The Palestinian Diaspora and the State-Building Process

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This study focuses on the involvement of Palestinians outside of Palestine – termed “diaspora” – in the State-building process. It addresses two main questions: How does the diaspora engage in the process of state-building? And to what extent is the process of diasporization shaped by the state-building process? The underlying assumption is that the diaspora’s engagement toward its homeland influences power relations among Palestinians – as well as a shift in the Palestinian national narrative – within the wider context of ongoing exposure to settler-colonial policies. The size of the Palestinian diaspora – and thus the magnitude of the phenomenon and its political significance – has been the subject of many studies from varying perspectives, making a review of the literature and the theoretical debates around the Palestinian diaspora beyond the scope of this survey.

Rather, I address the emergence of transnational and globalized Palestinian elites, who have become able to engage and prosper in the Occupied Palestinian Territories (OPTs). They contrast with the Palestinian refugee figure, for whom the relationship with Palestine, where it exists, continues to be framed by the will to return. While these elites account for a modest percentage of the Palestinian diaspora, their economic leverage has allowed them to be at the forefront in locating the State-building process within the OPTs, as well as facilitating the Palestinian economy’s engagement with neoliberal globalization. This study builds on political economy perspectives that shed light on shifting power relations among segments of the Palestinian society.

In the first section, I give an overview of the problematic scope of any academic debate about the Palestinian diaspora. Sections two and three provide a critical analysis of the formation of Palestinian diaspora elites involved in the state-building process, before and after 1993. Section four presents new forms of engagement by Palestinians abroad after the Palestinian Liberation Organization’s (PLO) decline, which go beyond the scope of state-building processes in Palestinian-controlled-areas. Finally, section five reflects on policies designed to mobilize Palestinian “expatriates” in line with the Palestinian National Authority’s (PNA) state-building processes.

**1. The Problematic Scope of the**
Palestinian Diaspora

Over several decades, the concept of diaspora has become central to social science discourse attempting “to discuss and understand not only human mobility, but also its relationship to transnational flows of funds, goods, cultural products, ideologies […] that are part and parcel of the broader phenomenon of globalization”\(^2\). This reflects the “changing nature of processes – and experiences – of displacement, dislocation, mobility and settlement that have marked human societies”\(^3\). Burgeoning diaspora studies are therefore highly concerned with issues related to transnational community building, multiple senses of belonging and fragmented identities, as well as the multi-faceted relationships between diaspora, their homeland and host-lands. This concept’s relevance to Palestinians has been well covered by scholars.

The term “diaspora” is neither politically nor epistemologically neutral.\(^4\) Its increasing use by scholars is related to an emerging field of research not directly concerned with settler-colonial policies or the Palestinian liberation struggle. Rather, analysis of the Palestinian diaspora has often been framed within broader scholarship on citizenship, identity, and culture. As argued below, this paradigm shift is a direct consequence of recent developments in Palestinian politics and the socioeconomic dynamics behind them. Nevertheless, while the concept of “diaspora” cannot account for the entire Palestinian experience, it is still useful to address the specific normative process leading to the reformulation of relationships between the “inside” (dakhel) and the “outside” (kharej) and adapt them to models of globalization.

Estimates indicate that nearly 50% of Palestinians live outside of Palestine\(^5\). Among them, 5.59 million live in Arab countries (44.0% of total) and about 700,000 (5.5%) live throughout the world. Meanwhile, 4.88 million (38.4%) live in the West Bank and Gaza Strip, and 1.53 million (12.1%) live within the green line and hold Israeli citizenship\(^6\). The majority of Palestinians outside of Palestine are refugees exiled in the 1948 Nakba.\(^7\) Subsequent waves of forced migration have taken place, from both Palestine and host countries, underlining the vulnerability of Palestinian settlements outside of Palestine. Warfare and attacks on refugee camps, discriminatory policies in host countries, the rise and decline of the
Palestine Liberation Organization (PLO) and other socioeconomic factors have shaped the geographic distribution of the Palestinian diaspora worldwide.

