2. AID, DIPLOMACY AND FACTS ON THE GROUND: THE CASE OF PALESTINE

Michael Keating, Anne Le More & Robert Lowe eds.

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Reviewed by Sobhi Samour*

As an Arab proverb goes, “frustration takes it magnitude from expectation.” Expectations for a sovereign Palestinian state with a viable economy were indeed high in 1993 when the World Bank published its six-volume blueprint, Developing the Occupied Territories: An Investment in Peace. The opinion, expressed in some corners, that a massive inflow of aid – together with a huge capital injection by Palestinian diaspora capitalists – would set in motion a process that would see the Occupied Palestinian Territories (OPT) emulating the example of Singapore as an economic model further magnified expectations.

To realize the vision of two sovereign and prosperous states existing peacefully side by side, more than forty donors disbursed US$2.7 billion to the OPT between 1993 and 2000. These funds were administered by over two dozen multilateral organizations and UN agencies, as well as hundreds of local and international NGOs. The importance the international community attached to this investment in peace was reflected in the consequent elevation of the OPT to one of the largest recipients of international aid in the world.¹

Yet only five years later, with euphoria slowly turning to frustration, the World Bank was prompted to entitle a sequel to its 1993 publication Development under Adversity: The Palestinian Economy in Transition. “Transition” was at best an ambiguous choice of word to describe the regression the Palestinian economy had undergone since the start of the Oslo process. By 2004, only ten years after the signing of the Paris Protocol for Economic Relations that, as the Preamble proclaimed, was to lay the “groundwork for strengthening the economic base of the Palestinian side,” the World Bank spoke of an economic crisis unprecedented in the history of modern capitalism.² In 2006, with the Singapore fantasy having been replaced by a reality that resembled the worst aspects of Somalia and Soweto combined, the United Nations

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¹ Up until 2000, aid per capita reached approximately US$200. Since 2000, aid per capita subsequently increased to US$315. Even compared with other high-profile “post-conflict” cases, this was high: aid per capita for Bosnia over five years reached US$215 and for East Timor over two years US$235. See World Bank, Twenty Seven Months – Intifada, Closures and Palestinian Economic Crisis: An Assessment, xiv (2003).

² See World Bank, Disengagement, the Palestinian Economy and the Settlements (June 23, 2004).
was forced to launch the largest appeal for emergency humanitarian assistance ever made for the OPT and the third largest in the world until then. Thus, despite a massive investment in peace, the three main objectives of international aid – economic development, peace- and state-building – were not met. The question, then, is not if or to what extent aid has failed, but why the failure was so spectacular.

AID, DIPLOMACY AND FACTS ON THE GROUND: THE CASE OF PALESTINE seeks to provide answers to this blunt question and to dissect the consequences of the double failures of aid and diplomacy for both Palestinian society and the humanitarian principles and operational guidelines of aid agencies. Written a few months before the Israeli withdrawal from the Gaza Strip, the volume also aims to recommend a more effective aid strategy for the future, assuming that Israel’s withdrawal would generate renewed international interest in the Roadmap for Peace and another multi-billion dollar aid package. The volume consists of 18 succinct essays written by experts from different fields, resulting in a wide-ranging discussion encompassing a variety of angles on the failures of aid and diplomacy.

There are three conceptual criticisms to make in advance. Firstly, the volume insufficiently acknowledges that aid in the post-Oslo era is facing problems similar to those it faced in the pre-Oslo period. Ignoring the troubled history of aid under occupation nurtures the misperception that the current problems relating to aid are new and neglects the important question of whether the underlying structure in which aid has to operate precludes any meaningful process through which it could have a transformative impact. Secondly, although questions pertaining to the adverse effects of aid since the Oslo period have long been raised by Palestinians, the volume makes only scant reference to these discussions. Thus, contrary to contemporary development lingo of “ownership” and “dialogue,” a longstanding and internal Palestinian critique of aid has been brushed aside. Finally, although the willingness of aid agencies to openly discuss failure has to be appreciated, this openness ends where the holiest of all contemporary aid dogmas is concerned: a frank discussion about the problems of good governance reforms, to which the Palestinian Authority (PA) remains subjected,

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3 With 14 international, two Israeli and only two Palestinian contributors to the volume, this should not come as a surprise.