City Research Online

City St George's, University of London

Citation: Arda, L. & Banerjee, S. B. (2021). Governance in Areas of Limited Statehood: The NGOization of Palestine. Business & Society, 60(7), pp. 1675-1707. doi: 10.1177/0007650319870825

This is the accepted version of the paper.

This version of the publication may differ from the final published version. To cite this item please consult the publisher's version.

Permanent repository link: https://openaccess.city.ac.uk/id/eprint/22693/

Link to published version: https://doi.org/10.1177/0007650319870825

Copyright and Reuse: Copyright and Moral Rights remain with the author(s) and/or copyright holders. Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge, unless otherwise indicated, provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way. For full details of reuse please refer to City Research Online policy.

City Research Online: http://openaccess.city.ac.uk/ publications@citystgeorges.ac.uk

Governance in Areas of Limited Statehood: The NGOization of Palestine

Abstract

In this article we examine the shifting roles played by non-state actors in governing areas of limited statehood. In particular we focus on the emergence of voluntary grassroots organizations in Palestine and describe how regimes of international development aid transformed these organizations into professional non-governmental organizations (NGOs) that created new forms of colonial control. Based on in-depth interviews with 145 NGO members and key stakeholders and a historical analysis of limited statehood in Palestine, we found that social relations became disembedded from the local context and re-embedded in new relations with international donor organizations resulting in a depoliticized public sphere. NGOization of the economy also resulted in new forms of exclusion and inclusion as well as contestations between a new class of urban middle class professionals working in NGOs and the older generation of activists that were involved in grassroots organizations. Our findings have implications for business and human rights and governance in areas of limited statehood, in particular how private actors like NGOs are able to exercise power in the economy.

Keywords: Governance, NGOization, occupation, resistance, areas of limited statehood

Governance in Areas of Limited Statehood: The NGOization of Palestine

> "The NGOization of politics threatens to turn resistance into a well mannered, reasonable, salaried, 9-to-5 job. With a few perks thrown in. Real resistance has real consequences. And no salary".
>
> Arundhati Roy, *The End of Imagination*

In many parts of the world, particularly in the so-called developing countries state capacity to govern effectively is compromised by a variety of historical, political and economic factors. Widespread poverty, civil wars, colonial legacies, religious conflicts, natural disasters, and market forces often lead to conditions where the state is unable or unwilling to fulfill its basic functions: to provide security to its citizens and deliver public goods and services necessary for their welfare. Private actors and institutions from both domestic and international arenas play a key role in governance in these regions. These actors include individual volunteers, charitable organizations, community based organizations, international donor agencies, United Nations agencies, religious organizations, international and domestic non-governmental organizations, donor countries, and multinational corporations (Risse, 2013). In this article we problematize the role of private actors, particularly non-governmental organizations[1] (NGOs) who have become key players in governance. In particular we provide a historical analysis of the role of NGOs in Palestine and show how regimes of international developmental aid created new forms of colonial governance. Our findings contribute to theories of governance in areas of limited statehood by problematizing the role of non-state actors and identifying processes that depoliticize the public sphere while undermining resistance to oppressive structures and institutions.

[1] We use NGO as an umbrella term while acknowledging the diversity of organizations that constitute this space whose activities range from charity, political advocacy, poverty alleviation, women"s empowerment, social entrepreneurship, health services, education, environmental protection, legal services and a variety of other social services. In the context of Palestine we make a distinction between Volunteer Grassroots Organizations (VGOs) that emerged in the early 1920s in the region and the "professional" NGOs that became dominant players following the Oslo Accords.

Our focus in this article is on governance in Palestine, which can be described as a quasi state, an area of limited statehood or more accurately an occupied territory, thus providing an ideal context in which to explore non-state regimes of governance. Our article is driven by a central research question: how does NGO activity, particularly those of "professional" NGOs, in areas of limited statehood create particular forms of governance in these spaces? Several theoretical themes emerge from this question including governance, development, politicization and resistance, which we will explore in our article. It is also important to state at the onset that by resistance we mean popular non-violent forms of resistance and civil disobedience, not militancy. Governance in areas of limited statehood is structured by international developmental aid, mainly from Western donors who also promote the values of liberal democracy to these regions. Over the last 30 years the neoliberal turn in the global political economy has seen a shift in the delivery of foreign aid where provision of public goods and services is increasingly assigned to the private sector (Haddad, 2018; Turner, 2014). Many international donors prefer to channel their funds through NGOs rather than through government agencies, which are often perceived to be corrupt and inefficient.

However, NGOs have also come under criticism in many parts of the world. They have been accused of promoting new forms of cultural and economic colonialism (Choudry & Kapoor, 2013); being donor driven (Haddad, 2018); coopting local social movements (Kraemer et al., 2013); focusing on short-term quantitative outputs (Srinivas, 2009); neutralizing dissent and resistance (Banerjee, 2018); undermining collectivity (Merz, 2012); and lacking representation and accountability (Dar, 2014; Unerman & O'Dwyer, 2006).

