop written informal rules of procedure.

6. Legislation referred to the board of review shall enter into force only if the board of review decides that it does not deal with a security issue which falls under Israel's responsibility, that it does not seriously threaten other significant Israeli interests protected by this Agreement and that the entry into force of the legislation could not cause irreparable damage or harm.
7. The Legislation Subcommittee shall attempt to reach a decision on the merits of the matter within 30 days from the date of the Israeli request. If this Subcommittee is unable to reach such a decision within this period of 30 days, the matter shall be referred to the Joint Israeli-Palestinian Liaison Committee referred to in Article XV below (hereinafter "the Liaison Committee"). This Liaison Committee will deal with the matter immediately and will attempt to settle it within 30 days.
8. Where the legislation has not entered into force pursuant to paragraphs 5 or 7 above, this situation shall be maintained pending the decision of the Liaison Committee on the merits of the matter, unless it has decided otherwise.
9. Laws and military orders in effect in the Gaza Strip or the Jericho Area prior to the signing of this Agreement shall remain in force, unless amended or abrogated in accordance with this Agreement.

ARTICLE VIII

ARRANGEMENTS FOR SECURITY AND PUBLIC ORDER

1. In order to guarantee public order and internal security for the Palestinians of the Gaza Strip and the Jericho Area, the Palestinian Authority shall establish a strong police force, as set out in Article IX below. Israel shall continue to carry the responsibility for defense against external threats, including the responsibility for protecting the Egyptian border and the Jordanian line, and for defense against external threats from the sea and from the air, as well as the responsibility for overall security of Israelis and Settlements, for the purpose of safeguarding their internal security and public order, and will have all the powers to take the steps necessary to meet this responsibility.
2. Agreed security arrangements and coordination mechanisms are specified in Annex I.
3. A joint Coordination and Cooperation Committee for mutual security purposes (hereinafter "the JSC"), as well as three joint District Coordination and Cooperation Offices for the

Gaza district, the Khan Yunis district and the Jericho district respectively (hereinafter "the DCOs") are hereby established as provided for in Annex I.

4. The security arrangements provided for in this Agreement and in Annex I may be reviewed at the request of either Party and may be amended by mutual agreement of the Parties. Specific review arrangements are included in Annex I.

ARTICLE IX

THE PALESTINIAN DIRECTORATE OF POLICE FORCE

1. The Palestinian Authority shall establish a strong police force, the Palestinian Directorate of Police Force (hereinafter "the Palestinian Police"). The duties, functions, structure, deployment and composition of the Palestinian Police, together with provisions regarding its equipment and operation, are set out in Annex I, Article III. Rules of conduct governing the activities of the Palestinian Police are set out in Annex I, Article VIII.
2. Except for the Palestinian Police referred to in this Article and the Israeli military forces, no other armed forces shall be established or operate in the Gaza Strip or the Jericho Area.
3. Except for the arms, ammunition and equipment of the Palestinian Police described in Annex I, Article III, and those of the Israeli military forces, no organization or individual in the Gaza Strip and the Jericho Area shall manufacture, sell, acquire, possess, import or otherwise introduce into the Gaza Strip or the Jericho Area any firearms, ammunition, weapons, explosives, gunpowder or any related equipment, unless otherwise provided for in Annex I.

ARTICLE X

PASSAGES

Arrangements for coordination between Israel and the Palestinian Authority regarding the Gaza-Egypt and Jericho-Jordan passages, as well as any other agreed international crossings, are set out in Annex I, Article X.

ARTICLE XI

SAFE PASSAGE BETWEEN THE GAZA STRIP AND THE JERICHO AREA

Arrangements for safe passage of persons and transportation between the Gaza Strip and the Jericho Area are set out in Annex I, Article IX.

ARTICLE XII

RELATIONS BETWEEN ISRAEL AND THE PALESTINIAN AUTHORITY

1. Israel and the Palestinian Authority shall seek to foster mutual understanding and tolerance and shall accordingly abstain from incitement, including hostile propaganda, against each

other and, without derogating from the principle of freedom of expression, shall take legal measures to prevent such incitement by any organizations, groups or individuals within their jurisdiction.

2. Without derogating from the other provisions of this Agreement, Israel and the Palestinian Authority shall cooperate in combatting criminal activity which may affect both sides, including offenses related to trafficking in illegal drugs and psychotropic substances, smuggling, and offenses against property, including offenses related to vehicles.

ARTICLE XIII

ECONOMIC RELATIONS

The economic relations between the two sides are set out in the Protocol on Economic Relations signed in Paris on April 29, 1994 and the Appendices thereto, certified copies of which are attached as Annex IV, and will be governed by the relevant provisions of this Agreement and its Annexes.

ARTICLE XIV

HUMAN RIGHTS AND THE RULE OF LAW

Israel and the Palestinian Authority shall exercise their powers and responsibilities pursuant to this Agreement with due regard to internationally-accepted norms and principles of human rights and the rule of law.

ARTICLE XV

THE JOINT ISRAELI-PALESTINIAN LIAISON COMMITTEE

1. The Liaison Committee established pursuant to Article X of the Declaration of Principles shall ensure the smooth implementation of this Agreement. It shall deal with issues requiring coordination, other issues of common interest and disputes.
2. The Liaison Committee shall be composed of an equal number of members from each Party. It may add other technicians and experts as necessary.
3. The Liaison Committee shall adopt its rules of procedure, including the frequency and place or places of its meetings.
4. The Liaison Committee shall reach its decisions by Agreement.

ARTICLE XVI

LIAISON AND COOPERATION WITH JORDAN AND EGYPT

1. Pursuant to Article XII of the Declaration of Principles, the two Parties shall invite the Governments of Jordan and Egypt to participate in establishing further liaison and cooperation arrangements between the Government of Israel and the Palestinian representatives on the one hand, and the Governments of Jordan and Egypt on the other

- hand, to promote cooperation between them. These arrangements shall include the constitution of a Continuing Committee.
2. The Continuing Committee shall decide by agreement on the modalities of admission of persons displaced from the West Bank and the Gaza Strip in 1967, together with necessary measures to prevent disruption and disorder.
 3. The Continuing Committee shall deal with other matters of common concern.

ARTICLE XVII

SETTLEMENT OF DIFFERENCES AND DISPUTES

Any difference relating to the application of this Agreement shall be referred to the appropriate coordination and cooperation mechanism established under this Agreement. The provisions of Article XV of the Declaration of Principles shall apply to any such difference which is not settled through the appropriate coordination and cooperation mechanism, namely:

1. Disputes arising out of the application or interpretation of this Agreement or any subsequent agreements pertaining to the interim period shall be settled by negotiations through the Liaison Committee.
2. Disputes which cannot be settled by negotiations may be settled by a mechanism of conciliation to be agreed between the Parties.
3. The Parties may agree to submit to arbitration disputes relating to the interim period, which cannot be settled through conciliation. To this end, upon the agreement of both Parties, the Parties will establish an Arbitration Committee.

ARTICLE XVIII

PREVENTION OF HOSTILE ACTS

Both sides shall take all measures necessary in order to prevent acts of terrorism, crime and hostilities directed against each other, against individuals falling under the other's authority and against their property, and shall take legal measures against offenders. In addition, the Palestinian side shall take all measures necessary to prevent such hostile acts directed against the Settlements, the infrastructure serving them and the Military Installation Area, and the Israeli side shall take all measures necessary to prevent such hostile acts emanating from the Settlements and directed against Palestinians.

ARTICLE XIX

MISSING PERSONS

The Palestinian Authority shall cooperate with Israel by providing all necessary assistance in the conduct of searches by Israel within the Gaza Strip and the Jericho Area for missing Israelis, as well as by providing information about missing Israelis. Israel shall cooperate with the Palestinian Authority in searching for, and providing necessary information about, missing Palestinians.

ARTICLE XX

CONFIDENCE BUILDING MEASURES

With a view to creating a positive and supportive public atmosphere to accompany the implementation of this Agreement, and to establish a solid basis of mutual trust and good faith, both Parties agree to carry out confidence building measures as detailed herewith:

1. Upon the signing of this Agreement, Israel will release, or turn over, to the Palestinian Authority within a period of 5 weeks, about 5,000 Palestinian detainees and prisoners, residents of the West Bank and the Gaza Strip. Those released will be free to return to their homes anywhere in the West Bank or the Gaza Strip. Prisoners turned over to the Palestinian Authority shall be obliged to remain in the Gaza Strip or the Jericho Area for the remainder of their sentence.
2. After the signing of this Agreement, the two Parties shall continue to negotiate the release of additional Palestinian prisoners and detainees, building on agreed principles.
3. The implementation of the above measures will be subject to the fulfillment of the procedures determined by Israeli law for the release and transfer of detainees and prisoners.
4. With the assumption of Palestinian authority, the Palestinian side commits itself to solving the problem of those Palestinians who were in contact with the Israeli authorities. Until an agreed solution is found, the Palestinian side undertakes not to prosecute these Palestinians or to harm them in any way.
5. Palestinians from abroad whose entry into the Gaza Strip and the Jericho Area is approved pursuant to this Agreement, and to whom the provisions of this Article are applicable, will not be prosecuted for offenses committed prior to September 13, 1993.

ARTICLE XXI

TEMPORARY INTERNATIONAL PRESENCE

1. The Parties agree to a temporary international or foreign presence in the Gaza Strip and the Jericho Area (hereinafter "the TIP"), in accordance with the provisions of this Article.
2. The TIP shall consist of 400 qualified personnel, including observers, instructors and other experts, from 5 or 6 of the donor countries.
3. The two Parties shall request the donor countries to establish a special fund to provide finance for the TIP.
4. The TIP will function for a period of 6 months. The TIP may extend this period, or change the scope of its operation, with the agreement of the two Parties.
5. The TIP shall be stationed and operate within the following cities and villages: Gaza, Khan Yunis, Rafah, Deir El Ballah, Jabaliya, Absan, Beit Hanun and Jericho.
6. Israel and the Palestinian Authority shall agree on a special Protocol to implement this Article, with the goal of concluding negotiations with the donor countries contributing personnel within two months.

ARTICLE XXII

RIGHTS, LIABILITIES AND OBLIGATIONS

- 1.

- a. The transfer of all powers and responsibilities to the Palestinian Authority, as detailed in Annex II, includes all related rights, liabilities and obligations arising with regard to acts or omissions which occurred prior to the transfer. Israel will cease to bear any financial responsibility regarding such acts or omissions and the Palestinian Authority will bear all financial responsibility for these and for its own functioning.
 - b. Any financial claim made in this regard against Israel will be referred to the Palestinian Authority.
 - c. Israel shall provide the Palestinian Authority with the information it has regarding pending and anticipated claims brought before any court or tribunal against Israel in this regard.
 - d. Where legal proceedings are brought in respect of such a claim, Israel will notify the Palestinian Authority and enable it to participate in defending the claim and raise any arguments on its behalf.
 - e. In the event that an award is made against Israel by any court or tribunal in respect of such a claim, the Palestinian Authority shall reimburse Israel the full amount of the award.
 - f. Without prejudice to the above, where a court or tribunal hearing such a claim finds that liability rests solely with an employee or agent who acted beyond the scope of the powers assigned to him or her, unlawfully or with willful malfeasance, the Palestinian Authority shall not bear financial responsibility.
2. The transfer of authority in itself shall not affect rights, liabilities and obligations of any person or legal entity, in existence at the date of signing of this Agreement.

ARTICLE XXIII

FINAL CLAUSES

1. This Agreement shall enter into force on the date of its signing.
 2. The arrangements established by this Agreement shall remain in force until and to the extent superseded by the Interim Agreement referred to in the Declaration of Principles or any other agreement between the Parties.
3. The five-year interim period referred to in the Declaration of Principles commences on the date of the signing of this Agreement.
 4. The Parties agree that, as long as this Agreement is in force, the security fence erected by Israel around the Gaza Strip shall remain in place and that the line demarcated by the fence, as shown on attached map No. 1, shall be authoritative only for the purpose of this Agreement.
 5. Nothing in this Agreement shall prejudice or preempt the outcome of the negotiations on the interim agreement or on the permanent status to be conducted pursuant to the Declaration of Principles. Neither Party shall be deemed, by virtue of having entered into this Agreement, to have renounced or waived any of its existing rights, claims or positions.
 6. The two Parties view the West Bank and the Gaza Strip as a single territorial unit, the integrity of which will be preserved during the interim period.
 7. The Gaza Strip and the Jericho Area shall continue to be an integral part of the West Bank and the Gaza Strip, and their status shall not be changed for the period of this Agreement. Nothing in this Agreement shall be considered to change this status.
 8. The Preamble to this Agreement, and all Annexes, Appendices and maps attached hereto, shall constitute an integral part hereof.

