



Gangster Governance

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Yasser Arafat is back. Fresh from his extended confinement in Ramallah, the Palestinian leader is again prominently in the press, working hard to spin the latest, disastrous Palestinian intifada into a personal political victory.

On May 15, the Palestinian Authority (PA) chairman took his political agenda one step further, testing the waters of a previously taboo topic in the West Bank and Gaza — the future of Palestinian governance. In a major speech before a packed session of the Palestinian Legislative Council, he aired a vague call for "change and reform" within the West Bank and Gaza. "I'm calling for a re-evaluation of all our administrative and ministerial bodies, the security apparatuses, after there have been signs of mismanagement," Arafat told the Palestinian parliament.

Nice words to be sure, and music to sympathetic ears in Europe, where efforts to rehabilitate Arafat as a leader and a statesman are already gathering steam. But serious skepticism is in order. After all, Arafat has made this promise before.

Back in 1997, amid growing pressure for accountability, Arafat authorized an internal audit to assuage international donors. What the review found was remarkable: a whopping \$326 million (more than 40 percent of the total PA budget for that year) could not be accounted for because of rampant corruption. Subsequently, much of the graft was traced back to Palestinian officials in key ministerial posts. Instead of instituting real reform, Arafat responded with a cabinet reshuffle that actually strengthened his grip on power — adding ten new ministers, all from his Fatah branch of the PLO, to the government. Needless to say, subsequent reform efforts have been cosmetic at best.

The 1997 audit report incident is emblematic of Palestinian decline under Arafat. Over the past eight years, under the PLO's mafia rule, the Palestinian Authority has grown progressively more corrupt, repressive, and authoritarian.

Governmentally, Arafat runs a one-man show. His return to the territories in 1994 brought with it scores of PLO loyalists from Tunis, Beirut, and Tripoli, whose subsequent elevation to high office has allowed the chairman to monopolize power within the Authority. Judicial independence is nonexistent, and legislation passed by the Palestinian parliament (including that intended to impose a true separation of powers) lies unimplemented. Instead, "Abu Amar," as he is known in the Palestinian street, prefers to rule in traditional PLO style — by presidential fiat.

Militarily, the PA is a virtual police state, boasting the highest security to civilian ratio in the world — one a staggering eight times higher than that of the United States. Much of the PA's formidable security apparatus consists of multiple (and overlapping) security forces, which have almost total control over military and civil matters in the West Bank and Gaza. These forces, under Arafat's instructions, have looked the other way while terrorist groups like Hamas, Hezbollah, and al Qaeda have turned the Palestinian Authority into an international terrorist haven. Worse yet, Arafat has actively fostered his own brand of state-sponsored terrorism, overseeing the expanding activities of radical groups like the Tanzim and the al-Aqsa Martyr's Brigade, both associated with the chairman's Fatah party.

Economically, the Palestinian Authority is in ruins. Even before Israel's latest military campaign, Arafat's rogue regime had erased any sort of a "peace dividend" for the Palestinians. When tallied last year, per capita income in the West Bank and Gaza was estimated to be only 50 to 60 percent of what it was prior to the establishment of the Palestinian Authority. This is largely a function of the sprawling monopolies, set up by Arafat and his cronies upon assuming power, which dominate the Palestinian economy and stifle foreign investment.

Against this backdrop, Arafat's promise of reform rings hollow. For as long as Arafat retains his grip on the PA, the mechanisms of his authoritarian rule will not change. Quite simply, they cannot, given the legacy of his disastrous decisions to skirt accountability in favor of gangster-style government.

The sooner Israel and the United States — poised on the brink of a serious rethink of Palestinian government for the first time in close to a decade — realize that progress hinges on a post-Arafat "Palestine," the better.