

U4 Expert Answer



Literature review of corruption and anti-corruption in Palestine

Query

Can you please provide a literature review of corruption and anti-corruption in Palestine?

Purpose

This will inform the country context section of our upcoming Anti-corruption and Counter fraud Strategy. We need to take a political economy approach to this section.

Content

1. Surveys and indices
2. Reports and case studies
3. Academic papers and studies
4. Other resources

Summary

There are comparatively few publicly available sources of information and academic papers on corruption and anti-corruption for Palestine (in English). This answer compiles a list of reports, case studies and academic papers publicly available on corruption in Palestine as well as broader resources that may be helpful for conducting a political economy analysis. This is meant as a complement of the answer providing an overview

of corruption and anti-corruption in Palestine that was compiled by the Helpdesk earlier this year.

1 Surveys and Indices

World Bank Institute, Worldwide Governance Indicators,
http://info.worldbank.org/governance/wgi/sc_chart.asp

In 2011, in the six areas of governance assessed, West Bank and Gaza scores: 3,3 in terms of political stability/absence of violence, 20,7 (on a 0 to 100 scale) in terms of voice and accountability, 20,9 in terms of control of corruption, 30,3 in terms of government effectiveness, 41,3 in terms of rule of law and 59, 2 for regulatory quality.

Transparency International, 2010, *Global Corruption Barometer*,
http://www.transparency.org/policy_research/surveys_indices/gcb/2010/results

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Global Corruption Barometer findings indicate that 59 % Palestinian citizens believe that corruption decreased in the past three years and that government's efforts against corruption are effective. 53 % of the respondents reported having paid a bribe in the 12 months preceding the survey. Political parties are perceived as the institutions most affected by corruption (scoring 3,1 on a 1 (not corrupt) to 5 (extremely corrupt scale, followed by business (2,9), Parliament, media, NGOs and public officials (2,8).

World Bank, 2006, *Enterprise survey: West Bank and Gaza*,
<http://enterprisesurveys.org/Data/ExploreEconomies/2006/west-bank-and-gaza>

66 % of the firms surveyed perceive corruption as a major constraint to doing business in Palestine, but only 13 % report being expected to pay a bribe to get things done and less than 5 % to secure a government's contract.

Global Integrity, 2010, *West Bank report*,
<http://www.globalintegrity.org/report/West-Bank/2010/scorecard>

Global Integrity 2010 gives Palestine a 57 out of 100 overall rating, with a relatively strong legal framework (73 out of 100) and points to implementation challenges (41 out of 100). The situation has not evolved much compared to previous assessments. Several key accountability mechanisms and transparency institutions continue to be undermined by poor regulatory frameworks and enforcement and the anti-corruption agency has just been recently formed. There is no access to information legislation in spite of several attempts to propose such a law. Transparency of political financing needs to be improved in terms of donations to parties or limits to party spending. There are also challenges in enforcing safeguards to minimize conflicts of interest in the legislature, civil service, and judiciary. Civil society organizations and the media play a relatively important watchdog role in the West Bank. Tax and customs laws are generally fairly applied.

Freedom House, 2012, *Freedom in the World –West Bank*,
<http://www.unhcr.org/refworld/country,,,ISR,,504ef9831a,0.html>

Status: Not Free
 Freedom Rating: 5.5
 Civil Liberties: 5
 Political Rights: 6

In 2011, state-building efforts by the Palestinian Authority (PA) further strengthened the rule of law in Palestinian-ruled areas of the West Bank. At the same time, the PA government continued to operate without an electoral mandate or a functioning legislature. By year's end, a May national-unity agreement between the PA and Gaza-based Hamas failed to produce a new caretaker government or a date for elections. Israeli construction of West Bank settlements continued in 2011, mostly in areas near Jerusalem, and the year featured an uptick in attacks by Jewish settlers. While large demonstrations occurred throughout the year, both Israeli and Palestinian security forces used legal and coercive means to prevent or disperse them. (...)Corruption remains a major problem in the West Bank, but there have been some improvements. Prime Minister Salam Fayad has been credited with significantly reducing corruption at the higher levels of the PA. In January 2011, Abbas initiated a corruption investigation against a Fatah rival, Mohammed Dahlan, after removing him from the Fatah Central Committee amid rumors of a coup plot.