Done in Cairo this fourth day of May, 1994.

*For the Government of the
State of Israel*

For the PLO

Witnessed By:

The United States of America

The Russian Federation

The Arab Republic of Egypt

Protocol on Economic Relations

ANNEX IV

Protocol on Economic Relations between the Government of the State of Israel and the P.L.O., representing the Palestinian people

Paris, April 29, 1994

PREAMBLE

The two parties view the economic domain as one of the cornerstone in their mutual relations with a view to enhance their interest in the achievement of a just, lasting and comprehensive peace. Both parties shall cooperate in this field in order to establish a sound economic base for these relations, which will be governed in various economic spheres by the principles of mutual respect of each other's economic interests, reciprocity, equity and fairness.

This protocol lays the groundwork for strengthening the economic base of the Palestinian side and for exercising its right of economic decision making in accordance with its own development plan and priorities. The two parties recognise each other's economic ties with other markets and the need to create a better economic environment for their peoples and individuals.

Article I

FRAMEWORK AND SCOPE OF THIS PROTOCOL

1. This protocol establishes the contractual agreement that will govern the economic relations between the two sides and will cover the West Bank and the Gaza Strip during the interim period. The implementation will be according to the stages envisaged in the Declaration of Principles on Interim Self Government Arrangements signed in Washington D.C. on September 13, 1993 and the Agreed Minutes thereto. It will therefore begin in the Gaza Strip and the Jericho Area and at a later stage will also apply to the rest of the West Bank, according to the provisions of the Interim Agreement and to any other agreed arrangements between the two sides.
2. This Protocol, including its Appendixes, will be incorporated into the Agreement on the Gaza Strip and the Jericho Area (in this Protocol - the Agreement), will be an integral part thereof and interpreted accordingly. This paragraph refers solely to the Gaza Strip and the Jericho Area.
3. This Protocol will come into force upon the signing of the Agreement.
4. For the purpose of this Protocol, the term "Areas" means the areas under the jurisdiction of the Palestinian Authority, according to the provisions of the Agreement regarding territorial jurisdiction. The Palestinian Jurisdiction in the subsequent agreements could cover areas, spheres or functions according to the Interim Agreement. Therefore, for the purpose of this Protocol, whenever applied, the term "Areas" shall be interpreted to mean functions and spheres also, as the case may be, with the necessary adjustments.

Article II

THE JOINT ECONOMIC COMMITTEE

1. Both parties will establish a Palestinian-Israeli Joint Economic Committee (hereinafter - the JEC) to follow up the implementation of this Protocol and to decide on problems related to it that may arise from time to time. Each side may request the review of any issue related to this Agreement by the JEC.
2. The JEC will serve as the continuing committee for economic cooperation envisaged in Annex III of the Declaration of Principles.
3. The JEC will consist of an equal number of members from each side and may establish sub-committees specified in this Protocol. A sub-committee may include experts as necessary.
4. The JEC and its sub-committees shall reach their decisions by agreement and shall determine their rules of procedure and operation, including the frequency and place or places of their meetings.

Article III

IMPORT TAXES AND IMPORT POLICY

1. The import and customs policies of both sides will be according to the principles and arrangements detailed in this Article.
2.
 - a. The Palestinian Authority will have all powers and responsibilities in the sphere of import and customs policy and procedures with regard to the

following:

1. Goods on List A1, attached hereto as Appendix I locally-produced in Jordan and in Egypt particularly and in the other Arab countries, which the Palestinians will be able to import in quantities agreed upon by the two sides up to the Palestinian market needs as estimated according to para 3 below.
 2. Goods on List A2, attached hereto as Appendix II, from the Arab, Islamic and other countries, which the Palestinians will be able to import in quantities agreed upon by the two sides up to the Palestinian market needs as estimated according to para 3 below.
- b. The import policy of the Palestinian Authority for Lists A1 and A2 will include independently determining and changing from time to time the rates of customs, purchase tax, levies, excises and other charges, the regulation of licensing requirements and procedures and of standard requirements. The valuation for custom purposes will be based upon the GATT 1994 agreement as of the date it will be introduced in Israel, and until then - on the Brussels Definition of Valuation (BDV) system. The classification of goods will be based on the principles of "the Harmonized Commodity Description and Coding System". Concerning imports referred to in Article VII of this Protocol (Agriculture), the provisions of that Article will apply.
3. For the purposes of para 2(a) above, the Palestinian market needs for 1994 will be estimated by a sub-committee of experts. These estimates will be based on the best available data regarding past consumption, production, investment and external trade of the Areas. The sub-committee will submit its estimate within three months from the signing of the Agreement. These estimates will be reviewed and updated every six months by the sub-committee, on the basis of the best data available regarding the latest period for which relevant data are available, taking into consideration all relevant economic and social indicators. Pending an agreement on the Palestinian market needs, the previous period's estimates adjusted for population growth and rise in per-capita GNP in the previous period, will serve as provisional estimate.
4. The Palestinian Authority will have all powers and responsibilities to independently determine and change from time to time the rates of customs, purchase taxes; levies, excises and other charges on the goods on List B, attached hereto as Appendix III, of basic food items and other goods for the Palestinian economic development program, imported by the Palestinians to the Areas.
5.
 - a. With respect to all goods not specified in Lists A1, A2 and B, and with respect to quantities exceeding those determined in accordance with paras 2(a) & 3 above (hereinafter - the Quantities), the Israeli rates of customs, purchase tax, levies, excises and other charges, prevailing at the date of signing of the Agreement, as changed from time to time, shall serve as the minimum basis for the Palestinian Authority. The Palestinian Authority may decide on any upward changes in the rates on these goods and exceeding quantities when imported by the Palestinians to the Areas.
 - b. With respect to all goods not specified in Lists A1 and A2, and with respect to quantities exceeding the Quantities, Israel and the Palestinian Authority will employ for all imports the same system of importation, as stipulated in para 10 below, including inter alia standards, licensing, country of origin, valuation for customs purposes etc.
6. Each side will notify the other side immediately of changes made in rates and in other matters of import policy, regulations and procedures, determined by it within its respective powers and responsibilities as detailed in this Article. With regard to

changes which do not require immediate application upon decision, there will be a process of advance notifications and mutual consultations which will take into consideration all aspects and economic implications.

7. The Palestinian Authority will levy VAT at one rate on both locally produced goods and services and on imports by the Palestinians (whether covered by the three Lists mentioned above or not), and may fix it at the level of 15% to 16%.
8. Goods imported from Jordan, Egypt and other Arab countries according to para 2(a)(1) above (List A1) will comply with rules of origin agreed upon by a joint sub-committee within three months of the date of the signing of the Agreement. Pending an agreement, goods will be considered to have been "locally produced" in any of those countries if they conform with all the following:
 - a. They have been wholly grown, produced, or manufactured in that country, or have been substantially transformed there into new or different goods, having a new name, character, or use, distinct from the goods or materials from which they were so transformed;
 - b. They have been imported directly from the said country;
 - c. The value or the costs of the materials produced in that country, plus the direct processing costs in it, do not fall short of 30 percent of the export value of the goods. This rate may be reviewed by the joint committee mentioned in para 16 a year after the signing of the Agreement.
 - d. The goods are accompanied by an internationally recognized certificate of origin;
 - e. No goods will be deemed as substantially new or different goods, and no material will be eligible for inclusion as domestic content, by virtue of having merely undergone simple combining or packaging, or dilution with water or other substances, which do not materially alter the characteristics of the said goods.
9. Each side will issue import licences to its own importers, subject to the principles of this Article and will be responsible for the implementation of the licensing requirements and procedures prevailing at the time of the issuance of the licenses. Mutual arrangements will be made for the exchange of information relevant to licensing matters.
10. Except for the goods on Lists A1 and A2 and their Quantities - in which the Palestinian Authority has all powers and responsibilities, both sides will maintain the same import policy (except for rates of import taxes and other charges for goods in List B) and regulations including classification, valuation and other customs procedures, which are based on the principles governing international codes, and the same policies of import licensing and of standards for imported goods, all as applied by Israel with respect to its importation. Israel may from time to time introduce changes in any of the above, provided that changes in standard requirements will not constitute a non-tariff-barrier and will be based on considerations of health, safety and the protection of the environment in conformity with Article 2.2. of the Agreement on Technical Barriers to trade of the Final Act of the Uruguay Round of Trade Negotiations. Israel will give the Palestinian Authority prior notice of any such changes, and the provisions of para 6 above will apply.
11.
 - a. The Palestinian Authority will determine its own rates of customs and purchase tax on motor vehicles imported as such, to be registered with the Palestinian Authority. The vehicle standards will be those applied at the date of the signing of the Agreement as changed according to para 10 above. However, the Palestinian Authority may request, through the sub-committee on transportation, that in special cases different standards will apply. Used motor vehicles will be imported only if they are passenger cars

or dual-purpose passenger cars of a model of no more than three years prior to the importation year. The sub-committee on transportation will determine the procedures for testing and confirming that such used cars comply with the standards' requirements for that model year. The issue of importing commercial vehicles of a model prior to the importation year will be discussed in the joint sub-committee mentioned in para 16 below.

- b. Each side may determine the terms and conditions for the transfer of motor vehicles registered in the other side to the ownership or use of a resident of its own side, including the payment of the difference of import taxes, if any, and the vehicle having been tested and found compatible with the standards required at that time by its own registration administration, and may prohibit transfer of vehicles.

12.

- a. Jordanian standards, as specified in the attached Appendix I, will be acceptable in importing petroleum products into the Areas, once they meet the average of the standards existing in the European Union countries, or the USA standards, which parameters have been set at the values prescribed for the geographical conditions of Israel, the Gaza Strip and the West Bank. Cases of petroleum products which do not meet these specifications will be referred to a joint experts' committee for a suitable solution. The committee may mutually decide to accept different standards for the importation of gasoline which meet the Jordanian standards even though, in some of their parameters, they do not meet the European Community or USA standards. The committee will give its decision within six months. Pending the committee's decision, and for not longer than six months of the signing of the Agreement, the Palestinian Authority may import to the Areas, gasoline for the Palestinian market in the Areas, according to the needs of this market, provided that:
 - 1. this gasoline is marked in a distinctive colour to differentiate it from the gasoline marketed in Israel; and
 - 2. the Palestinian Authority will take all the necessary steps to ensure that this gasoline is not marketed in Israel.
- b. The difference in the final price of gasoline to consumers in Israel and to consumers in the Areas, will not exceed 15% of the official final consumer price in Israel. The Palestinian Authority has the right to determine the prices of petroleum products, other than gasoline, for consumption in the Areas.
- c. If Egyptian gasoline standards will comply with the conditions of sub-para (a) above, the importation of Egyptian gasoline will also be allowed.

13. In addition to the points of exit and entry designated according to the Article regarding Passages in Annex I of the Agreement for the purpose of export and import of goods, the Palestinian side has the right to use all points of exit and entry in Israel designated for that purpose. The import and export of the Palestinians through the points of exit and entry in Israel will be given equal trade and economic treatment.

14. In the entry points of the Jordan River and the Gaza Strip:

- a. Freight shipment
The Palestinian Authority will have full responsibility and powers in the Palestinian customs points (freight-area) for the implementation of the agreed upon customs and importation policy as specified in this protocol, including the inspection and the collection of taxes and other charges, when due.
Israeli customs officials will be present and will receive from the Palestinian customs officials a copy of the necessary relevant documents

related to the specific shipment and will be entitled to ask for inspection in their presence of both goods and tax collection.

The Palestinian customs officials will be responsible for the handling of the customs procedure including the inspection and collection of due taxes.

In case of disagreement on the clearance of any shipment according to this Article, the shipment will be delayed for inspection for a maximum period of 48 hours during which a joint sub-committee will resolve the issue on the basis of the relevant provisions of this Article. The shipment will be released only upon the sub-committee's decision.

b. Passengers customs lane

Each side will administer its own passengers customs procedures, including inspection and tax collection. The inspection and collection of taxes due in the Palestinian customs lane will be conducted by customs officials of the Palestinian Authority.

