

The Gaza-Jericho accords: too little movement a year later

by Muriel Mirak-Weissbach

One year ago, when the Gaza-Jericho accord was signed by Israel and the Palestine Liberation Organization (PLO), *EIR* stressed that the prospects for Palestinian autonomy and a durable peace in the region would depend on the rapid implementation of the vast infrastructure projects indicated in the economic protocols to that agreement. Only by revolutionizing the economies of the Middle East, through the introduction of advanced technologies, could cooperation for development be consolidated as the basis for overcoming the adversary relationship which has characterized Arab-Israeli affairs over the last decades, and creating the context for mutually satisfactory resolution of outstanding political disputes.

The centerpiece of *EIR*'s programmatic proposal for durable peace was the nuplex concept—that nuclear-powered desalination plants be introduced, in Gaza and Aqaba, for example, to both solve the water shortage and redefine the economic process at a qualitatively higher technological level through this science-driver. Such a transformation would provide the economic foundation for a Palestinian state. It would also effect a social and moral transformation of an oppressed people consigned to economic misery, especially in the Gaza Strip.

An honest assessment of the progress toward that transformation in the one year that has passed since the accords agreed to in Oslo became public, must acknowledge that events are proceeding at a painstakingly slow pace, and that the sabotage of advanced technological development, primarily by the World Bank, is posing a serious threat. Unless this sabotage is blocked and donors' funds begin to flow into infrastructure projects, which will rapidly, visibly improve the standard of living of the Palestinian people, there is the risk that the World Bank plan to turn the region into a free

marketeer's tourist trap will succeed, and that war, not peace, will ensue.

The gap between pledges and allocations

Although \$2.8 billion has been pledged for development—itsself a fraction of the investments which the PLO defined as necessary for effective economic growth—only some tens of millions of dollars have actually been allocated. The World Bank has argued that funds could not be disbursed unless and until the PLO created a “credible” financial institution, which it demanded be staffed by World Bank-linked bureaucrats.

What funds were released went primarily to cover costs incurred by the newly formed Palestinian police force and other civil servants. It was only in early September that the World Bank signed an agreement with the Palestinian Authority for a \$30 million grant to finance projects in Gaza. This is the first tranche of \$129 million promised for the current year. These projects include schools, electric power lines, and roads, as well as sewage systems and improved water facilities. Another \$20 million was promised at the same time, for infrastructure and services, once the Palestinians are given authority over the West Bank.

At a meeting held in Cairo on Sept. 17-18 of the Palestinian Economic Council for Development and Reconstruction, Pecdar deputy chairman Farouk Khaddoumi complained that they had received only \$65 million of the \$720 million promised for this year. At the same meeting, Finance Minister Mohammed Nashashibi called for and got 34 projects, which have already been approved by the World Bank, to be implemented right away. These are for housing, water, solid waste, hospitals, schools, and rural roads. If, as Nashashibi has urged, these projects are started within a month, there



Palestinian refugee camps in Jordan. Continued popular support for Yasser Arafat's PLO will depend on concrete results to improve life for the people who have lived in these conditions since 1948.

will be visible progress. A development bank and a monetary authority were also discussed.

A vicious circle had been created whereby funds released must be allocated to cover running administrative costs, thus stalling projects. In mid-September an agreement was reached through Norwegian mediation, whereby \$135 million of donor funds will be allocated for this purpose this year. At the same time, taxation procedures will have to be implemented. As Dr. Fahed Fanek, a Jordanian syndicated columnist whose views reflect those of Jordanian government circles, points out in an accompanying interview, Israel must make it possible for the Palestinian Authority to collect taxes, and must hand over those taxes paid to the occupying power.

PLO on the line in elections

The importance of implementing projects cannot be overestimated. Although, according to the Nablus-based Palestinian Studies Center, 60% of Palestinians polled favored Yasser Arafat over 11% for Hamas, continued popular support depends on concrete results. In this context, the debate on Palestinian elections, which has become a dominant theme in recent weeks, is central.

Elections were to be held seven months after the Washington deal was signed a year ago in September, but they have been delayed. Whereas the Israelis demand that elec-

tions lead to a council to administer the autonomous areas, the PLO desires legislative elections which would allow the creation of a 100-person assembly.

On Sept. 22, the Israeli press reported that Prime Minister Yitzhak Rabin wanted to "delay as long as possible the holding of elections in the territories" as a way of retarding Palestinian authority over the whole of the West Bank. The Palestinians should have authority over education, social affairs, health, taxation, sports, and youth. Diverging from the position taken by Foreign Minister Shimon Peres, who has supported hastening the transfer of authority, Rabin has charged that the Palestinians "are trying to obtain the signs of national sovereignty" through legislative elections.