As a result, Palestinians have been exposed to varied cultural, social, and political conditions and have been granted different civil rights and legal status. This has hindered their ability to move and to connect with each other and with Palestine. The context also includes restricted and often fully prohibited access to their homeland as a result of Israeli policies. The creation of the PNA in the wake of the Oslo Accords and the revival of a formal Palestinian nationality have not changed this reality. It is still Israel that controls the borders and restrains the right of permanent residency in the OPTs. Technically, Palestinian refugees who obtain foreign passports can enter as foreigners, requiring a three-month Israeli tourist visa, although they are regularly subject to harassment and arbitrary “entry denial” because of their Palestinian origin.

Furthermore, the Oslo peace process furthered a shift in the framework of the national struggle and contributed to the fragmentation of Palestinian political ambitions, discourse, and strategies. The colonization and dismemberment of ancestral Palestine and the growing “bantustanization” of the areas officially under PNA control further affect Palestinians’ relationships with their homeland. Additionally, the 2007 division of the West-Bank and Gaza Strip into two completely separate entities, the Israeli blockade on Gaza, as well as expanding Israeli settlements in the West Bank continue to diminish the potential scope of any state-building process.

2. State-building and Elite Formation among the Diaspora

As a result of their plight, Palestinians have consistently been prominent activists worldwide. During the 1950s and early 1960s, Palestinian refugees quickly became involved with Arab political parties while also engaging in cross-border guerrilla actions against Israeli targets. This period witnessed a growing assertion of national self-confidence. This converged with the emergence of Palestinian-led political organizations that emphasised a specific Palestinian identity. The 1967 Arab defeat further impelled Palestinian armed organizations established in Arab
countries to grant effective control over the struggle to the PLO\(^{11}\).

Boasted by wide popular support, the PLO has since encompassed the Palestinian national movement. The PLO emerged as an umbrella organization for a wide variety of factions, unions, and other institutions, which have been providing vital services and support for Palestinian refugees. This has occurred in the fields in health, education, and social welfare, while also dealing with the security and governance of refugee camps. Thus, an intense diplomatic offensive paralleled the armed struggle.

In this sense, the PLO resembled a government in exile, with a transnational elected “parliament” (the Palestine National Council) and an “executive cabinet” (the executive committee). The Palestinian national movement countered the effects of global dispersal of the diaspora by providing a common political framework for Palestinian activism, with the intent to voice and eventually achieve Palestinian national ambitions\(^{12}\). This process finally allowed the emergence of a new Palestinian political leadership that dominated Palestinian politics in the OPTs after 1993.

Meanwhile, socioeconomic developments also impacted the structure of the Palestinian diaspora as well. The sharp rise of oil exports in the 1960-1980s catalysed rapid industrialization and urbanization in the Gulf countries, providing new sources of employment for workers from across the Middle East. As a result, hundreds of thousands of Palestinians from Arab countries, as well as from the West-Bank and Gaza Strip, became migrant labourers in construction and other industrial projects. Palestinians also found employment as teachers, engineers, and mid-ranking civil servants\(^{13}\).

New communities of middle- and upper-class Palestinians formed in the Gulf, most significantly in Kuwait, Saudi Arabia, the UAE and Qatar. They represented a new entrepreneurial, but also political and cultural, elite within the diaspora. Although they numbered in the hundreds of thousands, their influence spread throughout the diaspora and OPTs. Remittances from these workers were important resources for their relatives elsewhere and for the PLO. In addition, these countries were opportune places for Palestinian capital accumulation.
Prior to this Palestinians lacked secure socioeconomic opportunities where their financial assets could develop. Accordingly, Palestinian diasporic capital has evolved as an intertwined component of broader Arab capital, specifically in the Gulf area. This is particularly true for a small layer of upper-class Palestinians who were well placed to take advantage of the rapid capital accumulation around the oil industry at the beginning of the boom. Despite its importance, Palestinian capital from the Arab region has since been marginalised in favour of host-nation domestic capital and has been forced to develop as a sub-sector. A series of decrees from the 1960s onwards supported national investors in those countries, at the expense of non-nationals. At times, these moves coincided with lower oil revenues and economic slowdown in the Gulf States, resulting in more restrictions on foreign workers and their families.\textsuperscript{14}

Correspondingly, the political upheavals that characterised the Arab world throughout the 1970s and 1980s further reduced room for Palestinians economic elites to manoeuvre. Increasingly perceived as a threat to national security by some Arab governments, Palestinians faced mounting political persecution, coupled with increased restrictions on their movement and the loss of secured residency rights in some Arab countries.\textsuperscript{15} Elites, however, lacked a territorial base to repatriate their profits and to secure their own property rights.