Israeli customs officials will be invisibly present in the Palestinian customs lane and entitled to request inspection of goods and collection of taxes when due. In the case of suspicion, the inspection will be carried out by the Palestinian official in a separate room in the presence of the Israeli customs official.

15. The clearance of revenues from all import taxes and levies, between Israel and the Palestinian Authority, will be based on the principle of the place of final destination. In addition, these tax revenues will be allocated to the Palestinian Authority even if the importation was carried out by Israeli importers when the final destination explicitly stated in the import documentation is a corporation registered by the Palestinian Authority and conducting business activity in the Areas. This revenue clearance will be effected within six working days from the day of collection of the said taxes and levies.
16. The Joint Economic Committee or a sub-committee established by it for the purposes of this Article will deal inter alia with the following:
 1. Palestinian proposals for addition of items to Lists A1, A2 and B. Proposals for changes in rates and in import procedures, classification, standards and licensing requirements for all other imports;
 2. Estimate the Palestinian market needs, as mentioned in para 3 above;
 3. Receive notifications of changes and conduct consultations, as mentioned in para 6 above;
 4. Agree upon the rules of origin as mentioned in para 8 above, and review their implementation;
 5. Coordinate the exchange of information relevant to licensing matters as mentioned in para 9 above;
 6. Discuss and review any other matters concerning the implementation of this Article and resolve problems arising therefrom.
17. The Palestinian Authority will have the right to exempt the Palestinian returnees who will be granted permanent residency in the Areas from import taxes on personal belongings including house appliances and passenger cars as long as they are for personal use.
18. The Palestinian Authority will develop its system for temporary entry of needed machines and vehicles used for the Palestinian Authority and the Palestinian economic development plan.

Concerning other machines and equipment, not included in Lists A1, A2 and B, the temporary entry will be part of the import policy as agreed in para 10 above, until the joint sub-committee mentioned in para 16 decides upon a new system proposed by the Palestinian Authority. The temporary entry will be coordinated through the joint sub-committee.
19. Donations in kind to the Palestinian Authority will be exempted from customs and

other import taxes if destined and used for defined development projects or non-commercial humanitarian purposes. The Palestinian Authority will be responsible exclusively for planning and management of the donors' assistance to the Palestinian people. The Joint Economic Committee will discuss issues pertaining to the relations between the provisions in this Article and the implementation of the principles in the above paragraph.

Article IV

MONETARY AND FINANCIAL ISSUES

1. The Palestinian Authority will establish a Monetary Authority (PMA) in the Areas. The PMA will have the powers and responsibilities for the regulation and implementation of the monetary policies within the functions described in this Article.
2. The PMA will act as the Palestinian Authority's official economic and financial advisor.
3. The PMA will act as the Palestinian Authority's and the public sector entities' sole financial agent, locally and internationally.
4. The foreign currency reserves (including gold) of the Palestinian Authority and all Palestinian public sector entities will be deposited solely with the PMA and managed by it.
5. The PMA will act as the lender of last resort for the banking system in the Areas.
6. The PMA will authorize foreign exchange dealers in the Areas and will exercise control (regulation and supervision) over foreign exchange transactions within the Areas and with the rest of the world.
7.
 - a. The PMA will have a banking supervision department that will be responsible for the proper functioning, stability, solvency and liquidity of the banks operating in the Areas.
 - b. The banking supervision department will predicate its supervision on the international principles and standards reflected in international conventions and especially on the principles of the "Basle Committee".
 - c. The supervision department will be charged with the general supervision of every such bank, including:
 - The regulation of all kinds of banking activities, including their foreign activities;
 - The licensing of banks formed locally and of branches, subsidiaries, joint ventures and representative offices of foreign banks and the approval of controlling shareholders;
 - The supervision and inspection of banks.
8. The PMA will relicense each of the five branches of the Israeli banks operating at present in the Gaza Strip and the West Bank, as soon as its location or the authorities regarding it come under the jurisdiction of the Palestinian Authority. These branches will be required to comply with the general rules and regulations of the PMA concerning foreign banks, based on the "Basle Concordat". Para 10 d, e, and f below will apply to these branches.
 - a. Any other Israeli bank wishing to open a branch or a subsidiary in the Areas will apply for a license to the PMA and will be treated equally to other foreign banks, provided that the same will apply to the Palestinian banks wishing to open a branch or a subsidiary in Israel.
 - b. Granting of a license by both authorities will be subject to the following arrangements based on the "Basle Concordat" valid on the date of signing of

the Agreement and to the host authority's prevailing general rules and regulations concerning opening of branches and subsidiaries of foreign banks. In this para 10 "host authority" and "home authority" apply only to the Bank of Israel (BOI) and the PMA.

- c. A bank wishing to open a branch or establish a subsidiary will apply to the host authority, having first obtained the approval of its home authority. The host authority will notify the home authority of the terms of the license, and will give its final approval unless the home authority objects.
- d. The home authority will be responsible for the consolidated and comprehensive supervision of banks, inclusive of branches and subsidiaries in the area under the jurisdiction of the host authority. However, the distribution of supervision responsibilities between the home and the host authorities concerning subsidiaries will be according to the "Basle Concordat".
- e. The host authority will regularly examine the activities of branches and subsidiaries in the area under its jurisdiction. The home authority will have the right to conduct on site examinations in the branches and subsidiaries in the host area. However, the supervision responsibilities of the home authority concerning subsidiaries will be according to the "Basle Concordat". Accordingly, each authority will transfer to the other authority copies of its examination reports and any information relevant to the solvency, stability and soundness of the banks, their branches and subsidiaries.
- f. The BOI and the PMA will establish a mechanism for cooperation and for the exchange of information on issues of mutual interest.

9.

- a. The New Israeli Sheqel (NIS) will be one of the circulating currencies in the Areas and will legally serve there as means of payment for all purposes including official transactions. Any circulating currency, including the NIS, will be accepted by the Palestinian Authority and by all its institutions, local authorities and banks, when offered as a means of payment for any transaction.
- b. Both sides will continue to discuss, through the JEC, the possibility of introducing mutually agreed Palestinian currency or temporary alternative currency arrangements for the Palestinian Authority.

10.

- a. The liquidity requirements on all deposits in banks operating in the Areas will be determined and announced by the PMA.
- b. Banks in the Areas will accept NIS deposits. The liquidity requirements on the various kinds of NIS deposits (or deposit linked to the NIS) in banks operating in the Areas will not be less than 4% to 8%, according to the type of deposits. Changes of over 1% in the liquidity requirements on NIS deposits (or deposits linked to the NIS) in Israel will call for corresponding changes in the above mentioned rates.
- c. The supervision and inspection of the implementation of all liquidity requirements will be carried out by the PMA.
- d. The reserves and the liquid assets required according to this paragraph will be deposited at the PMA according to rules and regulations determined by it. Penalties for non compliance with the liquidity requirements will be determined by the PMA.

11. The PMA will regulate and administer a discount window system and the supply of

temporary finance for banks operating in the Areas.

- a. The PMA will establish or license a clearing house in order to clear money orders between the banks operating in the Areas, and with other clearing houses.
 - b. The clearing of money orders and transactions between banks operating in the Areas and banks operating in Israel will be done between the Israeli and the Palestinian clearing houses on same working day basis, according to agreed arrangements.
12. Both sides will allow correspondential relations between each others' banks.
13. The PMA will have the right to convert at the BOI excess NIS received from banks operating in the Areas into foreign currency, in which the BOI trades in the domestic inter-bank market, up to the amounts determined per period, according to the arrangements detailed in para 16 below.
- a. The excess amount of NIS, due to balance of payments flows, that the PMA will have the right to convert into foreign currency, will be equal to:
 1. Estimates of all Israeli "imports" of goods and services from the Areas, valued at market prices (inclusive of taxes), which were paid for in NIS, less:
 - i. the taxes collected by the Palestinian Authority on all Israeli "imports" from the Areas and rebated to Israel in NIS, and
 - ii. the taxes collected by Israel on all Israeli "imports" from the Areas and included in their market value, and not rebated to the Palestinian Authority, minus
 2. Estimates of all Israeli "exports" of goods and services to the Areas, valued at market prices (inclusive of taxes), which were paid for in NIS, less
 - i. the taxes collected by Israel on such "exports" and rebated to the Palestinian Authority, and
 - ii. the taxes collected by the Palestinian Authority on such "exports" and included in their market value, and not rebated to Israel;

plus

3. The accumulated net amounts of foreign currency converted previously into NIS by the PMA, as recorded in the BOI Dealing Room.
- b. The said flows and amounts will be calculated as of the date of the signing of the Agreement.

Notes to para 16:

- i. The estimates of the said "exports and imports" of goods and services will include inter alia labor services, NIS expenditure of tourists and Israelis in the Areas and NIS expenditure of Palestinians of the Areas in Israel.
 - ii. Taxes and pension contributions on "imports" of labor services, paid to "importing" side and rebated to the "exporting" one, will not be included in the estimates of the sums to be converted, as the "exports" earnings of labor services are recorded in the statistics inclusive of them, although they do not accrue to the individuals supplying them.
14. The PMA and the BOI will meet annually to discuss and determine the annual amount of convertible NIS during the following calendar year and will meet semi-annually to adjust the said amount. The amounts determined annually and adjusted

semi-annually will be based on data and estimates regarding the past and on forecasts for the following period, according to the formula mentioned in para 16. The first meeting will be as soon as possible within three months after the date of the signing of the Agreement.

- a. ☐ The exchange of foreign currency for NIS and vice-versa by the PMA will be carried out through the BOI Dealing Room, at the market exchange rates.
- b. The BOI will not be obliged to convert in any single month more than 1/5 of the semi-annual amount, as mentioned in para 17.
- c. There will be no ceiling on the annual foreign currency conversions by the PMA into NIS. However, in order to avoid undesirable fluctuations in the foreign exchange market, monthly ceilings of such conversions will be agreed upon in the annual and semi-annual meetings referred to in para 17.
- d. Banks in the Areas will convert NIS into other circulating currencies and vice-versa.
- e. The Palestinian Authority will have the authorities, powers and responsibilities regarding the regulation and supervision of capital activities in the Areas, including the licensing of capital market institutions, finance companies and investment funds.

Article V

DIRECT TAXATION

1. Israel and the Palestinian Authority will each determine and regulate independently its own tax policy in matters of direct taxation, including income tax on individuals and corporations, property taxes, municipal taxes and fees.
2. Each tax administration will have the right to levy the direct taxes generated by economic activities within its area.
3. Each tax administration may impose additional taxes on residents within its area on (individuals and corporations) who conduct economic activities in the other side's area.
4. Israel will transfer to the Palestinian Authority a sum equal to:
 - a. 75% of the income taxes collected from Palestinians from the Gaza Strip and the Jericho Area employed in Israel.
 - b. The full amount of income taxes collected from Palestinians from the Gaza Strip and Jericho Area employed in the settlements.
5. The two sides will agree on a set of procedures that will address all issues concerning double taxation.

Article VI

INDIRECT TAXES ON LOCAL PRODUCTION

1. The Israel and the Palestinian tax administrations will levy and collect VAT and purchase taxes on local production, as well as any other indirect taxes, in their respective areas.
2. The purchase tax rates within the jurisdiction of each tax administration will be identical as regards locally produced and imported goods.
3. The present Israeli VAT rate is 17%. The Palestinian VAT rate will be 15% to 16%.
4. The Palestinian Authority will decide on the maximum annual turnover for businesses under its jurisdiction to be exempt from VAT, within an upper limit of

12,000 US \$.

