

## Jordan, Israel and Palestine: looking beyond the peace process

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In recent years policy-makers have focused on the Middle East peace process and on the potential rewards of peace, particularly in terms of economic opportunities, but also of political stability and social development. However, peace processes can be destabilizing as well, partly because they are aimed at removing the *raison d'être* of economic, social and political systems based for decades on the need, assumed or real, to prepare for war. When a peace process occurs at the same time as globalizing forces are challenging state control over domestic economies and sources of legitimacy, there is even greater potential for new types of struggles over resources and power and hence over communal relations and identity.

This paper looks 'beyond' the peace process to a number of potential threats to stability in the Middle East with a view to policy recommendations. The starting point is that the 'West' (meaning the United States and Europe in particular) will retain an interest in the region, whether out of close ties with Israel, or concern over peace and stability in the Eastern Mediterranean and the Gulf beyond. While recent events in the region suggest that 'real peace' is a long way off, the issues discussed here are also relevant to making peace work if and when it is secured. In this sense too the 'beyond peace' thrust of this article is appropriate. The focus is on Jordan, Israel and Palestine partly for reasons of space and partly because these countries have a lot in common, including signed peace agreements, common frontiers and large Palestinian communities. They face similar problems and what happens in one country has knock-on effects in the others.

There are three inter-linked political dynamics at work in these countries: globalization and economic restructuring, political restructuring and the peace process. The first involves the huge shift from public to private sectors in a rapidly changing world dominated by the 'e' economy. It is characterized by, among other things, growing economic disparities between and within countries in the competition for economic power. This interacts with the second dynamic, political restructuring and the contest between democratic, authoritarian and patrimonial governments and opposition forces calling for greater democracy and other more communal forms of politics based on religion, ethnicity, family and so forth. Of particular importance in each of the three countries is the sharp rise in identity politics in recent years, notably the political status of Palestinians in Israel and Jordan. However, similar processes are at work among Jewish Israelis, 'East Bank' Jordanians and Palestinians in the West Bank and Gaza. The third dynamic is the peace process that influences and is influenced by the dynamics outlined here.

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These dynamics converge in ways that can produce positive or negative change. The former would include more democratic governments and greater openness across frontiers. The latter would involve hostile competition for scarce resources in a context of ethno-national and religious-national polarization.

This paper explores these dynamics in Jordan, Israel and Palestine and suggests how outside powers can limit the destructiveness of these forces and enhance the prospects for positive change.

## *Jordan*

There is widespread agreement in Western policy-making circles that economic reform is the most pressing concern in the Hashemite Kingdom. Since the early 1980s the World Bank and the International Monetary Fund have been pressing Jordan hard. In 1999, a report by the influential Washington Institute about the transition to King Abdullah condemned the economy bequeathed to him by his father, King Hussein, as a 'shambles'. It pointed out that the bureaucracy, army and intelligence services are huge for a country of Jordan's size and wealth, and that Jordanians produce only a fraction of what is necessary to pay for their upkeep. The report identified corruption, a lack of accountability and nepotism as major problems. Unemployment in Jordan is officially estimated at 27% but is probably higher. In Southern Jordan, where 'East Bankers' (the bedrock of the King's support) predominate, poverty is acute and people have demonstrated their discontent with government policy over the years.<sup>1</sup>

The democratization process launched in 1989 was partly a response to these pressures. The decision was taken in the wake of riots in the South triggered by lifting subsidies on petrol prices in April 1989. Since then, however, there have been setbacks to political liberalization. These have included the rewriting of electoral and press laws, dismissing municipal councils, banning rallies and rounding up subversives. The most important reason for these reversals has been the regime's determination to secure the success of the peace process despite popular and parliamentary opposition. The links between Jordan and Palestine are strong, partly because at least 50% of the population in Jordan are of Palestinian origin. What happens in the West Bank and Gaza has direct implications for Jordan's domestic politics. This point has been demonstrated again by popular and regime support for the Palestinians and their *intifada* towards the end of 2000.

Other reasons for setbacks in the democratization process in Jordan include King Hussein's pursuit of an unpopular pro-Western policy in Iraq. More recently, in a potentially dangerous period of transition, King Abdullah has shown little sign of getting the democratization process back on track.<sup>2</sup>

Against this background, the balance between Transjordanians and Palestinians within Jordan has come under strain. The rupture dividing the two communities has its roots in the conflict between the Palestinian National Movement and Jordanian forces in 1970–1971, known as Black September by Palestinians and as White September by Transjordanians. The result was the emergence of Transjordanian nationalism and a stronger if hushed sense of Palestinian nationalism in Jordan. The rift was exacerbated by the development of a division of labour, with Palestinians dominating the private sector and Transjordanians dominating the public sector. IMF and World Bank pressures have undercut job security in the state sector and led to widespread and vocal Transjordanian resentment of Palestinian dominance in the private sector. To some extent this division was evident before 1967 and had to do with the nature of the state and how it was set up. However, the division became much clearer after 1970–1971 for a number of reasons.