Despite these criticisms NGOs remain a powerful player in global governance: there are an estimated 10 million NGOs worldwide worth over $1 trillion annually which makes the sector the fifth largest economy in the world (Hall-Jones, 2006). Although NGOs are

generally not-for-profit enterprises, they are market actors that operate in market economies. The marketization of the nonprofit sector and its concomitant shift from providing social welfare to promoting social entrepreneurship is a new technology of power that creates private authority regimes of governance (Duffield, 2001; Eikenberry & Kluver, 2004). In this article we provide a critical analysis of these regimes and show how the political economy of international development aid constructs new relations between the market, state and civil society. We contribute to the literature on governance in areas of limited statehood by explaining *how* these relationships create new forms of dependencies and social relations and what forms of resistance emerge.

The article is structured as follows. First, we discuss the concept of areas of limited statehood and describe how diminished authority and capacity of the state to govern leads to the participation of non-state actors in governance. Second, we provide a historical overview of Palestine, which can be considered an area of limited statehood. We describe the emergence of voluntary grassroots organizations (VGOs) and their evolution to more formalized and professional non-governmental organizations (NGOs) following the Oslo Accords and their roles in state and institution building, providing essential services, promoting a development agenda and resisting occupation. We then describe our empirical study and findings from our analysis of archival data and in-depth interviews with key respondents. We conclude our article by discussing the implications of our findings for business and human rights and governance in areas of limited statehood.

Limited Statehood and Governance

Areas of limited statehood are those parts of a country "in which central authorities (governments) lack the ability to implement and enforce rules and decisions or in which the legitimate monopoly over the means of violence is lacking, at least temporarily" (Risse,

2011: 4). We adopt Crouch's (2005: 20) definition of governance as "those mechanisms by which the behavioral regularities that constitute institutions are maintained and enforced". Following Krasner and Risse (2014) we differentiate between statehood as institutional structures of authority to govern and state capacity to govern with respect to providing public goods and services. In providing institutional structures of authority the state is also a legitimate purveyor of violence, which it can deploy to protect its citizens from domestic and international threats but also to quell dissent (legitimate or otherwise). When state governments do not have a monopoly on the use of violence and/or lack the capacity to deliver public goods and services in certain parts of their territory those areas can be considered as areas of limited statehood. In the context of Palestine, the authority of the Palestinian Authority (PA) to govern is partial because its security apparatus can be rescinded by the state of Israel at any time (Turner, 2014). Palestine thus represents an area of limited statehood where the state lacks effective authority and control resulting in diminished domestic sovereignty.

Areas of limited statehood do not descend into complete anarchy. When states are limited in their ability to govern other actors both domestic and international, often with competing interests and priorities, step in to fill the void. Research on areas of limited statehood has focused on identifying the conditions that enable effective and legitimate governance, where effectiveness refers to the delivery of collective goods to relevant populations and legitimacy as the "license to govern or the right to rule" (Börzel et al., 2018: 5). Rather than categorize entire nations as "weak" or "strong" states which is the inevitable consequence of conceptualizing the modern (Western) nation state as a democratic, capitalist state governed by the rule of law it is important to make a conceptual distinction between statehood, legitimacy and governance (Risse & Stollenwerk, 2018). Social trust between different actors, legitimacy of the governors and design of governance institutions appear to

be key determinants of effective governance, where trust and legitimacy are assumed to be outcomes of deliberative processes involving governance actors in a democratic sphere (Risse & Stollenwerk, 2018). Legitimacy is a crucial factor that determines success of any governance arrangement in areas of limited statehood. Scholars argue it is important to distinguish between empirical legitimacy (the extent to which the governed voluntarily comply with governing institutions) and normative legitimacy (the justification of legitimacy according to "universal moral and normative standards") (Krasner & Risse, 2014: 550). Although they are not elected bodies, NGOs that participate in deliberative democratic processes are presumed to have "moral legitimacy" because they follow procedural norms of "civil behavior" and "consensual behavior" (Baur & Palazzo, 2011). The problem with this formulation of legitimacy is a homogenizing of the governed where voluntary compliance becomes the key goal of governance without an analysis of coercive power structures, processes and class formations that produce "voluntary" compliance. In Palestine the problem is further compounded by Israeli occupation: while the occupation is certainly not legitimate, it seems to have consolidated itself through cooptation and coercion to the point where the prospect of the so-called two-state solution seems more distant than ever.

Areas of limited statehood are also recipients of international development aid, mainly from Western donors. For instance, in 2014 development aid amounting to $19 billion was channeled through NGOs to deliver services like humanitarian aid, education, healthcare and sanitation (Beisheim et al., 2018). In distributing aid NGOs are also charged with promoting democratic values, creating an active civil society, and provide good governance. However, there are tensions between NGOs and the communities they serve especially when development projects are driven by donor conditions. Participation of civil society actors in governance does not necessarily lead to a democratic public sphere (Cooke & Kothari, 2001) and our study reveals the hegemonic structures and processes that constitute the sphere of

NGO engagement. Before we examine the role of NGOs in governance, it is necessary to provide a brief history of Palestine's struggle for independence, which began with partition and the creation of the state of Israel and the subsequent dispossession and displacement of the Palestinian peoples in 1948. In the next section we describe the organization and evolution of resistance to occupation, attempts at self-governing, mobilization of communities and participation of civil society at key historical events. Voluntary grassroots organizations that emerged after partition and the professional NGOs that currently participate in governance are both outcomes of particular political and historical processes in Palestine.