US Department of State, 2011, *2011 Investment Climate Statement - West Bank and Gaza*,
<http://www.state.gov/e/eb/rls/othr/ics/2011/157385.htm>

Corruption is criminalized under the Anti-Graft Law (AGL) of 2005, and there are laws in place to prevent favoritism, conflict of interest, or exploitation of position for personal gain. A specialized anti-graft court and an anti-graft commission were established in 2010, tasked with collecting, investigating, and prosecuting allegations of public corruption. There is a lack of oversight and accountability of the executive branch. Palestinian civil society and media are active advocates of anti-corruption measures, and there are also international and Palestinian non-governmental organizations that work to raise public awareness and promote anti-corruption initiatives. The most active of these is as the AMAN Coalition for Integrity and Accountability. There have been some reports of potential foreign and domestic investors being asked to include well-connected persons in their business arrangements to help secure a contract.

2 Reports and studies

World Bank, 2011, *West Bank and Gaza: improving governance and reducing corruption*,
<http://siteresources.worldbank.org/INTWESTBANKGAZA/Reports/GovernanceReportWBGEngMay18,2011.pdf>

Abstract

Through surveys, case studies, and assessments of legal and institutional frameworks, this analysis provides a comprehensive look at the current state of economic governance in the PA. It comprehensively assesses governance reforms, ascertain citizens' and officials' actual experiences with corruption in the delivery of public services, identify institutional strengths, and highlight systematic governance weaknesses which could lead to corruption. It is based on:

- Two surveys conducted in early 2010; one surveyed Palestinian households and the other Palestinian public officials. The household survey measured the difference between perception and experience, and helped understand weaknesses in the delivery of public services. The public officials' survey was conducted to understand institution specific manifestations of corruption.
- Findings from the World Bank's 2007 Investment Climate Assessment (ICA). This information was used to better understand private sector views on corruption.
- A look at the evolution of governance systems in key areas since the inception of the PA. These areas include public sector services (judicial, health, education), public/private sector relationship, and public sector management (financial management, employment and personnel management, procurement).
- Five case studies to further illustrate governance challenges in certain sectors, which represent sectors where many developing countries experience difficulty, including telecommunications, management of import quotas, management of equity holdings, governance of the Petroleum Commission and management of state land.

AMAN, 2011, *Annual corruption report 2010*, http://www.aman-palestine.org/Documents/Publication/CorruptionRpt2011_Eng.pdf

The corruption report provides a useful and comprehensive assessment of forms and extent of corruption in the Palestinian territories as well as reforms by administrations and departments that

provide public services or run public affairs. It examines the current status of the official monitoring institutions, using descriptive and analytical methodology, as it relates to corruption, its forms and the key underlying factors. In addition, the report compares the current status of corruption with the previous year (2010). In particular, the report emphasises that the continuous suspension of holding presidential, legislative and local councils elections has negatively affected accountability and intensified political corruption.

Corruption reports are also available for previous years. On the Coalition for Accountability and Integrity AMAN's website: Please see: <http://www.aman-palestine.org/eng/publications.htm>

AMAN, 2010, *United Nation Convention against corruption-compliance Review*, <http://www.aman-palestine.org/Documents/Publication/UNCACengStudy.pdf>

This report assesses the extent of Palestine's compliance with the preventive anti-corruption measures stipulated in Chapter II of the United Nations Convention against Corruption (UNCAC). It focuses on legal frameworks and their practical implementation.

Rouba Al-Fattal, 2012, *The Foreign Policy of the EU in the Palestinian Territory*, CEPS Working Document No. 328/ May 2010, http://aei.pitt.edu/14582/1/WD328_AI-Fattal_on_EU_FP_in_Palestine.pdf

Abstract

Fifteen years after its launch, the impact of the Barcelona Process on the Palestinian Territories is in need of a reassessment. Despite some initial improvements in the political and economic structures, the Euro-Mediterranean Partnership alone has failed to anchor a peace deal between Israel and the Palestinians. In response, the European Neighbourhood Policy was launched to bring out a number of new foreign policy instruments, which induced substantial reforms. Yet the win by Hamas in the 2006 elections brought a halt to the EU's aid and diplomacy. This boycott proved detrimental, as it widened the rift between the main parties to the point of no reconciliation. Whether the Union for the Mediterranean proves any better than its predecessor policies in the region remains to be seen. This publication aims at providing a broad picture of the EU's policies towards the Palestinian Territories, in order to draw lessons from them and offer proposals for the way ahead.