5. The VAT on purchases by businesses registered for VAT purposes will accrue to the tax administration with which the respective business is registered. Businesses will register for VAT purposes with the tax administration of the side of their residence, or on the side of their ongoing operation. There will be clearance of VAT revenues between the Israeli and Palestinian VAT administrations on the following conditions:
 - a. The VAT clearance will apply to VAT on transactions between businesses registered with the VAT administration of the side in which they reside.
 - b. The following procedures will apply to clearance of VAT revenues accruing from transactions by businesses registered for VAT purposes:
 1. To be acceptable for clearance purposes, special invoices, clearly marked for this purpose, will be used for transactions between businesses registered with the different sides.
 2. The invoices will be worded either in both Hebrew and Arabic or in English and will be filled out in any of these three languages, provided that the figures are written in "Arabic" (not Hindi) numerals.
 3. For the purpose of tax rebates, such invoices will be valid for six months from their date of issue.
 4. Representatives of the two sides will meet once a month, on the 20th day of the month, to present each other with a list of invoices submitted to them for tax rebate, for VAT clearance. This list will include the following details regarding each invoice:
 - a. The number of the registered business issuing it;
 - b. The name of the registered business issuing it;
 - c. The number of the invoice;
 - d. The date of issue;
 - e. The amount of the invoice;
 - f. The name of the recipient of the invoice.
 5. The clearance claims will be settled within 6 days from the meeting, through a payment by the side with the net balance of claims against it, to the other side.
 6. Each side will provide the other side, upon demand, with invoices for verification purposes. Each tax administration will be responsible for providing invoices for verification purposes for 6 months after receiving them.
 7. Each side will take the necessary measure to verify the authenticity of the invoices presented to it for clearance by the other side.
 8. Claims for VAT clearance which will not be found valid will be deducted from the next clearance payment.
 9. Once an inter-connected computer system for tax rebates to businesses and for VAT clearance between the two sides is operational, it will replace the clearance procedures specified in sub-paras (4) - (8).
 10. The two tax administrations will exchange lists of the businesses registered with them and will provide each other with the necessary documentation, if required, for the verification of transactions.
 11. The two sides will establish a sub-committee which will deal with the implementation arrangements regarding the clearance of VAT revenues set above.
 6. VAT paid by not-for-profit Palestinian organizations and institutions, registered by the Palestinian Authority, on transactions in Israel, will accrue to the Palestinian tax administration. The clearance system set out in para 5 will apply to these

organizations and institutions.

Article VII LABOR

1. Both sides will attempt to maintain the normality of movement of labor between them, subject to each side's right to determine from time to time the extent and conditions of the labor movement into its area. If the normal movement is suspended temporarily by either side, it will give the other side immediate notification, and the other side may request that the matter be discussed in the Joint Economic Committee.
The placement and employment of workers from one side in the area of the other side will be through the employment service of the other side and in accordance with the other sides' legislation. The Palestinian side has the right to regulate the employment of Palestinian labor in Israel through the Palestinian employment service, and the Israeli Employment Service will cooperate and coordinate in this regard.
2.
 - a. Palestinians employed in Israel will be insured in the Israeli social insurance system according to the National Insurance Law for employment injuries that occur in Israel, bankruptcy of employers and maternity leave allowance.
 - b. The National Insurance fees deducted from the wages for maternity insurance will be reduced according to the reduced scope of maternity insurance, and the equalization deductions transferred to the Palestinian Authority, if levied, will be increased accordingly.
 - c. Implementation procedures relating thereto will be agreed upon between the Israeli National Insurance Institute and the Palestinian Authority or the appropriate Palestinian social insurance institution.
3.
 - a. Israel will transfer to the Palestinian Authority, on a monthly basis, the equalization deductions as defined by Israeli legislation, if imposed and to the extent levied by Israel. The sums so transferred will be used for social benefits and health services, decided upon by the Palestinian Authority, for Palestinians employed in Israel and for their families.
The equalization deductions to be so transferred will be those collected after the date of the signing of the Agreement from wages of Palestinians employed in Israel and from their employers.
These sums will not include
 1. Payments for health services in places of employment.
 2. 2/3 of the actual administrative costs in handling the matters related to the Palestinians employed in Israel by the Payments Section of the Israeli Employment Service.
4. Israel will transfer, on a monthly basis, to a relevant pension insurance institution to be established by the Palestinian Authority, pension insurance deductions collected after the establishment of the above institution and the completion of the documents mentioned in para 6.
These deductions will be collected from wages of Palestinians employed in Israel and their employers, according to the relevant rates set out in the applicable Israeli collective agreements. 2/3 of the actual administrative costs in handling these deductions by the Israeli Employment Service will be deducted from the sums transferred. The sums so transferred will be used for providing pension insurance for these workers. Israel will continue to be liable for pension rights of the

Palestinian employees in Israel, to the extent accumulated by Israel before the entry into force of this para 4.

5. Upon the receipt of the deductions, the Palestinian Authority and its relevant social institutions will assume full responsibility in accordance with the Palestinian legislation and arrangements, for pension rights and other social benefits of Palestinians employed in Israel, that accrue from the transferred deductions related to these rights and benefits. Consequently, Israel and its relevant social institutions and the Israeli employers will be released from, and will not be held liable for any obligations and responsibilities concerning personal claims, rights and benefits arising from these transferred deductions, or from the provisions of paras 2-4 above.
6. Prior to the said transfers, the Palestinian Authority or its relevant institutions, as the case may be, will provide Israel with the documents required to give legal effect to their aforesaid obligations, including mutually agreed implementation procedures of the principles agreed upon in paras 3-5 above.
7. The above arrangements concerning equalization deductions and/or pension deductions may be reviewed and changed by Israel if an authorized court in Israel will determine that the deductions or any part thereof must be paid to individuals, or used for individual social benefits or insurance in Israel, or that it is otherwise unlawful. In such a case the liability of the Palestinian side will not exceed the actual transferred deductions related to the case.
8. Israel will respect any agreement reached between the Palestinian Authority, or an organization or trade-union representing the Palestinians employed in Israel, and a representative organization of employees or employers in Israel, concerning contributions to such organization according to any collective agreement.
9.
 - a. The Palestinian Authority may integrate the existing health insurance scheme for Palestinians employed in Israel and their families in its health insurance services. As long as this scheme continues, whether integrated or separately, Israel will deduct from their wages the health insurance fees ("health stamp") and will transfer them to the Palestinian Authority for this purpose.
 - b. The Palestinian Authority may integrate the existing health insurance scheme for Palestinians who were employed in Israel and are receiving pension payments through the Israeli Employment Service, in its health insurance services. As long as this scheme continues, whether integrated or separately, Israel will deduct the necessary sum of health insurance fees ("health stamp") from the equalization payments and will transfer them to the Palestinian Authority for this purpose.
10. The JEC will meet upon the request of either side and review the implementation of this Article and other issues concerning labor, social insurance and social rights.
11. Other deductions not mentioned above, if any, will be jointly reviewed by the JEC. Any agreement between the two sides concerning these deductions will be in addition to the above provisions.
12. Palestinians employed in Israel will have the right to bring disputes arising out of employee - employer relationships and other issues before the Israeli Labor Courts, within these courts' jurisdiction.
13. This Article governs the future labor relations between the two sides and will not impair any labor rights prior to the date of signing of the Agreement.

Article VIII
AGRICULTURE

1. There will be free movement of agricultural produce, free of customs and import taxes, between the two sides, subject to the following exceptions and arrangements.
2. The official veterinary and plant protection services of each side will be responsible, within the limits of their respective jurisdiction, for controlling animal health, animal products and biological products, and plants and parts thereof, as well as their importation and exportation.
3. The relations between the official veterinary and plant protection services of both sides will be based on mutuality in accordance with the following principles, which will be applied in all the areas under their respective jurisdiction:
 - a. Israel and the Palestinian Authority will do their utmost to preserve and improve the veterinary standards.
 - b. Israel and the Palestinian Authority will take all measures to reach equivalent and compatible standards regarding animal disease control, including mass vaccination of animals and avians, quarantines, "stamping out" measures and residue control standards.
 - c. Mutual arrangements will be made to prevent the introduction and spread of plant pests and diseases, for their eradication and concerning residue control standards in plant products.
 - d. The official veterinary and plant protection services of Israel and the Palestinian Authority will coordinate and regularly exchange information regarding animal diseases, as well as plant pests and diseases, and will establish a mechanism for immediate notification of the outbreak of such diseases.
4. Trade between the two sides in animals, animal products and biological products will be in keeping with the principles and definitions set out in the current edition of the OIE National Animal Health Code as updated from time to time (hereinafter - I.A.H.C.).
5. Transit of livestock, animal products and biological products from one side through the area under the jurisdiction of the other side, should be conducted in a manner aimed at the prevention of diseases spreading to or from the consignment during its movement. For such a transit to be permitted, it is a prerequisite that the veterinary conditions agreed upon by both sides will be met in regard to importation of animals, their products and biological products from external markets. Therefore the parties agree to the following arrangements.
6. The official veterinary services of each side have the authority to issue veterinary import permits for import of animals, animal products and biological products to the areas under its jurisdiction. In order to prevent the introduction of animal diseases from third parties, the following procedures will be adopted:
 - a. The import permits will strictly follow the professional veterinary conditions for similar imports to Israel as prevailing at the time of their issuance. The permits will specify the country of origin and the required conditions to be included in the official veterinary certificates which should be issued by the veterinary authorities in the countries of origin and which should accompany each consignment.

Each side may propose a change in these conditions. The change will come into force 10 days after notice to the other side, unless the other side requested that the matter be brought before the Veterinary Sub-Committee specified in para 14 (hereinafter - VSC). If it is more stringent than the prevailing conditions - it will come into force 20 days after the request,

unless both sides decide otherwise through the VSC, and if more lenient - it will come into force only if agreed upon by both sides through the VSC. However, if the change is urgent and needed for the protection of animal and public health, it will come into force immediately after notice by the other side and will remain in force unless and until both sides agree otherwise through the VSC.

- b. The official veterinary certificates will include the provisions regarding OIE Lists A & B Diseases as specified in the I.A.H.C. When the I.A.H.C. allows alternative requirements regarding the same disease, the most stringent one will be adopted unless otherwise agreed upon by the VSC.
 - c. When infectious diseases which are not included in Lists A & B of the I.A.H.C. exist or are suspected, on scientific grounds, to exist in the exporting country, the necessary veterinary import conditions that will be required and included in the official veterinary certificates, will be discussed in the VSC, and in the case of different professional opinions, the most stringent ones will be adopted.
 - d. The import of live vaccines will be permitted only if so decided by the VSC.
 - e. Both sides will exchange, through the VSC, information pertaining to import licensing, including the evaluation of the disease situation and zoosanitary capability of exporting countries, which will be based upon official information as well as upon other available data.
 - f. Consignments which do not conform with the above mentioned requirements will not be permitted to enter the areas under the jurisdiction of either side.
7. Transportation of livestock and poultry and of animal products and biological products between areas under the jurisdiction of one side through areas under the jurisdiction of the other side, will be subject to the following technical rules:
 - a. The transportation will be by vehicles which will be sealed with a seal of the official veterinary services of the place of origin and marked with a visible sign "Animal Transportation" or "Products of Animal Origin" in Arabic and Hebrew, in coloured and clearly visible letters on white background;
 - b. Each consignment will be accompanied by a veterinary certificate issued by the official veterinary services of the place of origin, certifying that the animals or their products were examined and are free of infectious diseases and originate from a place which is not under quarantine or under animal movement restrictions.
8. Transportation of livestock and poultry, animal products and biological products destined for Israel from the Areas and vice versa will be subject to veterinary permits issued by the official veterinary services of the recipient side, in keeping with the OIE standards used in international traffic in this field. Each such consignment will be transported by a suitable and marked vehicle, accompanied by a veterinary certificate in the form agreed upon between the official veterinary services of both sides. Such certificates will be issued only if permits of the recipient side are presented.
9. In order to prevent the introduction of plant pests and diseases to the region, the following procedures will be adopted:
 - a. The transportation between the Areas and Israel, of plants and parts thereof (including fruits and vegetables), the control of pesticide residues in them and the transportation of plant propagation material and of animal feed, may be inspected without delay or damage by the plant protection services of the recipient side.
 - b. The transportation between the Areas through Israel of plants and parts

thereof (including fruits and vegetables) as well as of pesticides, may be required to pass a phytosanitary inspection without delay or damage.

- c. The official Palestinian plant protection services have the authority to issue permits for the import of plants and parts thereof as well as of pesticides from external markets. The permits will be based on the prevailing standards and requirements.

The permits will specify the required conditions to be included in the official Phytosanitary Certificates (hence P.C.) based upon the standards and the requirements of the International Plant Protection Convention (I.P.P.C.) and those of the European and Mediterranean Plant Protection Organization (E.P.P.O.) which should accompany each consignment. The P.C.'s will be issued by the plant protection services in the countries of origin. Dubious or controversial cases will be brought before the sub-committee on plant protection.