A Political History of Palestine: Dispossession, (non) Statehood and International Aid Regimes

It is beyond the scope of this article to provide a comprehensive history of Palestine and the Palestine-Israel conflict which has been going on since 1948. There are several books that provide a comprehensive and critical analysis of these histories (see for example Haddad, 2018; Peters & Newman, 2013; Said, 1992; 1995). Our position in this article is to focus on the political, economic and social realities in Palestine. We are interested in learning how NGOs first emerged, how they engaged in governance and how their roles have shifted over the last 60 years. To trace these shifts it is necessary to analyze the broader historical and political environments and events that have shaped both the conflict and the actors that operate in the region. Table 1 provides a brief timeline of Palestine's history.

Insert Table 1 about here

In 1947 the United Nations Partition Plan for Palestine recommended the creation of

independent Arab and Jewish states with a Special International Regime for the city of Jerusalem. However, soon after the adoption of the resolution war broke out, which was the first phase of the 1948 Palestine war and also marked the beginning of the Nakba (catastrophe) for Palestinian peoples. The Nakba resulting in the dispossession and expulsion of more than 700,000 Palestinians, comprising nearly 60% of the population, from their homes as well as the depopulation and destruction of over 530 Palestinian villages (Haas, 2013).

The earliest grassroots organizations in Palestine emerged in the 1920s following British occupation. These grassroots organizations included Islamic and Christian charities, community based organizations, youth clubs, women's organizations, and solidarity groups that supported local communities' efforts to remain on their lands (Payes, 2005). The Palestinian Liberation Organization (PLO), an umbrella organization consisting of a number of political parties and factions was founded in 1964 with the stated goal of liberating Palestine through armed struggle. The policy of armed struggle was abandoned in 1993 after the signing of the Oslo Accords.

The first generation of grassroots organizations was founded by political parties in Palestine following the 1967 occupation[2] and mainly comprised local charitable associations who provided assistance to refugees, the injured, prisoners, families of killed soldiers and families whose homes had been demolished. Over time and given the absence of a stable government with public authority, these voluntary grassroots organizations (VGOs) became collective enterprises that provided services in health, water, agriculture, arts, education, law and human rights with a particular focus on vulnerable communities. However, the delivery of services to communities in no way deflected from the central national vision of these

[2] In 1967 Israel captured and occupied the West Bank, the Gaza Strip, East Jerusalem, Golan Heights and the Sinai Peninsula.

organizations, which was to secure an independent state, free from occupation coupled with the right of return for refugees who were deported following the Nakba in 1948. The broad array of VGOs included political parties, women's unions, community based organizations, labor unions, student unions, cooperatives, clubs and charities, representing nearly all segments of Palestinian community. These VGOs operated as informal decentralized social structures with a strong left wing political ideology, committed to struggles against occupation while attempting to improve the socio-economic conditions of impoverished communities. They relied mainly on volunteers and interacted directly with the local communities who saw them as organizations that represented their needs and aspirations for independence.

A turning point in the history of Palestine was the First Intifada (uprising), which broke out in the West Bank and Gaza Strip in 1987. The Intifada was a spontaneous people's protest movement against occupation involving civil disobedience through general strikes, demonstrations, occupying check points, lobbying and advocacy, public demonstrations of solidarity with families whose houses were demolished by the army, boycott of Israeli products, refusal to pay taxes and refusal to work in Israeli settlements. The popular uprising was seen as a legitimate protest both locally and internationally and VGOs played a key role in mobilizing Palestinians in the struggle against Israeli occupation during the intifada.

Two more events significantly reshaped the function and roles of VGOs and transformed governance in Palestine. In 1993 the Oslo Accords were signed between Israel and the Palestinian Liberation Organization. A new Palestinian Authority (PA) was created with limited self-governance in parts of the West Bank and Gaza Strip for a 5-year interim period until a final settlement was negotiated. The PA was tasked with ensuring security and was given authority over health, education, social services and tourism sectors. The PA could also raise direct taxes and elect a representative council. However, the PA was far from a

state –while it could "legitimately" use violence to maintain law and order (a state-like function) it had no control over its external borders, which were still controlled by Israel; its governable territory was not continuous, it had limited sovereignty over its own land, water, and minerals or access to the sea and it did not have its own currency (Khan, 2004). Among the Palestinian activists and VGOs the Oslo Accords created much controversy because Israel still occupied parts of Palestinian territories while the PA was given very limited governing powers over parts of the West Bank and Gaza Strip. More importantly all the water in the region (a key bone of contention during the conflicts) was controlled by Israel. Many Palestinians saw the Accords as a betrayal of nationalist vision and the PA as a creation of the international community designed to take over the administrative duties of occupation. But there was hope and expectation that it was a first step towards full statehood. The PA's state building agenda can be described as a program "predicated upon delivering growth and prosperity without any strategy for resistance or challenge to the parameters of occupation" (Khalidi & Samour, 2011: 8).