The first reason was that after 1970–1971 the Palestinians were considered suspect and there was a reduction of those in the security services and the government bureaucracy as part of a policy of ‘reorganizing the Jordanian house and the instruments of self-protection’. This process was given added impetus and importance as a result of hostile PLO policy towards Jordan in the early 1970s and the Rabat summit resolution of 1974, which recognized the PLO as the ‘sole legitimate representative’ of the Palestinians. The second reason was the propagation of the notion that ‘Jordan is Palestine’ by the Israeli right and the election victory of the Likud in 1977. This increased the drive towards ‘Transjordanizing’ the public sector and the security services and reducing the public profile of Palestinian-Jordanians. The third reason for the division of labour is that Palestinians were able to take advantage of employment opportunities in the Gulf. Remittances poured back into Jordan from the middle of the 1970s and heightened the public-private sector divide.

By 1996, a study conducted by Jordan University’s Centre for Strategic Studies on the level of capital participation in the country’s economy showed that Palestinian participation amounted to 82.6% of the capital, while Transjordanian participation amounted to 11%.

The divisions between Palestinians and Jordanians in Jordan were manageable at a time of economic boom. However, they became much more difficult in the 1980s and 1990s for several reasons. First, with the downturn in the economy in the 1980s, the IMF and World Bank advocated restructuring programmes that threatened cuts in the public sector and the expansion of the private sector, leading to Transjordanian resentment and Palestinian fears. Second, while the Gulf Crisis of 1991 at first transcended divisions, its effects deepened them. In particular, the expulsion from the Gulf and return to Jordan of more than 200,000 Palestinians heightened Transjordanian fears. They saw themselves as losing out to successive waves of Palestinian refugees and increasingly feared that the Palestinians would take power in Jordan. A third reason why the division between Palestinians and Transjordanians emerged more forcefully was King Hussein’s decision to disengage from the West Bank in 1988 and the beginnings of democratization in the following year. This focused the debate on the East Bank and allowed the issue to be discussed more openly. The fourth reason was the Oslo agreement and the peace treaty between Jordan and Israel in October 1994. This meant that it was no longer unpatriotic to discuss these issues and articles on the subject began to appear in the press.

By 1996 there were four main lines to the debate. First, there was the Transjordanian nationalist position that to varying degrees supported the notion of removing Jordanian citizenship from Palestinians. This position is characterized by calls for a much more equal share of the private sector cake. It also calls for the establishment of two distinct entities, Jordan and Palestine. Secondly, in the wake of the peace process, and in expectation of the creation of a Palestinian state, many Palestinians in Jordan were calling for full citizenship and an end to discrimination against them in the public sector. Some also called for a confederal arrangement with the Palestinian state. A third line in this debate was put forward by what one analyst called the ‘deferrers’, meaning those who call for the suspension of discussion until the question of Palestine is settled. Lastly, there are the Pan Arabists and Pan Islamists who still support the notion of national unity between Palestinians and Jordanians.<sup>3</sup>

This review of developments in Jordan is not meant to suggest that the democratization process in Jordan has been irretrievably reversed or that conflict between Palestinians and Jordanians is imminent. In fact, there is probably greater freedom of movement and expression in Jordan today than there was before democratization began in 1989. But it is not at the levels of 1991. By the same token, while there are signs of Palestinian-Jordanian tension, they are not at the point of conflict and are less visible at the end of 2000 because of

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solidarity towards the Palestinian *intifada*. However, both Palestine and Jordan are poor in natural resources and dependent on neighbours or narrow coastlines for land and sea access to external markets and aid. In a context of hostile competition, however unlikely it may seem at the moment, communal tensions could recur. Forced repatriation of Palestinians from Jordan would have obvious implications for peace and security and relations between Jordan, the West Bank and Gaza, and Israel as well as the wider region.

## *Israel*

Prior to the 1980s, Israel had one of the most centralized economic and political systems in the world. However, there has been a huge shift from public to private in recent years, from what was presented as a 'kibbutz culture' to the globalizing forces of the 'Big Mac'.

Economic liberalization posed a growing challenge to the state model of socialism in Israel in the 1970s and 1980s. Political parties on the Left and the Right increasingly endorsed privatization and other elements of the market economy. This was not just a reaction to international trends and the failure of the centralized economy. It also reflected the fact that the socialist values promoted in the early days of the state had lost their attraction. Nowadays Israel is increasingly characterized by high-tech industry and the 'e' economy. In a more open society, individual concerns and rights are asserted over those of the state. There have been corruption scandals, allegations of nepotism and demands for transparency in public spending, even on the military. While there has been a rise in the general level of material prosperity, there has also been a widening of the gap between rich and poor. This has inevitably resulted in new struggles for economic and political power.

