

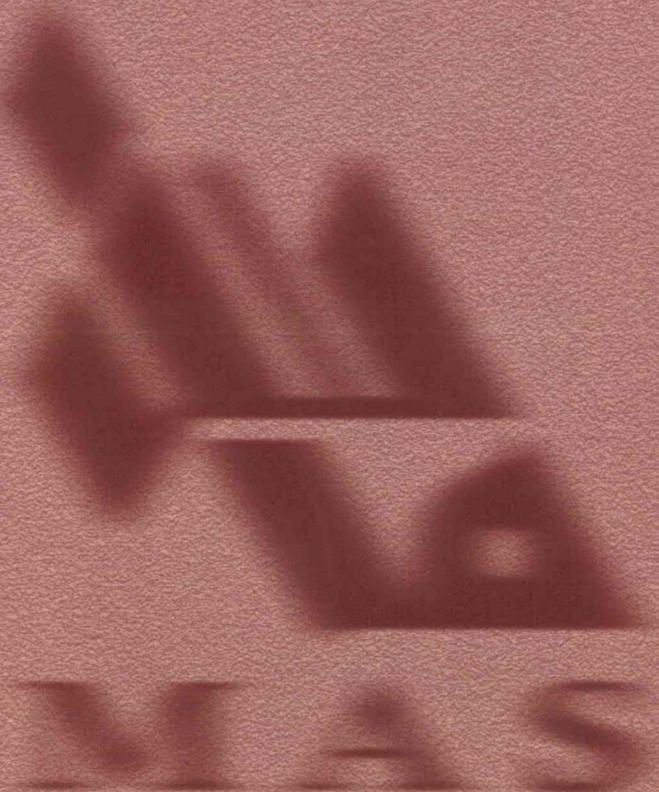
# **Building an Efficient and Effective Public Administrative Structure Despite Geographical Separation**

**MAS Annual Conference Papers:**

**The Unity of the Palestinian Economy a Key for Ending the Occupation**

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**Nabeel Kassis**





Palestine Economic Policy Research Institute

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**Building an Efficient and Effective Public Administrative Structure Despite Geographical Separation**

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## Foreword

I am pleased to present the study ‘Building a Suitable and Effective Administrative Structure for the Palestinian Authority despite Geographical Separation’; which was given at the Palestine Economic Policy Research Institute (MAS) annual conference in 2010 entitled ‘Unity of the Palestinian Economy: a Key for Ending the Occupation and for Sustainable Development’. This study, which is one of five papers presented and discussed at the conference, explores options for establishing an institutional structure on which a future Palestinian state could be built. These options would provide accessible, high quality and cost effective government services and offer solutions to the challenges posed by geographical separation.

The author begins by discussing the key question of the study; the importance of connecting institutional goals and roles to the overall structural framework. Moreover, he briefly addresses the experience of institution-building following the Oslo accord, and accompanying challenges. The study gives special attention to the process of orderly and cautiously changing the current institutional foundation of the Palestinian Authority to one of an independent Palestinian state. Discussing this transition, the writer argues the need to learn and benefit from successful experiences of government building elsewhere, especially in countries that have adopted the democratic principle of decentralization. He also relies on important historical references, the most prominent of which is the 1994-2000 Development Program for the Palestinian National Economy and the 1988 Palestinian National Council’s declaration of independence in Algeria.

The author was careful to provide clear and realistic recommendations when discussing the transition from the institutional status quo, which rapidly evolved without careful study or consideration of connecting the institutional structure to tasks and needs, to a new institutional structure suitable for a democratic, parliamentary, and modern Palestinian state. He clearly specifies the elements and principles needed for the transition to a governmental structure associated with goals based upon the principles of good governance and an institutional structure that meets Palestinian needs and expectations. He notes that existing institutional structures must be studied, developed, and amended in a way that is least costly politically, economically, and socially.

The study provides valuable information, in-depth analysis, and practical and creative recommendations for building a suitable and effective institutional structure. Moreover, it offers insightful ideas for all who are concerned with developing an efficient institutional structure for the Palestinian state, and for enhancing the conditions needed for its sustainable unity.

With the publication of this study I would like to congratulate the author for the originality of the paper and on its substantive contribution to knowledge on the Palestinian situation. I would also like to thank the Ministry of Planning and Administrative Development for their support in the preparation of this paper. We also would like to pay special thanks to the Palestine Investment Fund for sponsoring MAS's annual conference in 2010, as well as all those who participated in the conference and enriched its discussion and results.