Following the Oslo Accords international development aid to the Palestinian territories increased dramatically. Between 1999 and 2008, international aid to the West Bank and Gaza Strip increased by over 600% to $3.25 billion per year. During the same time period, external aid to Palestinian NGOs increased by over 500% from $48 million in 1999 to $257 million in 2008 (De Voir & Tartir, 2009). The number of NGOs also mushroomed after Oslo and the period witnessed the transformation of grassroots mobilization to professionally managed NGOs as a result of conditional international funding. By the mid-1990s more than 30% of domestic NGOs were dependent on funding from international donors who began to exert greater influence on local developmental projects (Hanafi & Tabar, 2003). Projects were structured around donor priorities with a focus on budgets and costs that transformed the structure of the NGOs and reshaped relationships between members and their

organizations and between the members themselves creating internal factions that competed for funding. Financial support for NGOs became increasingly conditional on demonstrating "professionalization" through standardization and reporting tools that focused on "civic" modes of action and service delivery rather than promoting an explicit political agenda (Merz, 2012). The process of professionalization also transformed the nature of volunteerism, which was the fundamental basis of Palestinian grassroots organizations prior to the Oslo Accords. The professionalization of NGOs was also an outcome of neoliberal development aid regimes where NGOs were required to demonstrate "expertise" in development, gender, health and education rather than advocate for citizenship rights.

The second event was the sudden outbreak of the Second Intifada in September 2000. Much more violent than the first, it shifted the activities of the NGOs to providing emergency relief and medical services to the tens of thousands of Palestinians that were affected. During this time the PLO broke into several infighting factions leading to a major split between the dominant political party Fatah and the more radical group Hamas, with the latter unexpectedly winning the Palestinian Legislative Council elections held in the aftermath of the Intifada in 2006. This resulted in a complete split between the Gaza Strip and the West Bank: while both technically fell under the jurisdiction of the PA, following the 2006 election Gaza was governed by Hamas while the West Bank continued to be governed by Fatah with Israel controlling the borders between the two regions. The Gaza Strip was placed under a blockade by Israel, which continues to the present day.

Thus, the nature and scope of civil society participation in state building in Palestine is inextricably linked with Israeli occupation, the influx of developmental aid with conditions attached and the Palestinian Authority, which was created without consultation or participation at the domestic level. Aid, mainly from Western donors plays a key role in shaping governance in areas of limited statehood. Recipient countries are required to

structure their policy processes, institutions and prioritize policy initiatives based on donor imperatives (Taghdisi-Rad, 2011). These political conditionalities along with their associated quantitative performance indicators were subsequently imposed on organizations that were charged with disbursing the aid: mainly local NGOs, who were required to follow reporting practices that reflected donor priorities. Donors' funding conditions also involve boycotting any organizations that had connections with religious associations, however democratically representative and legitimate they may be (Jad, 2007).

For instance, following the directives of their government the United States Agency for International Development (USAID), one of the largest aid organizations in the world, required all organizations receiving funding to furnish an Anti-Terrorism Certificate (ATC) before signing any funding contract. The terms of the certificate are so restrictive that almost any act of resistance or engagement with nationalist politics could be construed as terrorism, thus depoliticizing the role of NGOs and criminalizing resistance (Dana, 2015). Project proposals also tended to eschew "political" aims and any criticism of Israeli policies in a project proposal diminished its chance of being funded (Jad, 2007). To fulfill ATC conditions NGOs responsible for aid disbursement needed to complete onerous reporting requirements including providing personal information about their staff, partner organizations and subcontractors. NGOs found themselves in an unenviable position of being required to run terrorist background checks on the very people and communities with whom they were trying to establish trust and build relationships. Meeting ATC requirements resulted in diverting funds and resources away from critical operations to complying with administrative requirements, eroded trust in local communities and "undermined the US government's own investments in building local capacities for peace" (Lazarus & Gawerc, 2015: 68). Thus, even humanitarian assistance became developmental aid – for people to be eligible for this aid they need to demonstrate apolitical attitudes and behaviors (Duffield, 2001).