This distinct vulnerability led them to look for safe havens beyond the Arab region, as well as to strengthen ties with the PLO leadership, providing them with financial support and administrative skills. These moves were mainly intended to overcome the risks imposed by statelessness and open new channels to capitalize on the diaspora’s growing influence on Palestinian politics. Moreover, these elites managed to emerge as important links for mediation with Gulf ruling families and wealthy elites. In turn, they actively lobbied for an “accommodation with US perspectives on a two-state solution and acceptance of Israel.”\textsuperscript{16}

3. A State-building Process Driven by Regional Economic Integration

The relationships between Palestinians “outside” and “inside” Palestine began to reformulate with the 1967 Israeli occupation of the West Bank and Gaza Strip.
While Palestinian refugees were emerging as primary actors on the regional and international level, their ability to engage in armed struggle against Israel was increasingly marginalised. The PLO’s banishment by Israel into the OPTs and its subsequent expulsion from Jordan in 1971 and from Lebanon in 1982, resulted in the growing paralysis of Palestinians in exile. Achieving statehood and not the liberation of all Palestine, became the primary national goal – in order to secure an autonomous territorial base where Palestinians could be free of their vulnerability to outside pressures and threats.\(^{17}\)

Meanwhile, the Land Day uprising among Palestinians within Israel in 1976, and the Intifada that erupted in the OPTs in 1987 embodied the inward relocation of the focus of the Palestinian struggle. The Oslo Accords in 1993 and the establishment of the PNA as a self-governing body in Palestinian-controlled areas marginalized Palestinians abroad, especially those living in refugee camps.\(^{18}\) Indeed, one key feature of the Oslo process was the lasting degeneration of PLO institutions and the concentration of political decision-making within the PNA apparatus.

This process was strengthened by the return of tens of thousands of former fighters and the bulk of the PLO executive and bureaucracy, who were allowed by Israel to settle in the OPTs with their families. These “returnees” (‘a’idûn) combined with local elites to constitute the social base of the PNA. As noted by Guignard, today the common use of the term ‘a’idûn connotes a “position of power” within Palestinian society. Indeed, not only were the returnees involved in the so-called state-building process, they also came to fully dominate the Palestinian economy in the OPTs.\(^{20}\).

Since 1967, Israel has implemented policies aimed at dispossession and asymmetric economic integration of the newly occupied territories. While colonizing the land and seizing its resources, Israel also aimed to take advantage of the economic opportunities afforded by the control of the Palestinian population. Such policies led Palestinians to be structurally dependent on the Israeli economy – a situation that remained fundamentally unchanged after 1993.\(^{21}\) However, the “peace process” and regional liberalization offered new prospects for both Palestinian and Israeli elites, with possible benefits from regional integration into globalized networks.\(^{22}\)
As mentioned, remittances from Palestinians working and living abroad were important resources for their relatives in the West-Bank and Gaza Strip. In 2012, remittance inflows to the OPTs amounted to US$2.3 billion and accounted for 23% of the Palestinian GDP. However, almost half of these remittances came from Palestinian workers’ payments in Israel. Thus, from 1995 to 2013, around 69% of all remittances were intended for financing private consumption and non-investment activities, while 31% on average were capital transfers for investment spending, including construction financing transfers (11.5%).

These financial flows, whether from family-based entrepreneurship, charity donations or development projects, were critical in sustaining Palestine’s socioeconomic fabric, especially during the second Intifada where they played an important role in attenuating the dire economic conditions resulting from Israeli embargo policies. From 1993 onwards, wealthy Palestinian elites, especially those tied with ruling families in the West Bank and Gaza Strip, began to relocate to and invest in these areas. They expected greater security and stability for their assets, and took advantages of the opening construction and development projects in the Palestinian-controlled areas.