**Dr. Samir Abdullah**  
**Director General**

## **Executive Summary**

Laying the groundwork of a state administrative structure should start with a thorough consideration of the overall functions of the state- arranging them in groups vested in legal bodies and then crafting a structure fitting with these bodies (councils, ministries, authorities, etc.) to carry out their tasks effectively. This paper tries to answer two key questions: first what is the role that we discern felicitous for the state to undertake responsibilities, exercise the powers and perform tasks necessary to provide a decent living, well-being and prosperity for its people? The point is that the State should not necessarily perform all of these tasks; rather it should allow non-governmental bodies from the private sector and civil society to contribute to them within their capabilities through empowerment, delegation, contracting or partnership, in addition to the tasks these two sectors undertake within their jurisdiction, without prejudice to the role of the State as the ultimate entity to bear the responsibility. The second question relates to the system which the State must observe as it assumes its role in terms of centralization or decentralization and how and in what areas decentralization is applicable, in addition to the ensuing questions about the role of local governance in democratic decentralization, the scope of this role, its tiers, powers, capability and its reference bodies. This paper tries to find answers to these questions as we will see below in this summary and the detailed study.

The current structure of the Palestinian Authority was built inversely, in that the staffing and the design of the administrative structure -- as a result of the transition period and the fragmented fashion in which the Palestinian National Authority assumed its responsibilities -- preceded the final drafting of the mission, the goals and the tasks. However, the institutions of governance started to adapt and modify the scope of their responsibilities during the transitional period, and the situation now is arguably good, stable and can be taken as a solid foundation to build on. Therefore, we believe that, in building an effective administrative structure for the future Palestinian state, we should build on the existing model and capitalize on the accumulated experience acquired during the rule of the PNA, seriously considering Palestine Development Program (PDP) drafted by the Palestine Liberation Organization for the establishment of the State. Needless to say, some modifications and additions, will be necessary due to developments that took place on the ground and in defining general objectives since of the publication of the PDP in July 1993. The PDP

enjoys a unique legitimacy, having been prepared by the Palestine Liberation Organization, and considering the size, diversity and quality of the effort that went into drafting it.

There are different models for the role assumed by governmental institutions in a modern state. The trend in democratic nations is to reduce the role of government in favor of private and community sectors. There is also a tendency towards decentralized governance with the state retaining its role as protector of its citizens and their interests. The Palestinian government should build on successful examples without losing sight of the specificity of the Palestinian situation in the early stages of the state, which requires a strong government that exclusively reserves some powers needed to assume a leadership role in providing a decent living, well-being and prosperity for all, guided by the principles articulated in the Declaration of Independence, while allowing the private sector and civil society to assume their respective roles, complementary with that of the state, guided by the concern for public interest and the practice of good citizenship. Decentralization then will be implemented as necessary to achieve effective governance commensurate with the Palestinian situation, particularly the geographical separation between the two parts of the state in the West Bank (where Jerusalem, the capital city, is located) and Gaza Strip (with its population density, the sea port, and access to Egypt and the rest of the world).

The private and civil society sectors -- with their non-governmental institutions, companies and nonprofit organizations -- have a vital role to play in achieving sustainable development; providing services to the public; organizing and implementing community-based activities; defending rights and democracy; outreach activities; awareness raising and sensitizing people of their right to participation; and combating social ills. The government, for its part, should coordinate and liaise with the private and civil society sectors concerning how to devise modes of integration, including planning and implementation, while maintaining ultimate responsibility for the quality and efficiency in the delivery of services to beneficiaries. This should lead to a reduction in the size of the public sector and rationalize the jurisdiction of public, private and community sectors in service of the citizens and the optimal use of available resources. Such policies should be reflected in an administrative structure of the Palestinian National Authority that is lean and effective, that relies on a civil service system free of corruption, and that utilizes available resources efficiently at both central and local levels.

The Palestinian state, established on part of historic Palestine, must be a unitary state with Jerusalem as its capital seat of government. The geographic separation between the two parts of the country, the West Bank and the Gaza Strip, makes it necessary to implement a decentralization regime, that is designed in such a way as to achieve high efficiency in governance and that can help achieve growth and improvement in the standard of living. However, decentralization has advantages and disadvantages; therefore it should be approached carefully and properly researched. Local government, as a form of decentralization (as it is applied in the Palestinian National Authority), has a lot in common with systems in place in other countries; consequently there is nothing atypical in the present Palestinian decentralization system -- even though it has many shortcomings -- given other examples from different parts of the world. Consequently, from a realistic and practical point of view, an administrative structure can build on the already existing model after a thorough and objective examination in order to understand and diagnose problems and to develop plans to address them. However, the changes should be minimal and serve the purpose of efficiency and, in all cases, contribute to the well being of citizens. Decentralization at the political level can be envisaged within a homogeneous pattern where responsibilities and powers are devolved evenly to provinces (or regions) in the West Bank and Gaza Strip, or a heterogeneous pattern in which Gaza is designated a territory of geographic specificity, and thus given more powers than its counterparts in the West Bank.