Critics of current aid regimes also point to a lack of understanding of the complexities of conflict situations by donor agencies. Following the Oslo Accords, international agencies treated the Occupied Palestinian Territories as a "post-conflict" zone at a time when the Israeli government followed a policy of expanding settlements and increasing the number of checkpoints, which eventually led to the second Intifada. A temporary decline in military casualties does not imply that the conflict is over – a definitive post-conflict situation means an end to all "offensive military strategies accompanied by economic improvements, political stability, enhanced livelihoods with the re-instating of economic, political and government institutions" (Taghdisi-Rad, 2011:43). This clearly did not reflect the situation in Palestine after the signing of the Oslo Accords. Withdrawal from certain Palestinian territories by occupying forces did not translate to complete sovereignty and self-determination because Israel still retained control over key structural aspects of the Palestinian economy including movement of people and goods, imports and exports, customs revenues, supply of electricity and water, and monetary policy. Thus, donor driven goals of "development" and "good governance" were seriously constrained by the structural power of occupation. Despite being one of the largest recipients of aid in the world ($24.6 billion between 1993 and 2013) poverty and unemployment has increased in Palestine (Springer, 2015). In fact, some scholars argue that developmental aid for Palestine under occupation has resulted in de-development, a process where "normal economic relations are impaired or abandoned preventing any logical or rational arrangement of the economy or its constituent parts diminishing productive capacity and precluding sustainable growth" (Roy, 1995: 128).

Our discussion so far has focused at the broader level of political economy. What is needed is an analysis of the relationships between NGOs and their beneficiaries as well as with their international donor organizations that enabled the shift from grassroots organizations to professional organizations. Certainly international developmental aid was an

antecedent, but in what ways did external funding change the nature and aims of the NGOs? How did it influence organizational members attitudes and behaviors? What were the outcomes? To answer these questions we turn to our empirical analysis.

Methodology

To answer these questions we conducted an empirical study involving extensive historical analysis of archival data (annual reports, brochures, project reports and manuals), in-depth interviews with NGO members and other key informants as well as observations of internal meetings, meetings with stakeholders, field visits at project sites, conferences and project launch events. The first author conducted interviews in two stages – in the first stage 20 key informants were interviewed. These informants had extensive knowledge about NGOs and the political historical context of Palestine. Informants included lawyers, medical doctors, academics, researchers, and consultants. The interviews covered both broad and specific areas - from the history of the Palestine-Israel conflict, to the emergence of the PA, the local political situation, international aid, the range of NGO activities, challenges and opportunities. These preliminary interviews were the basis of selecting the sample of NGOs that would form the basis of the empirical data. Five NGOs operating in the areas of education, health, art and culture, law and human rights, and agriculture were selected. The NGOs represented a combination of older and younger organizations that enabled us to track their evolution from the mid 1970s to the mid 1990s and following the Oslo Accords from the mid 1990s to 2015. In total 145 interviews were conducted over a 10-month period in the field. Table 2 provides an overview of the sample.

Insert Table 2 about here

Interviews centered around three themes: the story of individual NGO members (their role, history with the organization, attitudes and perceptions of the political situation; the organizational story (organizational history and structure, funding and budgets, main scope of activities, changes experienced); and the broader contextual story where we explored their perceptions of key global changes that impacted the NGO sector. Interviews lasted from 90 minutes to 3 hours.

Based on our interviews and archival data we reconstructed the history of the five NGOs. We also conducted validity checks with key informants to assess if our narratives matched their accounts. Any inconsistences that arose were resolved through further discussion and triangulation with other data sources. Open coding of the interviews resulted in a total of 70 initial categories. Further analysis involved combining categories into themes based on similarities and differences. Through a process of axial coding we developed second order codes, which we then aggregated into theoretical dimensions as shown in Figure 1. Table 3 provides illustrative quotes for the key themes that emerged from our analysis.

Insert Figure 1 about here

Insert Table 3 about here

We now discuss our findings based on this analytical structure.

Findings

The purpose of our empirical study was to understand how professionalization of NGOs in areas of limited statehood created particular forms of governance. As we will show the emergence of professional NGOs depoliticized the public sphere undermining resistance and

normalizing occupation. We will discuss our findings in the loose historical timeline that we summarized in Table 1.

The Early Years: Voluntary Grassroots Organizing after the Nakba

Before the creation of the PA grassroots organizations provided services in health, water, agriculture, and education to communities. However, the broader national vision of a free Palestine remained central to these organizations since they were founded by political parties with the aim of mobilizing people against occupation and claiming the right of return for displaced refugees. One respondent stated: *"we conceived our grassroots work with farmers as a social cause fighting for our liberation… agriculture was a tool but we targeted broader concerns. It was more political work, to mobilize people for the Palestinian cause"* (General Director, NGO1). Delivering agricultural services coincided with discussions about how to mobilize against land confiscations. Service provision was seen as an explicitly political practice: for example poverty was portrayed as a direct result of occupation and humanitarian aid was not considered passive but embedded in social, economic and political injustices that promoted a sense of solidarity and collective empowerment (Dana, 2015).

These early organizations provided services to the most marginalized communities. One respondent stated: *"we were seven medical doctors who committed to go every week to villages in one small car and very basic instruments to treat patients"* (Former General Director, NGO2). As the political and economic conditions in the region worsened and escalating Israeli military action resulted in demolition of Palestinian houses, confiscation of lands, and damage of already fragile infrastructure the VGOs faced increased pressure in delivering services. But they maintained close and regular interactions with local communities despite the expansion of checkpoints and efforts to limit their movement.