Economic liberalization has been accompanied by political liberalization. One aspect of this has been the rise in identity politics, characterized by the strengthening of religious and local interest parties. The Shas party, which has a religious leadership and represents Moroccan-Jewish voters in particular, entered the Knesset with four seats in 1984 and by the 1999 elections was the third largest party with seventeen seats. By 1999, in the wake of massive immigration from the former Soviet Union, two parties promoted the interests of Russian Jews in the elections. One of the main reasons for these trends was the breakdown in the national consensus of the pre-1967 period and declining faith in the traditional parties, Likud and Labour. The process was facilitated by Israel's system of proportional representation and electoral reform in the 1990s that gave citizens two votes, one for prime minister and one for the party of their choice. Intended to strengthen the hand of the prime minister and overcome some of the problems of the proportional representation system, the reform backfired badly. Voters were now able to vote for the prime minister of their choice and the political party that most accurately reflected the interests of their particular identities. As a result, fifteen parties were represented in the Knesset election in 1999, the highest number ever.<sup>4</sup>

A particular fault line in Israel is the division between Israeli Jews and Israeli Palestinians, sometimes called Israeli Arabs. Israeli Palestinians, who make up 18% of the population, have suffered numerous forms of discrimination from the earliest days of the state. In the first weeks of the Palestinian *intifada* of late 2000 in the West Bank and Gaza, Israeli Palestinians demonstrated in solidarity. Thirteen were shot dead by the Israeli army inside Israel. This incident has increased Israeli Palestinians' anger and strengthened the hand of Jewish Israeli right wingers who claim that they are the enemy within.

One view is that identification with the state is strong and that Israeli democracy can weather coming storms. Another is that there is a danger of intolerance and fragmentation. Much depends

on the threats and opportunities offered by the peace process. One possibility, however, involves a 'neo-Zionist' alliance between political right wingers and hard-line religious Jews. This would be fundamentalist and inward looking and would have implications for policy internally (and in particular for Israel's Palestinian minority) and for Israel's immediate neighbours and beyond.<sup>5</sup> One potential scenario involves the 'transfer' or expulsion of Israeli Palestinians into the West Bank and Gaza, which would undermine the emerging Palestinian state and potentially set a precedent for other countries like Jordan.

## *Palestine*

The difference between Palestine and neighbouring states is that they are established states while Palestine is a state in the making. It follows that policies pursued by Palestine's neighbours will have a direct impact on future directions in Palestine. It also follows that it is in the interests of both Israel and Jordan to encourage democratic and tolerant forces in Palestine, because alternatives will effect them negatively.

The legacy of occupation and a process of what one analyst has called 'de-development' means that the Palestinians are starting from a very poor base. However, the situation has been made even more difficult by the style of rule of the Palestinian leadership. The neo-patrimonial system introduced by Arafat in 1994 has taken hold in the West Bank and Gaza. Corruption and a lack of accountability characterize the system. There are few institutions and competing centres of power. Monopolies held by people close to the leadership prevent the emergence of the private sector and weaken what already exists. Contrary to claims that the economic situation would improve as a result of peace, it has in fact worsened. Israel's policy of closure and the economic blockade used against the most recent Palestinian intifada means that it continues to deteriorate. Meanwhile the donors are making more demands of the Palestinians and making it clear that they are getting tired of the current situation.

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The prospects for democracy are poor given current trends. There is a constitutional vacuum, the human rights record is bad, institutions are weak (informal processes are more important than formal ones), there is little accountability on the part of the security services and there are serious restrictions on various freedoms, including freedom of the press. This is due to Arafat's leadership style and other aspects of the PLO legacy, coupled with the concentration of Israel and the international community on security and the notion that peace requires strong leaders.

Optimists point to the pluralism of the PLO, the strength of civil society organizations in the West Bank and Gaza, and polls that show widespread support for democratic values in both places. Pessimists point to the competing legacies of revolution and popular mandate. They say that elements of the PLO elite are finding it hard to make the transition. Arafat's leadership style is a particular problem. He controls the Palestinian Authority like he controlled the PLO, by dividing and ruling and keeping power in his own hands. They point out that much of the PLO elite was politically socialized in the Soviet Union and the Arab states. They argue that the PLO developed in much the same way as an Arab state and acts like one. Pessimists expect little positive change and point to a wider context characterized by the Israeli focus on security rather than democratization and Western diplomatic views to the effect that strong leaders are required to make peace happen. In other words, an autocratic Arafat (or a less democratic Abdullah) will be able to force through an unpopular peace and that this is a price worth paying.