10. The agricultural produce of both sides will have free and unrestricted access to each others' markets, with the temporary exception of sales from one side to the other side of the following items only: poultry, eggs, potatoes, cucumbers, tomatoes and melons. The temporary restrictions on these items will be gradually removed on an increasing scale until they are finally eliminated by 1998, as listed below:

Year	Poultry (tons)	Eggs (millions)	Potatoes (tons)	Cucumbers (tons)	Tomatoes (tons)	Melons (tons)
1994	5,000	30	10,000	10,000	13,000	10,000
1995	6,000	40	13,000	13,000	16,000	13,000
1996	7,000	50	15,000	15,000	19,000	15,000
1997	8,000	60	17,000	17,000	22,000	17,000
1998	unlimited	unlimited	unlimited	unlimited	unlimited	unlimited

11. Note: The above figures refer to the combined quantities marketed from the West Bank and Gaza Strip to Israel and vice-versa. The Palestinian Authority will notify Israel the apportioning of these quantities between these areas concerning the quantities pertaining to the Palestinian produce.
12. The Palestinians will have the right to export their agricultural produce to external markets without restrictions, on the basis of certificates of origin issued by the Palestinian Authority.
13. Without prejudice to obligations arising out of existing international agreements, the two sides will refrain from importing agricultural products from third parties which may adversely affect the interests of each other's farmers.
14. Each side will take the necessary measures in the area under its jurisdiction to prevent damage which may be caused by its agriculture to the environment of the other side.
15. The two sides will establish sub-committees of their respective official veterinary and plant protection services, which will update the information and review issues, policies and procedures in these fields. Any changes in the provisions of this Article will be agreed upon by both sides.
16. The two sides will establish a sub-committee of experts in the dairy sector in order to exchange information, discuss and coordinate their production in this sector so as to protect the interests of both sides. In principle, each side will produce according to its domestic consumption.

Article IX INDUSTRY

1. There will be free movement of industrial goods free of any restrictions including customs and import taxes between the two sides, subject to each side's legislation.
2.
 - a. The Palestinian side has the right to employ various methods in encouraging and promoting the development of the Palestinian industry by way of providing grants, loans, research and development assistance and direct-tax benefits. The Palestinian side has also the right to employ other methods of encouraging industry resorted to in Israel.
 - b. Both sides will exchange information about the methods employed by them in the encouragement of their respective industries.
 - c. Indirect tax rebates or benefits and other subsidies to sales shall not be allowed in trade between the two sides.
3. Each side will do its best to avoid damage to the industry of the other side and will take into consideration the concerns of the other side in its industrial policy.
4. Both sides will cooperate in the prevention of deceptive practices, trade in goods which may endanger health, safety and the environment and in goods of expired validity.
5. Each side will take the necessary measures in the area under its jurisdiction to prevent damage which may be caused by its industry to the environment of the other side.
6. The Palestinians will have the right to export their industrial produce to external markets without restrictions, on the basis of certificates of origin issued by the Palestinian Authority.
7. The JEC will meet and review issues pertaining to this Article.

Article X TOURISM

1. The Palestinian Authority will establish a Palestinian Tourism Authority which will exercise, inter alia, the following powers in the Areas.
 - a. Regulating, licensing, classifying and supervising tourist services, sites and industries.
 - b. Promoting foreign and domestic tourism and developing the Palestinian tourist resources and sites.
 - c. Supervising the marketing, promotion and information activities related to foreign and domestic tourism.
2. Each side shall, under its respective jurisdiction, protect, guard and ensure the maintenance and good upkeep of historical, archaeological, cultural and religious sites and all other tourist sites, to fit their status as well as their purpose as a destination for visitors.
3. Each side will determine reasonable visiting hours and days for all tourist sites in order to facilitate visits at a wide variety of days and hours, taking into consideration religious and national holidays. Each side shall publicize such opening times. Meaningful changes in the opening times will take into consideration tourist programs already committed to.
4. Tourist buses or any other form of tourist transport authorized by either side, and operated by companies registered and licensed by it, will be allowed to enter and proceed on their tour within the area under the jurisdiction of the other side, provided that such buses or other vehicles conform with the EEC technical specifications [I. currently adopted.] All such vehicles will be clearly marked as

- tourist vehicles.
5. Each side will protect the environment and the ecology around the tourist sites under its jurisdiction. In view of the importance of beaches and maritime activities for tourism, each side will do its best efforts to ensure that development and construction on the Mediterranean coast, and especially at ports (such as Ashqelon or Gaza), will be planned and carried out in a manner that will not adversely affect the ecology, environment or the functions of the coastline and beaches of the other side.
 6. Tourism companies and agencies licensed by either side shall enjoy equal access to tourism - related facilities and amenities in border points of exit and entry according to the regulations of the authority operating them.
 7.
 - a. Each side will license, according to its own rules and regulations, travel agents, tour companies, tour guides and other tourism businesses (hereinafter - tourism entities) within its jurisdiction.
 - b. Tourism entities authorized by either side, will be allowed to conduct tours that include the area under the jurisdiction of the other side, provided that their authorization as well as their operation will be in accordance with rules, professional requirements and standards agreed upon by both sides in the sub-committee mentioned in para 9.
 Pending that agreement, existing tourism entities in the Areas which are currently allowed to conduct tours that include Israel, will be allowed to continue to do so, and Israeli authorized tourism entities will continue to be allowed to conduct tours that include the Areas.
 In addition, any tourism entity of one side that the tourism authorities of the other side will certify as fulfilling all its rules, professional requirements and standards, will be allowed to conduct tours that include that other side.
 8. Each side will make its own arrangement for compensation of tourists for bodily injury and property damages caused by political violence in the areas under its respective jurisdiction.
 9. The JEC or a tourism sub-committee established by it shall meet upon the request of either side in order to discuss the implementation of the provisions of this Article and resolve problems that may arise. The sub-committee will also discuss and consider tourist issues of benefit to both sides, and will promote educational programs for tourism entities of both sides in order to further their professional standards and their ethics. Complaints of one side against the behaviour of tourism entities of the other side will be channelled through the committee.

Note: It is agreed that the final wording in the last sentence in para 4 will be adopted according to the final wording in the relevant provisions of the Agreement.

Article XI

INSURANCE ISSUES

1. The authorities, powers and responsibilities in the insurance sphere in the Areas, including inter alia the licensing of insurers, insurance agents and the supervision of their activities, will be transferred to the Palestinian Authority.
2.
 - a. The Palestinian Authority will maintain a compulsory absolute liability system for road accident victims with a ceiling on the amount of compensation based upon the following principles:
 1. Absolute liability for death or bodily injury to road accident victims, it being immaterial whether or not there was fault on the

part of the driver and whether or not there was fault or contributory fault on the part of others, each driver being responsible for persons travelling in his vehicle and for pedestrians hit by his vehicle.

2. Compulsory insurance for all motor vehicles, covering death or bodily injury to all road accident victims, including drivers.
 3. No cause of action in tort for death or bodily injury resulting from road accidents.
 4. The maintenance of a statutory fund (hereinafter - the Fund) for compensation of road accident victims who are unable to claim compensation from an insurer for the following reasons:
 - i. the driver liable for compensation is unknown;
 - ii. the driver is not insured or his insurance does not cover the liability involved; or
 - iii. the insurer is unable to meet his liabilities.
 5. Terms in this Article will have the same meaning as in the legislation prevailing at the date of signing of the Agreement concerning compulsory motor vehicle insurance and compensation of road accident victims.
 6. Any change by either side in the rules and regulations regarding the implementation of the above mentioned principles will require prior notice to the other side. A change which might substantially affect the other side will require prior notice of at least three months.
- 3.
- a. Upon the signing of the Agreement the Palestinian Authority will establish a Fund for the Areas (hereinafter - the Palestinian Fund) for the purposes detailed in para 2(a)(4) above and for the purposes detailed below. The Palestinian Fund will assume the responsibilities of the statutory Road Accident Victims Compensation Fund in the West Bank and the Gaza Strip (hereinafter - the Existing Fund) regarding the Areas, according to the prevailing law at that time. Accordingly, the Existing Fund will cease to be responsible for any liability regarding accidents occurring in the Areas from the date of signing of the Agreement.
 - b. The Existing Fund will transfer to the Palestinian Fund, after the assumption of the above mentioned responsibilities by it, the premiums paid to the Existing Fund by the insurers for vehicles registered in the Areas, pro-rata to the unexpired period of each insurance policy.
- 4.
- a. Compulsory motor vehicle insurance policies issued by insurers licensed by either side will be valid in the territories of both sides. Accordingly, a vehicle registered in one side covered by such a policy will not be required to have an additional insurance coverage for travel in the areas under the other side's jurisdiction. These insurance policies will cover all the liabilities according to the legislation of the place of the accident.
 - b. In order to cover part of the liabilities which may incur due to road accidents in Israel by uninsured vehicles registered in the Palestinian Authority, the Palestinian Fund will transfer to the Israeli Fund, on a monthly basis, for each insured vehicle, an amount equal to 30% of the amount paid to the Israeli Fund by an insurer registered in Israel, for the sat-ne type of vehicle, for the same period of insurance (which will not be less than 90 days).
5. In cases where a victim of a road accident wishes to claim compensation from an insurer registered by the other side or from the Fund of the other side or in cases

where a driver or an owner of a car is sued by a victim, by an insurer or by the Fund of the other side, he may nominate the Fund of his side as his proxy for this purpose. The Fund so nominated may address any relevant party from the other side directly or through the other sides' Fund.

6. In the case of a road accident in which neither the registration number of the vehicle nor the identity of the driver are known, the Fund of the side which has jurisdiction over the place of the accident will compensate the victim, according to its own legislation.
7. The Fund of each side will be responsible towards the victims of the other side for any liability of the insurers of its side regarding the compulsory insurance and will guarantee their liabilities.
8. Each side will guarantee its Fund's liabilities according to this Article.
9. The two sides will negotiate within three months from the date of the signing of the Agreement a cut-off agreement between the Existing Fund and the Palestinian Fund concerning accidents which occurred in the Areas prior to the date of the signing of the Agreement, whether claims have been reported or not. The cut-off agreement will not include compensation for Israeli victims involved in accidents which occurred in the Areas prior to the date of the signing of the Agreement.
10.
 - a. The two sides will establish immediately upon the signing of the Agreement, a sub-committee of experts (hereinafter - the Sub-Committee) which will deal with issues regarding the implementation of this Article, including:
 1. Procedures concerning the handling of claims of victims of the one side from insurers or from the Fund of the other side;
 2. Procedures concerning the transfer of the amounts between the Funds of both sides as mentioned in para 4(b) above;
 3. The details of the cut-off agreement between the Existing Fund and the Palestinian Fund, as set out in para 9 above;
 4. Any other relevant issue raised by either side.
 - b. The Sub-Committee will act as a continuous committee for issues regarding this Article.
 - c. The two sides will exchange, through the Sub-Committee, the relevant information regarding the implementation of this Article, including police reports, medical information, relevant statistics, premiums, etc. The two sides will provide each other with any other assistance required in this regard.
11. Each side may require the re-examination of the arrangements set out in this Article a year after the date of the signing of the Agreement.
12. Insurers from both sides may apply for a license to the relevant authorities of the other side, according to the rules and regulations regarding foreign insurers in the latter side. The two sides agree not to discriminate against such applicants.

