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CORRUPTION IN PALESTINE: A SELF-ENFORCING SYSTEM

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Key Points

- As many as 81% of the Palestinians living in the occupied Palestinian territory believe there is corruption in Palestinian Authority institutions [according to a recent survey](#).
- Corruption in the Palestinian Authority (PA) is a self-enforcing system with political roots; this cannot be tackled through procedural reforms.
- Israel has used corruption for its own agenda through collusion, collaboration and pressure for institutional “reforms” that undermine the Palestinian national struggle.
- Palestinians have been increasingly frustrated with corruption in the PA over the last decade, leading to street protests in 2004, and the election of Hamas in 2006.
- Dealing with corruption effectively would require structural change of the political system, including an effective legislature, an independent judiciary, civil society monitoring, and a reformed international aid system.

Deconstructing Corruption: The Patron-Client System

In recent years the efforts made to fight corruption in the institutions of the Palestinian Authority (PA) have been largely “technical” in nature, ignoring the political root causes of corruption. In fact, corruption in the PA is a self-enforcing system sustained by patron-client networks that had long been used by the inner circle of the Palestine Liberation Organization (PLO) leadership on a systematic basis to extend influence over political constituents, exclude other political forces and implement its political agenda without opposition.

After the Oslo Accords, the patron-client regime persisted as the PA secured loyalties among constituents by offering access to resources for economic survival. Patron-clientelism played into the hands of the Israeli government, enabling it to control the PA through the rents distributed via international donors. Further, the dysfunction of the Palestinian Legislative Council (PLC) and lack of oversight on the governmental budget has freed the presidency and the executive from institutional checks-and-balances and public accountability.

The Money and Power of Elites

The corruption embedded at the highest level of political authority is the most difficult to expose because elites often enjoy social, political or legal immunity. What is known about elite corruption generally comes to light in times of internal political conflicts, when mutual accusations of large-scale embezzlement dominate news headlines.

Cases that came to light included unauthorized personal use of public resources, illegal public-private deals and theft of public property. According to the first Palestinian audit conducted in 1997, [nearly 40% of the PA budget](#) - approximately US\$ 326 million - had been misappropriated. The [AMAN 2011 report](#) reveals the continuation of the waste of public funds as the most prominent visible form of corruption.

Corruption Under Occupation

There are many ways in which Israel is a key actor in fostering corruption. The collusion and collaboration of Israeli businesses together with the Israeli political and security establishment has enabled [public-private monopolies](#) controlled by powerful PA bureaucrats and business elites. In the 1990s, Israel was also implicated in siphoning money from the Palestinian taxes it collected to “secret accounts” set up by some Palestinian officials.

During the 2nd Intifada, Israel used the corruption card as part of a broader strategy to get rid of Arafat and impose an externally sponsored “reform” process to restructure PA institutions, weakening Arafat through the creation of the new position of prime minister and the restructuring of the Ministry of Finance.

How Palestinians Respond to Corruption

In 2004, [growing popular dissatisfaction](#) with PA corruption erupted in street protests over government appointments of notoriously corrupt personalities. Anger at corruption was a main factor in Hamas’ overwhelming electoral victory in the 2006 parliamentary elections. However, the Hamas-led government began to establish its own brand of clientelism, contributing to the power struggle and political rivalry between Hamas and Fatah. [Hamas-Fatah competition over appointments](#) constitutes a significant impediment to their reconciliation process.

The PA founded the [Palestinian Anti-Corruption Commission \(PACC\)](#) in 2010, tasked with receiving



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public complaints and ensuring corruption cases are dealt with speedily and effectively. However, its chairman is appointed by presidential decree and [press reports](#) suggest that investigations are carried out selectively. Popular campaigns against corruption have largely diminished in recent years due in part to increasing repression by PA security services.

Uprooting Corruption

Efforts to address corruption using technical and bureaucratic measures would not get to the heart of the problem. Worse, such efforts could provide a smokescreen for the political root causes that perpetuate incentives and opportunities for corruption. Dealing with corruption would require restructuring of national institutions as well as an effective legislative monitoring system, institutional checks-and-balances, and an independent and well-functioning judiciary.

Civil society representatives should play a more effective role in monitoring public institutions and resources. In addition, the [existing aid system](#) needs to be reformed so as to ensure it is accountable and does not help to foster corruption.

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