Powerful conglomerates were established, such as the Palestine Development and Investment Company (PADICO) or the Arab Palestinian Investment Company (APIC), to serve as a relay for transnational Palestinian elites in the OPTs. These conglomerates, and their various subsidiaries, occupy a prominent place in the Palestinian economy, where they hold a significant share of almost all large and medium-sized enterprises while also enjoying exclusive rights to represent the main international brands. Moreover, the same holding companies act as a node for state investments – implementing national development plans for telecommunications, industrial zones, agriculture, and tourism. This reflects growing convergence between political and economic elites. To this point, family members of high-ranking PNA figures are found on the boards of many of the key Palestinian companies discussed above.

Hanieh suggests however, that the main area of activity for these transnational elites remains located in the broader Middle East, although they take advantage of their intermediary position for capital accumulation in the West-Bank and Gaza Strip. Consequently, their behaviour and strategies cannot be understood in
strictly national terms. Rather, these elites are mainly concerned with relaying and participating in regional and international capital flows. This characteristic had led them to fully embrace a neoliberal state-building path underpinned by the World Bank and Western donors. This agenda is primarily concerned with achieving stability and security in the OPTs, albeit with little effective Palestinian suzerainty. This can be seen in various liberalization policies implemented by successive PNA governments in recent years. It is also reflected in the overbearing development of the Palestinian security apparatus.

4. Reformulating the Diaspora-homeland Relationship after the PLO

With the establishment of the PNA in the early 1990s, the PLO’s critical role in organizing and representing the diaspora diminished dramatically. The PNA, meanwhile, does not have the capacity nor the legitimacy to effectively govern the diaspora. This political vacuum in diaspora representation brought about the growth of initiatives undertaken outside of Palestine. This renewed activism was characterised by the rise of Palestinian political involvement in Western countries, and Palestinian marginalization in Arab countries. Moreover, it is representative of the heterogeneous experiences and trajectories of the second and even third generation of Palestinian diaspora. In this regard, it is noteworthy that mass media and internet also offered new ways of connecting between scattered Palestinian communities and redefining the importance of borders and geography.

Palestinians in the diaspora, especially youth, still provide an important contingent of activists underpinning solidarity movements and campaigns worldwide. They are highly involved in organizing demonstrations and events in reaction to Israeli crimes in the OPTs, but also in voicing political claims, particularly on the right of return. They also regularly write opinion pieces, give interviews and use social networks to make their voices heard. This goes hand in hand with annual commemorations (e.g. the Nakba, Land Day), cultural education, and social work that are crucial in community-building and maintaining the Palestinian legacy.
There have also been numerous meetings and conferences aiming at bringing Palestinians together on a transnational scale to enhance their participation in national decision-making, alongside their counterparts in the OPTs. In the context of Palestinian internal division, the diaspora has also become the locus of competition between different political forces seeking legitimacy and support for their movements and policies. Examples include the annual gatherings of Palestinians in Europe or the United States, attempts to revive the PNC or the formation of the transnational Palestinian Youth Movement.

Palestinian intellectual, cultural, and artistic production is also important in any discussion about the diaspora. Palestinian writers, poets, musicians, and visual artists have contributed significantly to spreading and enriching Palestinian culture and some Palestinian academics are among the most highly regarded in their respective fields. Not only have they shaped the field of Palestine Studies, but they became spokespersons of the Palestinian struggle and actively participate in defining and expanding its scope. The same occurs in the cultural and artistic sphere.