Collectivity was a key characteristic of the VGOs. The General Assembly, the supreme body that governed grassroots organizations allowed all members to engage in dialogue and make collective decisions regardless of their party affiliations. According to one respondent: *"Those who sat around the table during the general assembly meetings were farmers & other people who could express what they need…it was not mechanistic representation by any means, on the contrary, it was actual representation epitomized by activities we designed*" (Project Officer, NGO1). Identifying local needs was a collective process instead of a top down approach that is typical of most large donor driven projects. Local communities were not seen as beneficiaries or recipients of aid but as participants in projects.

Volunteerism was the engine of grassroots organizing. One respondent stated: "*volunteering was not something naïve, rather founded on real aspirations….we wanted volunteerism to become the main value which reflects our national culture, to be our strength to face the political realities of our situation"* (General Director, NGO3). Funding for VGOs came mainly from the membership fees paid by the General Assembly members with some local cash and in-kind donations. An important principle was the refusal of any external funding: *"we rejected any external funding, it was our philosophy not to accept any foreign funding, and we particularly refused funding aimed to improve the living conditions of Palestinians under occupation"* (Branch Director, NGO1). However, some modest funding was accepted mainly from European groups who expressed solidarity with the Palestinian cause. Post-Oslo saw a significant transformation of these grassroots organizations in their relationships with local communities as well as in the scope and direction of their activities.

The Emergence of the Professional NGO

The transformation of the explicitly political state building role of these grassroots

organizations to a more civic service delivery role is inextricably linked with the creation of the Palestinian Authority (PA) and the subsequent flow of international aid. The original vision of a Palestine free from occupation became subordinated to implementing aid projects, which resulted in these organizations becoming disembedded from popular movements (Hanafi & Tabar, 2003). What began as a grassroots anti-colonial movement was transformed by international developmental aid to a welfare provision service operated by professional NGOs run by local elites with closer links to international institutions than to their local communities resulting in the latter's further exclusion and marginalization (Dana, 2015). Palestinian grassroots organizations post-Oslo were criticized by Western donors as being too "politicized" and development became the new peace building mantra instead of resistance against occupation. As one respondent put it: *"being politically aware and linked to political parties was a source of pride for all; it was the guide that framed our activities….but nowadays it has become a requirement to separate politics, but we attempt always to articulate and emphasize the separation"* (Director, NGO3).

To become eligible recipients of international aid grassroots organizations had to essentially re-define their purpose to improving living conditions under occupation as opposed to resisting occupation and also demonstrate their "professionalism". Governance structures changed from popular committees to more hierarchical organization forms. Writing project proposals, fluency in English, quantification of easily measurable outputs and monitoring became major criteria to assess NGOs rather than their impact on local communities. Number of workshops or training programs conducted became key performance indicators regardless of what the training actually achieved. One respondent expressed her frustration at the donor driven development agenda: *"We were working before in development by protecting land and resources and preventing land grabbing, but now it feels we do not work in development anymore. Now development means more paper work.*

We work on proposal writing and filling out forms and on procedural issues because of our dependency on donors' money" (Project Officer, NGO1).

International funding also shifted the direction of accountability upward where NGOs were more focused on meeting donor requirements than on the needs of their beneficiaries. Donor priorities became more influential in project selection and design. As one respondent commented: *"our organization became like a supermarket where we choose items to import and sell, for example gender training, rights-based approach are all imported"* (Former employee, NGO4). Gender workshops were often seen as a Western imposition. As one respondent put it: *"Gender is more a trend; it is fundable. I'm with gender equality in principle, however, I do not like how the trainers deliver awareness sessions. They project Palestinians as oppressors and that's a superior and false view, which I reject. Gender activities were introduced to Palestine through the elite, who are not oppressed, to me that does not make any sense….why do we not address the oppression of women by the Israeli occupation? During military attacks, how many women die and how many women had to deliver babies at the checkpoints because they were not allowed to cross? Is this not a gender issue?"* (Chairman, NGO2). Gender empowerment workshops led by Western NGOs also rendered invisible the mass mobilization efforts of Palestinian women during the intifadas, which was the backbone of the anti-colonial nationalist struggle against occupation (Dana, 2015).

Project based budgeting changed employment relations and social relations between NGO members. NGOs began to classify their staff based on core budget contracts and project budget contracts. The latter was time bound which meant individuals approaching the end of their contracts had to focus their efforts to renew them or find other employment. While permanent contracts were the most desirable they created competitive relations between what used to be cooperative relations between members and fostered a culture of individualism

instead of collectivity. One respondent commented: *"the contract is sort of a dream for me, if I get it, then I feel secure. Most of the time I feel how unfair it is that I do not have a permanent contract, though I feel I am eligible"* (Advocacy Officer, NGO2). A new generation of technocrats became responsible for implementing aid programs through NGOs. The major preoccupation of this new class of elites was to ensure maintenance of their salaries, renewal of funding contracts and identifying projects and target communities that would meet donor requirements.