Done in Paris, this twenty ninth day of April, 1994

*For the Government of Israel
Finance Minister Avraham Shohat*

*For the PLO
Abu Ala (Ahmad Qurei)*

Israeli - Palestinian Interim Agreement on the West Bank and the Gaza Strip

September 28, 1995

The Government of the State of Israel and the Palestine Liberation Organization (hereinafter "the PLO"), the representative of the Palestinian people;

PREAMBLE

WITHIN the framework of the Middle East peace process initiated at Madrid in October 1991;

REAFFIRMING their determination to put an end to decades of confrontation and to live in peaceful coexistence, mutual dignity and security, while recognizing their mutual legitimate and political rights;

REAFFIRMING their desire to achieve a just, lasting and comprehensive peace settlement and historic reconciliation through the agreed political process;

RECOGNIZING that the peace process and the new era that it has created, as well as the new relationship established between the two Parties as described above, are irreversible, and the determination of the two Parties to maintain, sustain and continue the peace process;

RECOGNIZING that the aim of the Israeli-Palestinian negotiations within the current Middle East peace process is, among other things, to establish a Palestinian Interim Self-Government Authority, i.e. the elected Council (hereinafter "the Council" or "the Palestinian Council"), and the elected Ra'ees of the Executive Authority, for the Palestinian people in the West Bank and the Gaza Strip, for a transitional period not exceeding five years from the date of signing the Agreement on the Gaza Strip and the Jericho Area (hereinafter "the Gaza-Jericho Agreement") on May 4, 1994, leading to a permanent settlement based on Security Council Resolutions 242 and 338;

REAFFIRMING their understanding that the interim self-government arrangements contained in this Agreement are an integral part of the whole peace process, that the negotiations on the permanent status, that will start as soon as possible but not later than May 4, 1996, will lead to the implementation of Security Council Resolutions 242 and 338, and that the Interim Agreement shall settle all the issues of the interim period and that no such issues will be deferred to the agenda of the permanent status negotiations;

REAFFIRMING their adherence to the mutual recognition and commitments expressed in the letters dated September 9, 1993, signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO;

DESIROUS of putting into effect the Declaration of Principles on Interim Self-Government Arrangements signed at Washington, D.C. on September 13, 1993, and the Agreed Minutes thereto (hereinafter "the DOP") and in particular Article III and Annex I concerning the holding of direct, free and general political elections for the Council and the Ra'ees of the Executive Authority in order that the Palestinian people in the West Bank, Jerusalem and the Gaza Strip may democratically elect accountable representatives;

RECOGNIZING that these elections will constitute a significant interim preparatory step toward the realization of the legitimate rights of the Palestinian people and their just requirements and will provide a democratic basis for the establishment of Palestinian institutions;

REAFFIRMING their mutual commitment to act, in accordance with this Agreement, immediately, efficiently and effectively against acts or threats of terrorism, violence or incitement, whether committed by Palestinians or Israelis;

FOLLOWING the Gaza-Jericho Agreement; the Agreement on Preparatory Transfer of Powers and Responsibilities signed at Erez on August 29, 1994 (hereinafter "the Preparatory Transfer Agreement"); and the Protocol on Further Transfer of Powers and Responsibilities signed at Cairo on August 27, 1995 (hereinafter "the Further Transfer Protocol"); which three agreements will be superseded by this Agreement;

HEREBY AGREE as follows:

CHAPTER I - THE COUNCIL

ARTICLE I

Transfer of Authority

1. Israel shall transfer powers and responsibilities as specified in this Agreement from the Israeli military government and its Civil Administration to the Council in accordance with this Agreement. Israel shall continue to exercise powers and responsibilities not so transferred.
2. Pending the inauguration of the Council, the powers and responsibilities transferred to the Council shall be exercised by the Palestinian Authority established in accordance with the Gaza-Jericho Agreement, which shall also have all the rights, liabilities and obligations to be assumed by the Council in this regard. Accordingly, the term "Council" throughout this Agreement shall, pending the inauguration of the Council, be construed as meaning the Palestinian Authority.
3. The transfer of powers and responsibilities to the police force established by the Palestinian Council in accordance with Article XIV below (hereinafter "the Palestinian Police") shall be accomplished in a phased manner, as detailed in this Agreement and in the Protocol concerning Redeployment and Security Arrangements attached as Annex I to this Agreement (hereinafter "Annex I").
4. As regards the transfer and assumption of authority in civil spheres, powers and responsibilities shall be transferred and assumed as set out in the Protocol Concerning Civil Affairs attached as Annex III to this Agreement (hereinafter "Annex III").
5. After the inauguration of the Council, the Civil Administration in the West Bank will be dissolved, and the Israeli military government shall be withdrawn. The withdrawal of the military government shall not prevent it from exercising the powers and responsibilities not transferred to the Council.
6. A Joint Civil Affairs Coordination and Cooperation Committee (hereinafter "the CAC"), Joint Regional Civil Affairs Subcommittees, one for the Gaza Strip and the other for the West Bank, and District Civil Liaison Offices in the West Bank shall be established in order to provide for coordination and cooperation in civil affairs between the Council and Israel, as detailed in Annex III.
7. The offices of the Council, and the offices of its Ra'ees and its Executive Authority and other committees, shall be located in areas under Palestinian territorial jurisdiction in the West Bank and the Gaza Strip.

ARTICLE II

Elections

1. In order that the Palestinian people of the West Bank and the Gaza Strip may govern themselves according to democratic principles, direct, free and general political elections will be held for the Council and the Ra'ees of the Executive Authority of the Council in accordance with the provisions set out in the Protocol concerning Elections attached as Annex II to this Agreement (hereinafter "Annex II").

2. These elections will constitute a significant interim preparatory step towards the realization of the legitimate rights of the Palestinian people and their just requirements and will provide a democratic basis for the establishment of Palestinian institutions.

3. Palestinians of Jerusalem who live there may participate in the election process in accordance with the provisions contained in this Article and in Article VI of Annex II (Election Arrangements concerning Jerusalem).

4. The elections shall be called by the Chairman of the Palestinian Authority immediately following the signing of this Agreement to take place at the earliest practicable date following the redeployment of Israeli forces in accordance with Annex I, and consistent with the requirements of the election timetable as provided in Annex II, the Election Law and the Election Regulations, as defined in Article I of Annex II.

ARTICLE III

Structure of the Palestinian Council

1. The Palestinian Council and the Ra'ees of the Executive Authority of the Council constitute the Palestinian Interim Self-Government Authority, which will be elected by the Palestinian people of the West Bank, Jerusalem and the Gaza Strip for the transitional period agreed in Article I of the DOP.

2. The Council shall possess both legislative power and executive power, in accordance with Articles VII and IX of the DOP. The Council shall carry out and be responsible for all the legislative and executive powers and responsibilities transferred to it under this Agreement. The exercise of legislative powers shall be in accordance with Article XVIII of this Agreement (Legislative Powers of the Council).

3. The Council and the Ra'ees of the Executive Authority of the Council shall be directly and simultaneously elected by the Palestinian people of the West Bank, Jerusalem and the Gaza Strip, in accordance with the provisions of this Agreement and the Election Law and Regulations, which shall not be contrary to the provisions of this Agreement.

4. The Council and the Ra'ees of the Executive Authority of the Council shall be elected for a transitional period not exceeding five years from the signing of the Gaza-Jericho Agreement on May 4, 1994.

5. Immediately upon its inauguration, the Council will elect from among its members a Speaker. The Speaker will preside over the meetings of the Council, administer the Council and its committees, decide on the agenda of each meeting, and lay before the Council proposals for voting and declare their results.

6. The jurisdiction of the Council shall be as determined in Article XVII of this Agreement (Jurisdiction).

7. The organization, structure and functioning of the Council shall be in accordance with this Agreement and the Basic Law for the Palestinian Interim Self-government Authority, which Law shall be adopted by the Council. The Basic Law and any regulations made under it shall not be contrary to the provisions of this Agreement.

8. The Council shall be responsible under its executive powers for the offices, services and departments transferred to it and may establish, within its jurisdiction, ministries and subordinate bodies, as necessary for the fulfillment of its responsibilities.

9. The Speaker will present for the Council's approval proposed internal procedures that will regulate, among other things, the decision-making processes of the Council.

ARTICLE IV

Size of the Council

The Palestinian Council shall be composed of 82 representatives and the Ra'ees of the Executive Authority, who will be directly and simultaneously elected by the Palestinian people of the West Bank, Jerusalem and the Gaza Strip.

ARTICLE V

The Executive Authority of the Council

1. The Council will have a committee that will exercise the executive authority of the Council, formed in accordance with paragraph 4 below (hereinafter "the Executive Authority").

2. The Executive Authority shall be bestowed with the executive authority of the Council and will exercise it on behalf of the Council. It shall determine its own internal procedures and decision making processes.

3. The Council will publish the names of the members of the Executive Authority immediately upon their initial appointment and subsequent to any changes.

4. a. The Ra'ees of the Executive Authority shall be an ex officio member of the Executive Authority.

b. All of the other members of the Executive Authority, except as provided in subparagraph c. below, shall be members of the Council, chosen and proposed to the Council by the Ra'ees of the Executive Authority and approved by the Council.

c. The Ra'ees of the Executive Authority shall have the right to appoint some persons, in number not exceeding twenty percent of the total membership of the Executive Authority, who are not members of the Council, to exercise executive authority and participate in government tasks. Such appointed members may not vote in meetings of the Council.

d. Non-elected members of the Executive Authority must have a valid address in an area under the jurisdiction of the Council.

ARTICLE VI

Other Committees of the Council

1. The Council may form small committees to simplify the proceedings of the Council and to assist in controlling the activity of its Executive Authority.

2. Each committee shall establish its own decision-making processes within the general framework of the organization and structure of the Council.

ARTICLE VII

Open Government

1. All meetings of the Council and of its committees, other than the Executive Authority, shall be open to the public, except upon a resolution of the Council or the relevant committee on the grounds of security, or commercial or personal confidentiality.

2. Participation in the deliberations of the Council, its committees and the Executive Authority shall be limited to their respective members only. Experts may be invited to such meetings to address specific issues on an ad hoc basis.

ARTICLE VIII

Judicial Review

Any person or organization affected by any act or decision of the Ra'ees of the Executive Authority of the Council or of any member of the Executive Authority, who believes that such act or decision exceeds the authority of the Ra'ees or of such member, or is otherwise incorrect in law or procedure, may apply to the relevant Palestinian Court of Justice for a review of such activity or decision.

ARTICLE IX

Powers and Responsibilities of the Council

1. Subject to the provisions of this Agreement, the Council will, within its jurisdiction, have legislative powers as set out in Article XVIII of this Agreement, as well as executive powers.

2. The executive power of the Palestinian Council shall extend to all matters within its jurisdiction under this Agreement or any future agreement that may be reached between the two Parties during the interim period. It shall include the power to formulate and conduct Palestinian policies and to supervise their implementation, to issue any rule or regulation under powers given in approved legislation and administrative decisions necessary for the realization of Palestinian self-government, the power to employ staff, sue and be sued and conclude contracts, and the power to keep and administer registers and records of the population, and issue certificates, licenses and documents.

3. The Palestinian Council's executive decisions and acts shall be consistent with the provisions of this Agreement.

4. The Palestinian Council may adopt all necessary measures in order to enforce the law and any of its decisions, and bring proceedings before the Palestinian courts and tribunals.

5. a. In accordance with the DOP, the Council will not have powers and responsibilities in the sphere of foreign relations, which sphere includes the establishment abroad of embassies, consulates or other types of foreign missions and posts or permitting their establishment in the West Bank or the Gaza Strip, the appointment of or admission of diplomatic and consular staff, and the exercise of diplomatic functions.

b. Notwithstanding the provisions of this paragraph, the PLO may conduct negotiations and sign agreements with states or international organizations for the benefit of the Council in the following cases only:

- (1) economic agreements, as specifically provided in Annex V of this Agreement:
- (2) agreements with donor countries for the purpose of implementing arrangements for the provision of assistance to the Council,
- (3) agreements for the purpose of implementing the regional development plans detailed in Annex IV of the DOP or in agreements entered into in the framework of the multilateral negotiations, and
- (4) cultural, scientific and educational agreements. Dealings between the Council and representatives of foreign states and international organizations, as well as the establishment in the West Bank and the Gaza Strip of representative offices other than those described in subparagraph 5.a above, for the purpose of implementing the agreements referred to in subparagraph 5.b above, shall not be considered foreign relations.

6. Subject to the provisions of this Agreement, the Council shall, within its jurisdiction, have an independent judicial system composed of independent Palestinian courts and tribunals.

CHAPTER 2 - REDEPLOYMENT AND SECURITY ARRANGEMENTS

ARTICLE X

Redeployment of Israeli Military Forces

- 1. The first phase of the Israeli military forces redeployment will cover populated areas in the West Bank - cities, towns, villages, refugee camps and hamlets - as set out in Annex I, and will be completed prior to the eve of the Palestinian elections, i. e., 22 days before the day of the elections.
- 2. Further redeployments of Israeli military forces to specified military locations will commence after the inauguration of the Council and will be gradually implemented commensurate with the assumption of responsibility for public order and internal security by the Palestinian Police, to be completed within 18 months from the date of the inauguration of the Council as detailed in Articles XI (Land) and XIII (Security), below and in Annex I.
- 3. The Palestinian Police shall be deployed and shall assume responsibility for public order and internal security for Palestinians in a phased manner in accordance with XIII (Security) below and Annex I.
- 4. Israel shall continue to carry the responsibility for external security, as well as the responsibility for overall security of Israelis for the purpose of safeguarding their internal security and public order.
- 5. For the purpose of this Agreement, "Israeli military forces" includes Israel Police and other Israeli security forces.