5. Building a New Community of “Expatriates”: TOKTEN and Other Experiences

The Oslo peace process was expected to give an impetus to private capital flows into the OPTs, particularly from the “large and relatively prosperous expatriate Palestinian community”\(^{34}\). Consequently, the Palestinian diaspora received increasing attention from the PNA and its international partners, especially since the West Bank and Gaza Strip were unlikely to attract great interest from multinational corporations. Various mobilization and incentive mechanisms were implemented, with the intent of strengthening diasporic involvement in economic development and state-building processes\(^ {35}\). However, this involvement remained rather weak\(^ {36}\), especially after the outbreak of the second Intifada in 2000, which exacerbated the challenge of finding avenues for engagement of Palestinians abroad.\(^ {37}\)
Of the most discussed initiatives in this regard are the UNDP TOKTEN (Transfer of Knowledge through Expatriate Nationals) assistance program and the PALESTA (Palestinian Scientists and Technologists Abroad) online network. The TOKTEN program was introduced in the OPTs in 1994 with the aim of recruiting Palestinian expatriates to serve as short-term consultants (up to three months). So far, over 350 skilled professionals and experts have participated through this program, providing technical expertise and policy advice to various Palestinian institutions including ministries, universities, NGOs, and in a lesser extent to private sector companies. The PALESTA online-portal ran between 1997 and 2001 at the initiative of the PNA Ministry of Planning and International Cooperation. The network functioned as a vocational gateway attempting to create a virtual community of diaspora skilled professionals and “harness the scientific and technological knowledge of expatriate professionals for the benefit of development efforts in Palestine.”

More recently the Palestine ICT Incubator (PICTI) – in partnership with the Palestine Investment Promotion Agency (PIPA) – participated in MedGeneration (2013-2015), a regional diaspora engagement endeavour funded by the European Union. PICTI and PIPA mainly focused on linking successful Palestinians in Europe to Palestinian entrepreneurs and local businesses in Palestine. A National Diaspora Task Force was also established in early 2016, incorporating a consortium of Palestinian public and private organizations including PICTI, PIPA, the Palestinian Information Technology Association (PITA), Paltel Group, Bank of Palestine, the Palestinian Ministry of Foreign Affairs, the Higher Council of Innovation and Excellence, and the Palestinian Market Development Programme (PMDP). The latter has among its top priorities “to strengthen trade and investment by creating linkages with Palestinian Diaspora, encouraging them to play an active role in the economic development of the occupied Palestinian territories”.

Although limited in scope, these initiatives highlight several noteworthy features of PNA-diaspora relationships. Diaspora mobilization mechanisms mainly operate as centralized institutions rather than as cooperative networks, thus connecting diaspora members to PNA areas but preventing them from developing links with one another. In addition, the above-mentioned initiatives cover only limited fields and target specific groups among the diaspora middle and upper classes. As a
result, the PNA still fails to afford any inclusive institutional framework through which to engage with Palestinians abroad. This was also evidenced in the establishment of the PLO’s Department of Expatriate Affairs that is separate from Refugee Affairs but responsible for maintaining contact with the diaspora. The Department of Expatriate Affairs still operates more as a public relations office than as an institution seriously attempting to reconnect the Palestinian leadership with the diaspora.

Either way, a second generation of diasporic actors began arriving in the late 1990s and participated in reshaping the links between the “outside” and the “inside.” They became known as the “expatriates” (mughtaribûn). By contrast with the previous “returnees,” these newcomers mostly originated from North America or Europe and settled in the OPTs mainly through individual professional opportunities (afforded by the TOKTEN program or other recruitment channels). Moreover, while the returnees’ arrival and stay is more certain, the younger expatriates are more likely to be in a transitory position. Most do not hold PNA citizenship and are thus prevented of the right of permanent residency. In addition, Israel does not easily issue work permits for foreigners hired in the OPTs. As a result, their access to these areas is subject to obtaining a tourist visa, which they have to renew every three months.

Consequently, many of these younger expatriates settle only for short term periods, corresponding to the duration of their employment. Although restrained by Israeli border policies, their trajectories typically illustrate the transnational movements of a privileged elite within the progression of a professional career within the globalized job market⁴¹. Mainly concentrated in the city of Ramallah, they are hired into high-level positions and enjoy higher living standards than their local counterparts. As a result, Palestinian expatriates are more likely to integrate with local elites – with whom they share some similar lifestyle and a favoured access to transnational mobility – rather than locals of lower classes.

Conclusion

Displacement, dispersal, denial of nationhood, and regional and international power shifts have contributed to and characterised the existence of the Palestinian
diaspora. This paper, however, did not aim at providing an exhaustive and strictly bounded history of this phenomenon. Rather it attempted to survey the asymmetrical fabric of Palestinian diaspora-homeland relationships in a context shaped by both settler-colonial and globalization dynamics. It thus provided an outline of the power dynamics at work between a centre that is under construction and its periphery, while delineating their respective boundaries. Indeed, diasporization is very much related to shifts in Palestinian politics’ centre of gravity toward the OPTs and the growing marginalization of the Palestinian refugees outside, especially those residing in neighbouring Arab countries.