The Business of Human Rights

A key governance challenge in areas of limited statehood is protection of human rights as enshrined in the Universal Declaration of Human Rights adopted by the United Nations in 1948. Research on human rights violations in Palestine at the hands of Israeli forces, settlers and the PA security services indicates that despite a thriving human rights industry in Palestine most Palestinians are worse off socially, economically and politically (Allen, 2013). Legitimate and authoritative political structures can enforce human rights but when these same structures are responsible for human rights violations in Palestine there can be little accountability for these violations. The discourse shifts to the provision of human rights under occupation without challenging the political and economic status quo.

Palestinians have endured and continue to endure different forms of violence: direct, structural, instrumental and epistemic violence are part of their daily lives. From spraying Palestinian homes with sewage water; burying nuclear waste on Palestinian lands; building illegal settlements; confiscating land using a variety of legal maneuvers (including applying laws dating back to the Ottoman empire); controlling access to water and electricity; demolishing Palestinian homes; destroying citrus and olive trees planted by Palestinian farmers just before the harvest; providing government incentives for Israeli citizens to

relocate to illegally constructed settlements; using multiple checkpoints to restrict movement of Palestinians; arbitrary detention of trucks carrying fresh produce at checkpoints until the produce rots – the list is endless. All this of course is in addition to more direct forms of violence including "targeted" and "extrajudicial killings", arbitrary detentions of Palestinians and allegations of torture by the Israel Defense Forces as well as by the Palestinian Authority.

One of the NGOs in our sample is a respected law and human rights organization but most respondents were cynical if not suspicious about the human rights industry in Palestine. Despite decades of meticulous documentation of human rights violations by the armed forces, arbitrary arrests of Palestinian citizens, demolition of Palestinian homes and illegal settlement construction in the West Bank continues unabated. One respondent recounted an incident: "*my son was kidnapped from his university by PA security forces, and he was tortured, and jailed for a couple of months without any charge. His case was documented but then nothing happened. The worst part was that later our house was raided and my son again was arrested this time by the Israeli armed forces, and again they documented this, yet nothing happened. I did not even hear from them again after they visited me to take my testimony"* (Beneficiary, NGO5). Another respondent commented: "*whose rights are we talking about? We can give lectures to our people about their rights, and then they go out and get arrested for no reason, or they are stopped at checkpoints and cannot reach their houses or lands. For example I have a land located close to the wall, I was not allowed to enter my land for 14 years. We live under occupation, and all these rights based approaches will not move a stone"* (Director, NGO3).

However, other respondents felt that despite its limited effectiveness human rights discourses had the potential to produce better outcomes. For some the process of documenting violations provided a sense of agency. One respondent commented: *"my belonging to my cause as a Palestinian motivates me to be involved in the quest of human*

rights. At the personal level, I was detained, tortured, that's part of daily life of an occupied nation. For me it is important to resort to international law as a nation under occupation, even if there are no tangible results in the foreseeable future. But I hinder the work of the occupying force when I file a legal case and go to court and ask for the policeman or solider who committed the violations to attend the court. This helps me feel good" (Head of Training Unit, NGO5).

Some NGOs engaged with business to draw attention to human rights violations and pressurized them to withdraw investment or change suppliers from the occupied territories. The director of local accountability commented: *"by making the link between human rights violations and business, we can show how the Israeli occupation is a colonial regime that confiscates lands and expand settlements which is a direct violation of international law. Many companies work in these illegal settlements, and we document that. We hope to put pressure on those companies to withdraw their investment"* (Director of local accountability department, NGO5).

Another respondent commented: *"we documented investments that international companies had with Israeli companies in the settlements to show how they contributed to occupation. These companies were using our natural resources and minerals from the Dead Sea to manufacture and sell cosmetics abroad, while depriving us of those resources, which is a violation of our human rights. By pressurizing companies and states not to buy products made in the settlements we are trying to criminalize occupation and change the policies of companies that invest in Israeli occupation. We also approach the courts in the countries of the investing companies, where international human law is better enforced"* (International accountability department, NGO5).

Our findings indicate that Palestinian NGOs engage with business through human rights discourses. Activists have also targeted service providers by highlighting their

discriminatory service practices in water provision, sanitation, and waste removal that are provided solely to settlements while excluding neighboring Palestinian communities. A UN report on the impact of business in the occupied territories stated that "business enterprises have, directly and indirectly, enabled, facilitated and profited from the construction and growth of the settlements" (OHCHR, 2014). The report identified several business activities that "raised particular human rights violations concerns" including "supply of equipment facilitating construction of settlements and their associated checkpoints; supply of surveillance equipment for settlements; supply of equipment for the demolition of housing and property, the destruction of agricultural farms, greenhouses, olives groves and crops; banking and financial operations helping to develop, expand or maintain settlements and their activities, including loans for housing and the development of businesses; and the use of natural resources, in particular water and land, for business purposes" (OHCHR, 2014).