Projecting into the future, optimists say that the PLO legacy will be weakened and that the successor to Arafat will be forced to democratize because he will not have the authority and stature to force through unpopular decisions. Optimists argue that there will be a weakening of the security argument. Stability will be the issue and this will require a more sound political system. There will be an increasing realization that democracy and an agreement mandated and accepted by the people will make peace stronger.

Pessimists counter by arguing that the neo-patrimonial system is in place and will be difficult to replace. They say that security will continue to be the preoccupation of the Western powers. They also argue that Arafat's successor is likely to be more hard-line because of the need to establish himself and because of the preoccupations of outside powers.

The main threat to stability is the numerous divisions, visible and potential, opening up within and between the West Bank and Gaza. These include the relatively low-key rivalry between the North and South West Bank, growing unease in the hitherto relaxed relationship between Muslims and Christians and between insiders and outsiders (returnees). However, a far greater threat is the difference between the West Bank and Gaza. These differences are likely to come into sharper focus as time passes and freedom of movement between the two regions comes into being. The

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greatest long-term challenge comes from the refugees both within the West Bank and Gaza and scattered throughout the Arab world. How many will return and how they will be incorporated into Palestine are crucial questions. Demographic issues like these have the potential to bring together the other factors in destabilizing combinations and to reveal the shortcomings of any peace treaty in the most threatening manner.<sup>6</sup>

It is premature to draw conclusions. However, there are pointers. Conditions of social and economic deprivation and political alienation exist in Palestine; similar conditions have generated militant forms of political Islam in other Arab countries. Prospects for confronting these challenges from within are not promising at present. Arafat's patrimonial style coupled with his tendency to ignore planners and institutions make it difficult to deal with present problems, never mind anticipate future ones. In the absence of institutions that reinforce common identity and attract loyalty, there is real danger of fragmentation and violence. This would have negative implications for Palestine's neighbours — both of whom have large Palestinian communities that would be effected by these developments.

### *The international role*

This paper tends towards pessimism by suggesting that the most likely short-term prospects for Israel, Jordan and Palestine are negative change, involving ethno-nationalist and religious polarization between and within these three countries. The role of the United States and Europe are crucial if there is to be positive movement in the future.

The West needs to develop policies that encourage a shift from a focus on security towards a concentration on stability involving more democratic governments and greater openness across borders. It needs to develop policies encouraging tolerance and accountability in all three states on the understanding that what happens in one country will have a direct impact on the others. This implies a refocusing of energies away from debates about forcing the Palestinian state to comply with perceived norms towards a recognition that the politics of its neighbours will have an even

greater impact on the direction taken by the Palestinian state. The objective should be to encourage all three countries to create a context more likely to lead to positive change.

The conclusion of a permanent status Israeli-Palestinian peace agreement, the establishment of a Palestinian state and a settlement of the refugee question are keys to easing inter-communal tensions in Israel and Jordan in the long term. This will mean financial and other help to compensate and settle refugees and 'kick start' a Palestinian state. It may also involve observers and peacekeepers as part of security arrangements. In turn, this means that although there are clear signs of donor fatigue since Oslo, the West will have to invest in long-term aid and trade flows with a view to establishing a framework of peace and security between Israel, Jordan and Palestine. 'The alternative', as one analyst points out, 'could be a Palestinian state that is unstable, and as such a long-term challenge to the West's preferred outcomes for the region'.<sup>7</sup>

## Notes

1. Robert Satloff, *From Hussein to Abdullah: Jordan in Transition*, The Washington Institute for Near East Policy, 1999, p. viii.
2. Laurie A. Brand, Effects of the Peace Process on Liberalization in Jordan, *Journal of Palestine Studies*, vol. XXVIII, no. 2, Winter 1999, pp. 52–67; and Lamis Andoni, King Abdullah: In his Father's Footsteps?, *Journal of Palestine Studies*, vol. XXIX, no. 3, Spring 2000, pp. 77–89.
3. For a discussion of these issues, see Adnan Abu Odeh, *Jordanians, Palestinians and the Hashemite Kingdom in the Middle East Peace Process*, United States Institute for Peace, Washington, 1999.
4. Mark A. Heller, *Continuity and Change in Israeli Security Policy*, The International Institute for Strategic Studies, London, 2000, pp. 41–42.
5. Ilan Pape, Israel: Between Civic Democracy and Jewish Zealotocracy, *Journal of Palestine Studies*, vol. XXIX, no. 3, Spring 2000, pp. 33–44.
6. Yezid Sayigh, Palestine's Prospects, *Survival*, vol. 42, no. 4, Winter 2000–2001, pp. 5–19.
7. Sayigh, *ibid.*, p. 14.