ARTICLE XI

Land

- 1. The two sides view the West Bank and the Gaza Strip as a single territorial unit, the integrity and status of which will be preserved during the interim period.
- 2. The two sides agree that West Bank and Gaza Strip territory, except for issues that will be negotiated in the permanent status negotiations, will come under the jurisdiction of the Palestinian

Council in a phased manner, to be completed within 18 months from the date of the inauguration of the Council, as specified below:

- a. Land in populated areas (Areas A and B), including government and Al Waqf land, will come under the jurisdiction of the Council during the first phase of redeployment.
- b. All civil powers and responsibilities, including planning and zoning, in Areas A and B, set out in Annex III, will be transferred to and assumed by the Council during the first phase of redeployment.
- c. In Area C, during the first phase of redeployment Israel will transfer to the Council civil powers and responsibilities not relating to territory, as set out in Annex III.
- d. The further redeployments of Israeli military forces to specified military locations will be gradually implemented in accordance with the DOP in three phases, each to take place after an interval of six months, after the inauguration of the Council, to be completed within 18 months from the date of the inauguration of the Council.
- e. During the further redeployment phases to be completed within 18 months from the date of the inauguration of the Council, powers and responsibilities relating to territory will be transferred gradually to Palestinian jurisdiction that will cover West Bank and Gaza Strip territory, except for the issues that will be negotiated in the permanent status negotiations.
- f. The specified military locations referred to in Article X, paragraph 2 above will be determined in the further redeployment phases, within the specified time-frame ending not later than 18 months from the date of the inauguration of the Council, and will be negotiated in the permanent status negotiations.

3. For the purpose of this Agreement and until the completion of the first phase of the further redeployments:

- a. "Area A" means the populated areas delineated by a red line and shaded in brown on attached map No. 1;
- b. "Area B" means the populated areas delineated by a red line and shaded in yellow on attached map No. 1, and the built-up area of the hamlets listed in Appendix 6 to Annex I, and
- c. "Area C" means areas of the West Bank outside Areas A and B, which, except for the issues that will be negotiated in the permanent status negotiations, will be gradually transferred to Palestinian jurisdiction in accordance with this Agreement.

ARTICLE XII

Arrangements for Security and Public Order

1. In order to guarantee public order and internal security for the Palestinians of the West Bank and the Gaza Strip, the Council shall establish a strong police force as set out in Article XIV below. Israel shall continue to carry the responsibility for defense against external threats, including the responsibility for protecting the Egyptian and Jordanian borders, and for defense against external threats from the sea and from the air, as well as the responsibility for overall security of Israelis and Settlements, for the purpose of safeguarding their internal security and public order, and will have all the powers to take the steps necessary to meet this responsibility.

2. Agreed security arrangements and coordination mechanisms are specified in Annex I.
3. A Joint Coordination and Cooperation Committee for Mutual Security Purposes (hereinafter "the JSC"), as well as Joint Regional Security Committees (hereinafter "RSCs") and Joint District Coordination Offices (hereinafter "DCOs"), are hereby established as provided for in Annex I.
4. The security arrangements provided for in this Agreement and in Annex I may be reviewed at the request of either Party and may be amended by mutual agreement of the Parties. Specific review arrangements are included in Annex I.
5. For the purpose of this Agreement, "the Settlements" means, in the West Bank the settlements in Area C; and in the Gaza Strip - the Gush Katif and Erez settlement areas, as well as the other settlements in the Gaza Strip, as shown on attached map No. 2.

ARTICLE XIII

Security

1. The Council will, upon completion of the redeployment of Israeli military forces in each district, as set out in Appendix 1 to Annex I, assume the powers and responsibilities for internal security and public order in Area A in that district.
2.
 - a. There will be a complete redeployment of Israeli military forces from Area B. Israel will transfer to the Council and the Council will assume responsibility for public order for Palestinians. Israel shall have the overriding responsibility for security for the purpose of protecting Israelis and confronting the threat of terrorism.
 - b. In Area B the Palestinian Police shall assume the responsibility for public order for Palestinians and shall be deployed in order to accommodate the Palestinian needs and requirements in the following manner:
 - (1) The Palestinian Police shall establish 25 police stations and posts in towns, villages, and other places listed in Appendix 2 to Annex I and as delineated on map No. 3. The West Bank RSC may agree on the establishment of additional police stations and posts, if required.
 - (2) The Palestinian Police shall be responsible for handling public order incidents in which only Palestinians are involved.
 - (3) The Palestinian Police shall operate freely in populated places where police stations and posts are located, as set out in paragraph b(1) above.
 - (4) While the movement of uniformed Palestinian policemen in Area B outside places where there is a Palestinian police station or post will be carried out after coordination and confirmation through the relevant DCO, three months after the completion of redeployment from Area B, the DCOs may decide that movement of Palestinian policemen from the police stations in Area B to Palestinian towns and villages in Area B on roads that are used only by Palestinian traffic will take place after notifying the DCO.
 - (5) The coordination of such planned movement prior to confirmation through the relevant DCO shall include a scheduled plan, including the number of policemen,

as well as the type and number of weapons and vehicles intended to take part. It shall also include details of arrangements for ensuring continued coordination through appropriate communication links, the exact schedule of movement to the area of the planned operation, including the destination and routes thereto, its proposed duration and the schedule for returning to the police station or post.

The Israeli side of the DCO will provide the Palestinian side with its response, following a request for movement of policemen in accordance with this paragraph, in normal or routine cases within one day and in emergency cases no later than 2 hours.

(6) The Palestinian Police and the Israeli military forces will conduct joint security activities on the main roads as set out in Annex I.

(7) The Palestinian Police will notify the West Bank RSC of the names of the policemen, number plates of police vehicles and serial numbers of weapons, with respect to each police station and post in Area B.

(8) Further redeployments from Area C and transfer of internal security responsibility to the Palestinian Police in Areas B and C will be carried out in three phases, each to take place after an interval of six months, to be completed 18 months after the inauguration of the Council, except for the issues of permanent status negotiations and of Israel's overall responsibility for Israelis and borders.

(9) The procedures detailed in this paragraph will be reviewed within six months of the completion of the first phase of redeployment.

ARTICLE XIV

The Palestinian Police

1. The Council shall establish a strong police force. The duties, functions, structure, deployment and composition of the Palestinian Police, together with provisions regarding its equipment and operation, as well as rules of conduct, are set out in Annex I.

2. The Palestinian police force established under the Gaza-Jericho Agreement will be fully integrated into the Palestinian Police and will be subject to the provisions of this Agreement.

3. Except for the Palestinian Police and the Israeli military forces, no other armed forces shall be established or operate in the West Bank and the Gaza Strip.

4. Except for the arms, ammunition and equipment of the Palestinian Police described in Annex I, and those of the Israeli military forces, no organization, group or individual in the West Bank and the Gaza Strip shall manufacture, sell, acquire, possess, import or otherwise introduce into the West Bank or the Gaza Strip any firearms, ammunition, weapons, explosives, gunpowder or any related equipment, unless otherwise provided for in Annex I.

ARTICLE XV

Prevention of Hostile Acts

1. Both sides shall take all measures necessary in order to prevent acts of terrorism, crime and hostilities directed against each other, against individuals falling under the other's authority and against their property and shall take legal measures against offenders.

2. Specific provisions for the implementation of this Article are set out in Annex I.

ARTICLE XVI

Confidence Building Measures

With a view to fostering a positive and supportive public atmosphere to accompany the implementation of this Agreement, to establish a solid basis of mutual trust and good faith, and in order to facilitate the anticipated cooperation and new relations between the two peoples, both Parties agree to carry out confidence building measures as detailed herewith:

1. Israel will release or turn over to the Palestinian side, Palestinian detainees and prisoners, residents of the West Bank and the Gaza Strip. The first stage of release of these prisoners and detainees will take place on the signing of this Agreement and the second stage will take place prior to the date of the elections. There will be a third stage of release of detainees and prisoners. Detainees and prisoners will be released from among categories detailed in Annex VII (Release of Palestinian Prisoners and Detainees). Those released will be free to return to their homes in the West Bank and the Gaza Strip.

2. Palestinians who have maintained contact with the Israeli authorities will not be subjected to acts of harassment, violence, retribution or prosecution. Appropriate ongoing measures will be taken, in coordination with Israel, in order to ensure their protection.

3. Palestinians from abroad whose entry into the West Bank and the Gaza Strip is approved pursuant to this Agreement, and to whom the provisions of this Article are applicable, will not be prosecuted for offenses committed prior to September 13, 1993.

CHAPTER 3 - LEGAL AFFAIRS

ARTICLE XVII

Jurisdiction

1. In accordance with the DOP, the jurisdiction of the Council will cover West Bank and Gaza Strip territory as a single territorial unit, except for:

a. issues that will be negotiated in the permanent status negotiations: Jerusalem, settlements, specified military locations, Palestinian refugees, borders, foreign relations and Israelis; and

b. powers and responsibilities not transferred to the Council.

2. Accordingly, the authority of the Council encompasses all matters that fall within its territorial, functional and personal jurisdiction, as follows:

a. The territorial jurisdiction of the Council shall encompass Gaza Strip territory, except for the Settlements and the Military Installation Area shown on map No. 2, and West Bank territory, except for Area C which, except for the issues that will be negotiated in the permanent status negotiations, will be gradually transferred to Palestinian jurisdiction in three phases, each to take place after an interval of six months, to be completed 18 months after the inauguration of the Council. At this time, the jurisdiction of the Council will cover West Bank and Gaza Strip territory, except for the issues that will be negotiated in the permanent status negotiations.

Territorial jurisdiction includes land, subsoil and territorial waters, in accordance with the provisions of this Agreement.

b. The functional jurisdiction of the Council extends to all powers and responsibilities transferred to the Council, as specified in this Agreement or in any future agreements that may be reached between the Parties during the interim period.

c. The territorial and functional jurisdiction of the Council will apply to all persons, except for Israelis, unless otherwise provided in this Agreement.

d. Notwithstanding subparagraph a. above, the Council shall have functional jurisdiction in Area C, as detailed in Article IV of Annex III.

3. The Council has, within its authority, legislative, executive and judicial powers and responsibilities, as provided for in this Agreement.

4. a. Israel, through its military government, has the authority over areas that are not under the territorial jurisdiction of the Council, powers and responsibilities not transferred to the Council and Israelis.

b. To this end, the Israeli military government shall retain the necessary legislative, judicial and executive powers and responsibilities, in accordance with international law. This provision shall not derogate from Israel's applicable legislation over Israelis in personam.

5. The exercise of authority with regard to the electromagnetic sphere and air space shall be in accordance with the provisions of this Agreement.

6. Without derogating from the provisions of this Article, legal arrangements detailed in the Protocol Concerning Legal Matters attached as Annex IV to this Agreement (hereinafter "Annex IV") shall be observed. Israel and the Council may negotiate further legal arrangements.

7. Israel and the Council shall cooperate on matters of legal assistance in criminal and civil matters through a legal committee (hereinafter "the Legal Committee"), hereby established.

8. The Council's jurisdiction will extend gradually to cover West Bank and Gaza Strip territory, except for the issues to be negotiated in the permanent status negotiations, through a series of redeployments of the Israeli military forces. The first phase of the redeployment of Israeli military forces will cover populated areas in the West Bank - cities, towns, refugee camps and hamlets, as set out in Annex I - and will be completed prior to the eve of the Palestinian elections, i.e. 22 days before the day of the elections. Further redeployments of Israeli military forces to specified military locations will commence immediately upon the inauguration of the Council and will be effected in three phases, each to take place after an interval of six months, to be concluded no later than eighteen months from the date of the inauguration of the Council.

ARTICLE XVIII

Legislative Powers of the Council

1. For the purposes of this Article, legislation shall mean any primary and secondary legislation, including basic laws, laws, regulations and other legislative acts.

2. The Council has the power, within its jurisdiction as defined in Article XVII of this Agreement, to adopt legislation.

3. While the primary legislative power shall lie in the hands of the Council as a whole, the Ra'ees of the Executive Authority of the Council shall have the following legislative powers

- a. the power to initiate legislation or to present proposed legislation to the Council;
- b. the power to promulgate legislation adopted by the Council; and
- c. the power to issue secondary legislation, including regulations, relating to any matters specified and within the scope laid down in any primary legislation adopted by the Council.