PNA controlled areas are neither accessible enough nor sufficiently legitimate to develop as a true hub for the vast, albeit segmented, Palestinian diaspora. Moreover, the diasporization process varies from country to country and from one social group to another. As this paper has argued, this process is above all reflected in the emergence of transnational elites that have great significance for the Palestinian politics, economy, and culture, both outside and inside Palestine. These diaspora elites simultaneously shape, and are shaped by, the state-building process. This interaction has recently translated into policies intended to handle the diaspora as a resource for the homeland, as a new category of expatriates began to return inwards.

This paper however, is a loosely-defined way of questioning who is empowered and disempowered within diasporic formations, and who constructs the diasporic subject and object. Indeed, many Palestinians in exile, particularly refugees in camps, experience exile as a confined space where they are largely immobile, thus hardly participating in the diaspora flows. Thus, one must remember and possibly conclude that the Palestinian diaspora forms less of an objective category and more a subject/object consecrated by public discourse.
Endnotes


5. However, because of the frequent and cumulative migration movements of the Palestinians, as well as issues of switched and dual citizenship, accurate population figures for the diaspora do not exist. See BADIL, *Survey of Palestinian Refugees and Internally Displaced Persons, 2013 - 2015, Volume VIII*, Bethlehem: BADIL Resource Center for Palestinian Residency & Refugee Rights, 2015.


7. When the state of Israel was established in 1948, about 800,000 Palestinians, almost 60% of the total Palestinian Arab population at that time, were forced into exile. The vast majority eventually settled in refugee camps in the remaining parts of mandate Palestine and in neighbouring Arab countries. In 1967, Israel’s conquest of the West Bank and the Gaza Strip led to a second major exodus of approximately 400,000 people.


9. Officially “Declaration of Principles on Interim Self-Government Arrangements,” these agreements between the PLO and the Israeli government were negotiated in Oslo and signed in Washington on 13 September 1993. The Declaration of Principles had been supplemented by other documents which provide certain practical provisions about the so-called “peace process” as well as PNA prerogatives.


announced its support to Iraq’s invasion of Kuwait, the number of Palestinians in this country fell from 400,000 in 1990 to about 50,000 by the mid-1990s.

15. The military confrontations in Jordan in 1970 and the civil war in Lebanon which culminated in the Israeli invasion of 1982, resulted in the loss of a relative economic self-reliance for the Palestinians and the injunction for the elites either to flee or to give up any political ambitions and to fully incorporate the national economies. Moreover, in the wake of the 1990-1991 Gulf war, Arab residents, especially Palestinians, even faced massive expulsion. After the PLO


22. In the wake of the Gulf War (1990-1991), the US-led “reconfiguration of the Middle East was predicated on the political realignment of states and regional relationships. The dominant feature of this process was the [...] attempt to normalize relations between Israel and the Arab world” (Hanieh Adam (2011) ibid. pp. 88-89). This strategy was particularly reflected in supporting regional free trade agreements, joint investments and cross-border capital flows. Normalization and economic integration were also facilitated through the adoption of neoliberal measures by virtually all governments in the region, encouraged by institutions such as the World Bank and International Monetary Fund (Labadi Taher (2015) ibid.).


25. For example, the Palestinian Ta’awun foundation was established in 1983 by wealthy Palestinians in exile in order to participate in bolstering steadfastness (sumud) in the OPTs.


Palestinians in Western countries are very diverse in terms of social class, cultural background, civil and legal status, place of origin, and political and religious leaning. These differences have hindered initiatives of creating Palestinian community organizations. See Blachnicka-Ciacek Dominika, *Remembering Palestine: A multi-media ethnography of generational memories among diaspora Palestinians*, thesis submitted for the degree of Doctor of Philosophy (PhD), University of London, 2015; and Shiblak Abbas (2005) *ibid*.
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