The model recommended in this study to deal with the specificity of the Gaza Strip under a unitary state is one that underscores the homogeneity in devolving powers and responsibilities to the four provinces in the Palestinian Territory: the Gaza Strip (the coastal area), Jerusalem (central), Hebron (south) and Nablus (north). In this model, decentralization is practiced via a modern local government regime that is based on elected councils at two tiers: provincial (regional) and municipal (towns and villages), without prejudice to the unitary nature of the state. In addition to the elected chairperson of the provincial council -- who is entitled to civil powers-- a governor is designated by the central government<sup>1</sup> who exercises powers (mostly security) within the province on behalf of the Minister of Interior. The devolution of powers and responsibilities to the provincial council must be maximized to the extent required for

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<sup>1</sup> The chairperson of provincial (or regional) Council is elected, whereas the governor of the province is appointed by the government, and hence these are two distinct posts.

development; however, this devolution should be accompanied with incentives that encourage all components of the local community (the local government, the private sector and the civil society) in the Gaza Strip (and the rest of the provinces) to exploit the existing comparative advantages of the province and to create competitive advantages that serve the development objectives of the province and hence the country as a whole. To achieve this, a program for capacity-building should be developed so as to enable implementing the decentralization program in stages; meanwhile, provincial ministerial directorates take over governance in their respective areas pending delegating the powers in these areas to the elected provincial council, which reports to the cabinet. However, some strategic assets of any province should remain under the control of the central government. In the case of the Gaza Strip, this applies to land crossings, seaports and airports as well as the Exclusive Economic Zone, including all mineral and animal resources, which should be developed via local-central partnership. For their part, the civil society and the private sector in the Gaza Strip should work shoulder to shoulder with the government to ensure the provision of services and to achieve economic, technological, societal and cultural development.

The Palestinian state needs a strong, central authority founded on parliamentary democracy and the rule of law- requiring the separation of the three powers (executive, legislative and judicial), each exercising a strong authority that derives from its ability to deliver and capacity for good performance. This study argues that the ability of the executive authority to make well-studied decisions and then implement them quickly and efficiently is vital to the success of the state in developing and establishing a management system that is appropriate and effective. Such a system must be modern, flexible, not encumbered with over-employment or random employment or with tasks that can be delegated to other society sectors through the private sector or the civil society institutions.

Undoubtedly, justice and transparency in governance are essential to establish an effective administrative system. Fortunately, the Palestinian people have a considerable experience in governmental organization. The performance of many of the existing institutions compares well or even exceeds their counterparts in many countries. Therefore, developing an administrative structure for the Palestinian State is not as difficult as might be expected. Although the PNA had to bear the brunt of the terrible legacy of the Israeli “Civil Administration,” it was able to develop a regulatory framework congruent with the scenarios developed by the Palestine Liberation Organization in the PDP before the emergence of the

Palestinian Authority. The scenarios were mainly built on the assumptions that each ministry or government agency has an established *raison d'être*. They were, thus, free from restrictions imposed by the interim agreements and the limited transfer of responsibilities and powers.

Many of the pre-state Palestinian institutions will no longer be needed after statehood. Eventually, we will need no more than nineteen ministries (twenty-one if we consider the two ministries that we recommended their responsibilities be conferred to statutory boards), nine government institutions and statutory boards more or less, in addition to five state institutions that do not report to the government. The role of the private and civil society sectors will be manifest in the provision of service and establishing the rules of good governance, justice, accountability and transparency.

Evidently, bringing to bear democratic decentralization through a really empowered local government under a forward-looking legislation, would serve the goals envisioned by the citizens in terms of deepening and applying the concepts of democracy; promoting public engagement; improving efficiency, effectiveness and transparency; immediately responding to the public needs; achieving stability and establishing security; and improving the living conditions for all. Nevertheless, creating such an administrative system will not likely be achievable in the absence of a human capital that is trained and informed of the potentials of democratic decentralization. Again developing an effective system entails the presence of a strong state capable of consistently implementing a program for the delegation of powers and guided by clear vision. Furthermore, the delegation of authority distributed evenly among the four provinces or regions administered by elected councils- in the order we outlined earlier- will not prove effective unless it is coupled with incentives encouraging the local community to bear a greater responsibility in developing its own potentials at all levels: economical, technological, social and cultural. As such, the local government cooperates with the private and civil society sectors to bring to bear the comparative advantages available and to develop competitive advantages, which, in turn, directly raise the standard of living and indirectly benefits the entire economy of the country.