AMAN, 2009, National Integrity System country study - Palestine, <http://www.aman-palestine.org/Documents/Publication/NISReportEng.pdf>

Abstract

Although the Palestinian National Authority (PNA) does not possess all the characteristics of a state, it can be considered an emerging governance system. The PNA, as is the case with governments in other nations under similar conditions, has not yet developed the institutional capacity to fulfill all of its functions and lacks the expertise needed to fully develop the systems needed to ensure integrity in government. Moreover, the PNA functions in a context in which most of its territory is under military occupation by Israel, and in which Israel has full control of the borders and border-crossings as well as much of the land and other resources under the PNA's jurisdiction.

This study examines the systems currently in place to ensure accountability in public, private and non-governmental Palestinian institutions and assesses each of these sectors in terms of their structure, resources, role in safeguarding integrity and transparency, protocols for addressing grievances, relationship with other sectors and their role in promoting and monitoring accountability in society. The assessment explores the legal, institutional, policy and practical dimensions of integrity, transparency and accountability in each instance.

Denoeux, G., 2005, The politics of corruption in Palestine: evidence from recent public-opinion polls, <http://news-business.vlex.com/vid/corruption-palestine-evidence-polls-55691761>

This analysis draws on survey data released by two respected polling sources in Palestine: the Palestine Center for Policy and Survey Research (PCPSR) and Birzeit University's Development Studies Programme (DSP). Public-opinion polls these two organizations have conducted in the West Bank and Gaza over the past 18 months provide a unique window on Palestinians' views regarding a variety of corruption-related issues, including the scope of corruption in the Palestinian Authority, whether corruption is increasing or decreasing, the relative importance of corruption as a public-policy priority. They also explore the extent to which voters, when choosing candidates for public office, believe that a politician's integrity should be given more weight than other key personal attributes such as education or family affiliation, and should take precedence over ideological orientation and positions

on critical issues. These same surveys also enable us to identify those political forces whose fortunes are most directly shaped by voters' perceptions of corruption (its scope and who is responsible for it). They also provide insight into how voters' views regarding corruption impacted the local elections of December 2004-January 2005.

3 Academic papers and studies

Sobovitz, D., 2010, *The occupation corrupts? Quantitative analysis of corruption in the Palestinian Authority*, http://www.hertie-school.org/fileadmin/images/Downloads/working_papers/50.pdf

Abstract

Recognition of the far-reaching hazardous implications of corruption has induced the development of new scientific tools for cross-country measurement, quantification, and comparison of corruption. The Palestinian Authority (PA) is one of the best-known cases in which corruption impedes economic and political development, thus troubling the state-building process. This paper implements quantitative tools on indices of global governance in order to analyze corruption within the PA and the way it compares with that of other countries.

A cross-section time-series panel of countries was assembled in which each case was allocated with the World Bank's annual Control of Corruption score. Based on these data, a regression model was estimated, using independent variables as proxies for sixteen theories of (global) causes of corruption. The model was subsequently used for comparing the PA's predicted and observed levels of corruption for the years 1998-2008. In all years other than 2004, the PA showed higher levels of corruption than predicted by the model. Divergence was relatively low with an average of 0.65 units of standard deviation below the regression line. Particularities of the Palestinian case, which are exogenous to the model, were sought for explaining the PA's higher than predicted level of corruption. Suggested explanations include the conflict with Israel, lack of territorial integrity, the Fatah-Hamas rivalry, weakness of the legislative branch, lack of sovereignty, and the rapid social changes undergone by Palestinian society. The perception of better performance in 2004 might be associated with optimism following extensive administrative reforms announced

by the PA in September and the death of President Yasser Arafat in November of that year.