4. a. Legislation, including legislation which amends or abrogates existing laws or military orders, which exceeds the jurisdiction of the Council or which is otherwise inconsistent with the provisions of the DOP, this Agreement, or of any other agreement that may be reached between the two sides during the interim period, shall have no effect and shall be void ab initio.

- b. The Ra'ees of the Executive Authority of the Council shall not promulgate legislation adopted by the Council if such legislation falls under the provisions of this paragraph.

5. All legislation shall be communicated to the Israeli side of the Legal Committee.

6. Without derogating from the provisions of paragraph 4 above, the Israeli side of the Legal Committee may refer for the attention of the Committee any legislation regarding which Israel considers the provisions of paragraph 4 apply, in order to discuss issues arising from such legislation. The Legal Committee will consider the legislation referred to it at the earliest opportunity.

ARTICLE XIX

Human Rights and the Rule of Law

Israel and the Council shall exercise their powers and responsibilities pursuant to this Agreement with due regard to internationally-accepted norms and principles of human rights and the rule of law.

ARTICLE XX

Rights, Liabilities and Obligations

1.

- a. The transfer of powers and responsibilities from the Israeli military government and its civil administration to the Council, as detailed in Annex III, includes all related rights, liabilities and obligations arising with regard to acts or omissions which occurred prior to such transfer. Israel will cease to bear any financial responsibility regarding such acts or omissions and the Council will bear all financial responsibility for these and for its own functioning.
- b. Any financial claim made in this regard against Israel will be referred to the Council.
- c. Israel shall provide the Council with the information it has regarding pending and anticipated claims brought before any court or tribunal against Israel in this regard.

d. Where legal proceedings are brought in respect of such a claim, Israel will notify the Council and enable it to participate in defending the claim and raise any arguments on its behalf.

e. In the event that an award is made against Israel by any court or tribunal in respect of such a claim, the Council shall immediately reimburse Israel the full amount of the award.

f. Without prejudice to the above, where a court or tribunal hearing such a claim finds that liability rests solely with an employee or agent who acted beyond the scope of the powers assigned to him or her, unlawfully or with willful malfeasance, the Council shall not bear financial responsibility.

2.

a. Notwithstanding the provisions of paragraphs 1.d through 1.f above, each side may take the necessary measures, including promulgation of legislation, in order to ensure that such claims by Palestinians including pending claims in which the hearing of evidence has not yet begun, are brought only before Palestinian courts or tribunals in the West Bank and the Gaza Strip, and are not brought before or heard by Israeli courts or tribunals.

b. Where a new claim has been brought before a Palestinian court or tribunal subsequent to the dismissal of the claim pursuant to subparagraph a. above, the Council shall defend it and, in accordance with subparagraph 1.a above, in the event that an award is made for the plaintiff, shall pay the amount of the award.

c. The Legal Committee shall agree on arrangements for the transfer of all materials and information needed to enable the Palestinian courts or tribunals to hear such claims as referred to in subparagraph b. above, and, when necessary, for the provision of legal assistance by Israel to the Council in defending such claims.

3. The transfer of authority in itself shall not affect rights, liabilities and obligations of any person or legal entity, in existence at the date of signing of this Agreement.

4. The Council, upon its inauguration, will assume all the rights, liabilities and obligations of the Palestinian Authority.

5. For the purpose of this Agreement, "Israelis" also includes Israeli statutory agencies and corporations registered in Israel.

ARTICLE XXI

Settlement of Differences and Disputes

Any difference relating to the application of this Agreement shall be referred to the appropriate coordination and cooperation mechanism established under this Agreement. The provisions of Article XV of the DOP shall apply to any such difference which is not settled through the appropriate coordination and cooperation mechanism, namely:

1. Disputes arising out of the application or interpretation of this Agreement or any related agreements pertaining to the interim period shall be settled through the Liaison Committee.

2. Disputes which cannot be settled by negotiations may be settled by a mechanism of conciliation to be agreed between the Parties.

3. The Parties may agree to submit to arbitration disputes relating to the interim period, which cannot be settled through conciliation. To this end, upon the agreement of both Parties, the Parties will establish an Arbitration Committee.

CHAPTER 4 - COOPERATION

ARTICLE XXII

Relations between Israel and the Council

1. Israel and the Council shall seek to foster mutual understanding and tolerance and shall accordingly abstain from incitement, including hostile propaganda, against each other and, without derogating from the principle of freedom of expression, shall take legal measures to prevent such incitement by any organizations, groups or individuals within their jurisdiction.

2. Israel and the Council will ensure that their respective educational systems contribute to the peace between the Israeli and Palestinian peoples and to peace in the entire region, and will refrain from the introduction of any motifs that could adversely affect the process of reconciliation.

3. Without derogating from the other provisions of this Agreement, Israel and the Council shall cooperate in combating criminal activity which may affect both sides, including offenses related to trafficking in illegal drugs and psychotropic substances, smuggling, and offenses against property, including offenses related to vehicles.

ARTICLE XXIII

Cooperation with Regard to Transfer of Powers and Responsibilities

In order to ensure a smooth, peaceful and orderly transfer of powers and responsibilities, the two sides will cooperate with regard to the transfer of security powers and responsibilities in accordance with the provisions of Annex I, and the transfer of civil powers and responsibilities in accordance with the provisions of Annex III.

ARTICLE XXIV

Economic Relations

The economic relations between the two sides are set out in the Protocol on Economic Relations signed in Paris on April 29, 1994, and the Appendices thereto, and the Supplement to the Protocol on Economic Relations all attached as Annex V, and will be governed by the relevant provisions of this Agreement and its Annexes.

ARTICLE XXV

Cooperation Programs

1. The Parties agree to establish a mechanism to develop programs of cooperation between them. Details of such cooperation are set out in Annex VI.

2. A Standing Cooperation Committee to deal with issues arising in the context of this cooperation is hereby established as provided for in Annex VI.

ARTICLE XXVI

The Joint Israeli-Palestinian Liaison Committee

1. The Liaison Committee established pursuant to Article X of the DOP shall ensure the smooth implementation of this Agreement. It shall deal with issues requiring coordination, other issues of common interest and disputes.
2. The Liaison Committee shall be composed of an equal number of members from each Party. It may add other technicians and experts as necessary.
3. The Liaison Committee shall adopt its rules of procedures, including the frequency and place or places of its meetings.
4. The Liaison Committee shall reach its decisions by agreement.
5. The Liaison Committee shall establish a subcommittee that will monitor and steer the implementation of this Agreement (hereinafter "the Monitoring and Steering Committee"). It will function as follows:
 - a. The Monitoring and Steering Committee will, on an ongoing basis, monitor the implementation of this Agreement, with a view to enhancing the cooperation and fostering the peaceful relations between the two sides.
 - b. The Monitoring and Steering Committee will steer the activities of the various joint committees established in this Agreement (the JSC, the CAC, the Legal Committee, the Joint Economic Committee and the Standing Cooperation Committee) concerning the ongoing implementation of the Agreement, and will report to the Liaison Committee.
 - c. The Monitoring and Steering Committee will be composed of the heads of the various committees mentioned above.
 - d. The two heads of the Monitoring and Steering Committee will establish its rules of procedures, including the frequency and places of its meetings.

ARTICLE XXVII

Liaison and Cooperation with Jordan and Egypt

1. Pursuant to Article XII of the DOP, the two Parties have invited the Governments of Jordan and Egypt to participate in establishing further liaison and cooperation arrangements between the Government of Israel and the Palestinian representatives on the one hand, and the Governments of Jordan and Egypt on the other hand, to promote cooperation between them. As part of these arrangements a *Continuing Committee* has been constituted and has commenced its deliberations.
2. The Continuing Committee shall decide by agreement on the modalities of admission of persons displaced from the West Bank and the Gaza Strip in 1967, together with necessary measures to prevent disruption and disorder.
3. The Continuing Committee shall also deal with other matters of common concern.

ARTICLE XXVIII

Missing Persons

1. Israel and the Council shall cooperate by providing each other with all necessary assistance in the conduct of searches for missing persons and bodies of persons which have not been recovered, as well as by providing information about missing persons.

2. The PLO undertakes to cooperate with Israel and to assist it in its efforts to locate and to return to Israel Israeli soldiers who are missing in action and the bodies of soldiers which have not been recovered.

CHAPTER 5 - MISCELLANEOUS PROVISIONS

ARTICLE XXIX

Safe Passage between the West Bank and the Gaza Strip

Arrangements for safe passage of persons and transportation between the West Bank and the Gaza Strip are set out in Annex I.

ARTICLE XXX

Passages

Arrangements for coordination between Israel and the Council regarding passage to and from Egypt and Jordan, as well as any other agreed international crossings, are set out in Annex I.

ARTICLE XXXI

Final Clauses

1. This Agreement shall enter into force on the date of its signing.
2. The Gaza-Jericho Agreement, except for Article XX (Confidence-Building Measures), the Preparatory Transfer Agreement and the Further Transfer Protocol will be superseded by this Agreement.
3. The Council, upon its inauguration, shall replace the Palestinian Authority and shall assume all the undertakings and obligations of the Palestinian Authority under the Gaza-Jericho Agreement, the Preparatory Transfer Agreement, and the Further Transfer Protocol.
4. The two sides shall pass all necessary legislation to implement this Agreement.
5. Permanent status negotiations will commence as soon as possible, but not later than May 4, 1996, between the Parties. It is understood that these negotiations shall cover remaining issues, including: Jerusalem, refugees, settlements, security arrangements, borders, relations and cooperation with other neighbors, and other issues of common interest.
6. Nothing in this Agreement shall prejudice or preempt the outcome of the negotiations on the permanent status to be conducted pursuant to the DOP. Neither Party shall be deemed, by virtue of having entered into this Agreement, to have renounced or waived any of its existing rights, claims or positions.
7. Neither side shall initiate or take any step that will change the status of the West Bank and the Gaza Strip pending the outcome of the permanent status negotiations.
8. The two Parties view the West Bank and the Gaza Strip as a single territorial unit, the integrity and status of which will be preserved during the interim period.
9. The PLO undertakes that, within two months of the date of the inauguration of the Council, the Palestinian National Council will convene and formally approve the necessary changes in regard to the Palestinian Covenant, as undertaken in the letters signed by the Chairman of the PLO and addressed to the Prime Minister of Israel, dated September 9, 1993 and May 4, 1994.

10. Pursuant to Annex I, Article IX of this Agreement, Israel confirms that the permanent checkpoints on the roads leading to and from the Jericho Area (except those related to the access road leading from Mousa Alami to the Allenby Bridge) will be removed upon the completion of the first phase of redeployment.

11. Prisoners who, pursuant to the Gaza-Jericho Agreement, were turned over to the Palestinian Authority on the condition that they remain in the Jericho Area for the remainder of their sentence, will be free to return to their homes in the West Bank and the Gaza Strip upon the completion of the first phase of redeployment.

12. As regards relations between Israel and the PLO, and without derogating from the commitments contained in the letters signed by and exchanged between the Prime Minister of Israel and the Chairman of the PLO, dated September 9, 1993 and May 4, 1994, the two sides will apply between them the provisions contained in Article XXII, paragraph 1, with the necessary changes.

13.

a. The Preamble to this Agreement, and all Annexes, Appendices and maps attached hereto, shall constitute an integral part hereof.

b. The Parties agree that the maps attached to the Gaza-Jericho Agreement as:

a. map No. 1 (The Gaza Strip), an exact copy of which is attached to this Agreement as map No. (in this Agreement "map No. 2");

b. map No. 4 (Deployment of Palestinian Police in the Gaza Strip), an exact copy of which is attached to this Agreement as map No. 5 (in this Agreement "map No. 5"); and

c. map No. 6 (Maritime Activity Zones), an exact copy of which is attached to this Agreement as map No. 8 (in this Agreement "map No. 8"; are an integral part hereof and will remain in effect for the duration of this Agreement.

14. While the Jiftlik area will come under the functional and personal jurisdiction of the Council in the first phase of redeployment, the area's transfer to the territorial jurisdiction of the Council will be considered by the Israeli side in the first phase of the further redeployment phases.

Done at Washington DC, this 28th day of September, 1995.

For the Government of the State of Israel

For the PLO

Witnessed by:

The United States of America

The Russian Federation

The Arab Republic of Egypt

The European Union

The Kingdom of Norway

The European Union