Since Israel has reportedly refused to make census statistics available to the PLO, Saeb Erekat, responsible in the Palestinian Authority for preparing elections, has called for a voter registration drive. Another bone of contention in the election debate is the role of East Jerusalem Palestinians. Peres said in an interview with a Jordanian weekly in September that he distinguished between "active" and "passive" participation in elections: "To be elected is passive and to vote is active."

Elections are crucial for the Palestinian Authority, as a means of establishing a mandate, through an electoral victory, for the political course taken by Arafat. As the *EIR* inter-

view with Jordanian-based Hamas leader Mohammed Nazzal shows, the Islamist opposition to Gaza-Jericho is comfortably sitting back and waiting to pick up the pieces; Hamas knows that Arafat's job would be facilitated by a popular mandate at the polls. Hamas is poised to ignore elections, if they are for an administrative council, and to fight, through a political party created for the purpose, to win a majority, if broad legislative elections are allowed. Hamas enjoys considerable financial support from abroad, reportedly from Saudi Arabia, and is also being played by certain factions within Jordan as a pawn in negotiations with the PLO.

The tourism trap is baited

The outcome of elections will depend directly on whether real economic progress can be achieved. The \$30 million which the World Bank was forced to turn over could help get things started in Gaza. However, if the trend toward get-rich-quick schemes, patronized by the World Bank, continues, and vast projects are launched for tourism, the PLO's credibility and that of the entire peace process will be undermined.

In this context, the economic content of the talks between Jordan and Israel, with U.S. participation, is indicative. In their agreement for a crossing between their respective port cities of Aqaba and Eilat on the Red Sea, citizens of third countries, i.e., tourists, are allowed to travel freely. Eyeing the \$2.6 billion a year tourist business that Israel makes, enterprising tourist agencies are already planning to exploit the new border crossing to offer package tours through Jerusalem and Petra. Similarly, a conference on tourism is to be held in Cairo on Sept. 28-29, followed by an international conference in November in Portugal. The initiative comes from the U.S. State Department, and aims at exploring the potential of regional tourism.

During talks among American, Israeli, and Jordanian negotiators at the beginning of September at the Dead Sea, tourism was the major topic, and plans were discussed for the Jordan Rift Valley, the Dead Sea, Aqaba-Eilat, and elsewhere. Another project discussed was the exploitation of the Jordan Valley as a "transnational heritage and nature park." Furthermore, a draft is being written on the "Dead Sea Lowest Point on Earth Park." The Dead Sea-Red Sea canal project, which is a *real* infrastructure project as opposed to the tourist traps, was discussed at the U.S.-Jordan-Israel talks in Tiberias in mid-September. But here, the \$3 billion price-tag was considered an insuperable obstacle. The World Bank, which sent observers to the Tiberias meeting to play an "advisory role," was reported to have become "all the more important in the process." Once projects are agreed upon, in these trilateral talks and in the PLO-Israeli process, it is the World Bank which assumes responsibility for "feasibility studies." Enormous amounts of money go to financing the studies.

Clearly, in the vacuum created by the lack of major funding earmarked for infrastructure projects, "private enterprise" is moving in at record speed to make a quick buck.

Interview: Dr. Fahed Fanek

'The peace process has not been moving at all'

Dr. Fanek, a Jordanian syndicated columnist whose views reflect those of Jordanian government circles, was interviewed in Amman, Jordan on Sept. 18.

EIR: What is your overall evaluation of the peace process, one year after the Gaza-Jericho accord?

Fanek: I feel that the peace process has not been moving at all since the Washington declaration. Two months after the declaration, we thought that things would move very fast and, actually, nothing is moving. Three or four meetings so far at the shores of the Dead Sea and other places have been fruitless. The Jordanian delegation says that the Israelis are stalling. Perhaps they feel that the course they took of normalization is good enough and they don't have to pay a price for it. But, on the other hand, the king is telling the people to rest assured that things are moving and that everything is in order.

The only way to reconcile the two statements in my view is that there is another track of negotiations, a secret one or confidential one, between Jordan and the Israelis, and maybe there is some advance on that track. Once they reach final results, they come to the official track, and things move fast again. That's what happened in July, when things were very bad, and then, suddenly, there was a breakthrough, which must have been achieved in confidential talks and then came up in public only when it was ripe. Perhaps we have a repetition of that now, especially when [Israeli Foreign Minister Shimon] Peres is saying time and time again that he is insisting on two tracks, one secret and behind closed doors, so that they can exchange concessions without the glare of the media, and another track which is in the open, the track which is to tell the people we are committed to peace and we are ready to negotiate openly with the Israelis.

So perhaps things are better than we think, if the confidential track is going better, but this is only my hunch; there's no evidence that there are secret talks between Jordan and Israel.

EIR: When you say things are not moving at all, what are you referring to in particular?

Fanek: I'm referring to water, borders, occupied lands, the right of return of the refugees, security matters. Nothing has been decided. The only positive decision that was made was to allow Jordan to export commodities to the West Bank, in