Yossef Ben-Meir, 2009, National sovereignty through decentralization: A community-level approach to conflict management in Iraq and the Palestinian occupied territories, *International Journal of Sociology and Social Policy*, Vol. 29 Iss: 5 pp. 237 – 251, <http://www.emeraldinsight.com/journals.htm?articleid=1795154>

Abstract

The suggested utility of decentralized development in Iraq and the Palestinian occupied territories is meant to provide policymakers new alternatives to managing and resolving these conflicts. The overall paradigm of decentralization is presented and how participatory development relates within it is described. The paper finds that decentralization to local communities of development planning and management reinforces national sovereignty when national governments actively support its implementation. The productive partnerships among government, civil organizations and private groups that can result from decentralization – both vertically and horizontally along administrative tiers – strengthen both local community and national autonomy.

The decentralization strategy presented – participatory development can generate vital economic, social, and environmental benefits in a more expeditious and at a lower cost than typical development assistance programs. These outcomes, among others, are what is needed to help resolve conflicts in Iraq and between the Israelis and Palestinians – conflicts rooted in matters of sovereignty, development and reconciliation. In the Palestinian occupied territories, decentralized development will bring immediate relief and build socio-economic self-reliance in a way that restructures their economy to be less dependent on Israel and help reduce tensions and violence.

Husam A. Mohamad, 2007, *The Peace Process and the Palestinian Political Landscape*, http://aleph.nli.org.il/F?func=find-b&request=000466897&find_code=SYS&local_base=RMB01

Abstract

This article examines forces and events that have influenced the Palestinian political landscape over the past two decades, focusing, among other things, on the failure of the peace process and its effect on the changing relations among political elites and trends in

the Palestinian occupied territories. While reflecting on the prospects for peace-making between Israel and the Palestinians, from the start of the 1987 Intifada until the eruption of the second Intifada in 2000, this article will highlight factors that have contributed to the collapse of the Oslo Accords, the Camp David II Summit and the Road Map formula. The obstacles that have generally caused the failure of these peace plans include the continuation of Israeli's occupation of the Palestinian territories, the U.S. 's credibility problem in the region and the growing corruption attributed to the Palestinian Authority.

Mintz, Jesse, 2011, *After Oslo: Palestinian NGOs and the peace process*, http://www.academia.edu/1482904/After_Oslo_Palestinian_NGOs_and_the_Peace_Process

Abstract:

The NGO sector has burgeoned in recent years, leading the global development initiative. In the Palestinian context, NGOs play a central role in the social and economic life of the occupied territories; this implicates them, despite assertions of neutrality, in a fundamentally political project and as such demands their contextualization within the larger national resistance movement. This dissertation seeks to understand the role NGOs have come to play in the occupied West Bank since the signing of the Oslo Accords and the creation of an embryonic state-building Palestinian Authority government by tracing the evolution of the NGO sector in the post-Oslo era in concert with the Palestinian national movement.

4 Other resources

Media /news articles

Washington Post, 2012, Palestinian anti-corruption court secures conviction but raises questions of bias, http://www.washingtonpost.com/world/palestinian-anti-corruption-court-secures-conviction-but-raises-questions-of-bias/2012/06/20/gJQAYsXjpV_story.html

Associated Press, 2012, Palestinian anti-corruption chief: Aide of late leader Arafat suspected of stealing millions, <http://news.yahoo.com/palestinian-anti-corruption-chief-aide-leader-arafat-suspected-135021754.html>

Associated Press, 2011, *World Bank gives Palestinians mixed marks on corruption*,

<http://www.haaretz.com/news/diplomacy-defense/world-bank-gives-palestinians-mixed-marks-on-corruption-1.362506>

Erlanger, S., 2004, *Arafat mystery: the hidden cash*, News Brief, the New York Times,
http://tech.mit.edu/V124/N53/53_short_2.53w.html

Other resources

Documentary:

'On the Front Line: fighting corruption in Palestine',
<http://www.youtube.com/watch?v=kIMhioZkfQM>

"On the front line" is a new documentary from Transparency International highlighting the excellent work of its Palestinian chapter in offering legal assistance to individuals and organization.