While business firms cannot be expected to play a direct role in seeking a political solution to the Israel-Palestine conflict they may feel the need to justify their presence and activities in the region. Some companies have chosen to divest from the occupied territories – for example, the Netherlands' biggest pension fund PGGM, citing its "social responsibility policies" divested from Israeli banks that offered financing for settlement construction in the West Bank. Norway's sovereign wealth fund, the world's largest, excluded Israeli companies involved in the building of settlements in the West Bank (Browning, 2014). Boycotting products manufactured in the settlements and pressurizing investors to divest from companies operating in the settlements are also central to the Boycott, Divestment and Sanctions (BDS) campaign launched by 170 Palestinian civil society groups in 2005. The BDS movement calls for an end to occupation, dismantling the wall and illegal settlements, full equality for Palestinian citizens of Israel and rights for return of Palestinian refugees. While some countries have called the BDS campaign discriminatory (even the PA does not support a

general boycott but backs boycotting products and companies from illegal settlements), a few multinational and Israeli corporations (Veolia, G4S, Sodastream for example) have been targeted by BDS and activists claim that foreign direct investment into Israel dropped 46% in 2014 as a result of the campaign (Browning, 2014). However, mainstreaming responsible investment is a challenge at the best of times and in the extreme political polarization of Palestine-Israel relations it remains to be seen if the BDS campaign has long-term consequences.

Returning to the questions that informed our study, we found that international developmental aid played a key role in transforming grassroots movements to professional NGOs in Palestine resulting in depoliticizing the public sphere. Practices of professionalization and discourses of development also created new economic and social realities that resulted in a normalization of occupation where the focus was on improving living conditions under occupation rather than resistance. Grassroots organizations' longstanding strategy of resistance to occupation was transformed into policies of "good governance", "transparency", and "accountability" that enabled depoliticized and deradicalized NGOs to operate under occupation. We elaborate on these themes in the next section and discuss the theoretical implications of our findings for business-society relations and for governance in areas of limited statehood.

Discussion

Our study has explained processes of depoliticization and normalization of occupation resulting from professionalization of NGOs as well as processes of state building through activism and advocacy that lead to resistance to occupation. These themes contribute to theory development in areas of limited statehood, particularly on the role of non-state actors

in governance by revealing their shortcomings of institutional and state building efforts, as we elaborate below.

Implications for Business-Society Relations

Our findings problematize the ongoing professionalization and marketization of civil society actors. While professionalism, efficiency and market focus are desirable attributes that add value for businesses there is a concern they could negatively impact democratic accountability and citizenship (Eikenberry & Kluver, 2004). As we have seen donor conditionalities have made NGOs more "business like" in their approach. More research is needed to understand how the marketization of NGOs changes relationships between them and the communities they serve. Professionalization and marketization of NGOs necessitate a shift to a contract based approach to governance with a focus on competition for resources and performance measurement. While such an approach can benefit NGOs by enhancing their legitimacy with donors and consolidating their funding base it can diminish their advocacy efforts and role in building a vibrant civil society. Research on the social role of business through discourses of corporate social responsibility has a long history, however less is known about the effects of the business-like NGO. How do NGO members negotiate trade-offs between meeting donor needs and demands for advocacy from their communities? What are the consequences for marginalized communities when market actors like business firms attempt to play a more "social" role and social actors like NGOs adopt a market persona?

Our findings also have implications for business and human rights. In its report *Guiding Principles on Business and Human Rights* the Office of the United Nations High Commission for Human Rights highlighted the risks to business enterprises operating in conflict zones warning that "managers of business enterprises may face prosecution in a personal capacity" for human rights violations by their business firms and that the "risk of

corporate and individual responsibility for crimes perpetrated in the context of an armed conflict is thus an element of growing enterprise in a business enterprise's assessment of the range of risks associated with it activities" (OHCHR, 2011). Managing human rights risks for businesses becomes more complicated in areas of limited statehood and conflict zones because it is the responsibility of the "host state" to protect human rights. In the context of Occupied Palestinian Territories (OPT), especially within illegally constructed Israeli settlements, the term "host state" is both ambiguous and misleading – how does a business manage its human rights risks when both the occupying power and the PA have been accused of human rights violations (Azarova, 2018)? In its report on the human rights situation in Palestine the UN High Commission for Human Rights directed companies "operating or seeking to operate in Israeli settlements in the OPT to demonstrate that they neither support the continuation of an international illegality nor are complicit in human rights abuses; that they can effectively prevent or mitigate human rights risks; and are able to account for their efforts in this regard – including, where necessary, by terminating their business interests or activities" (OHCHR, 2014). As discussed earlier some companies have chosen to terminate their activities in illegally constructed settlements while others have chosen to remain citing their record of employing Palestinians in their workforce as an effort to bring "economic peace" in the region. More research is needed to understand organizational processes that influence a business firm's decision on how it continues to operate in conflict zones.

Implications for Governance in Areas of Limited Statehood

Research on areas of limited statehood has highlighted the important role that NGOs play in governance without identifying the conditions that enable these organizations to produce outcomes that help or harm local communities (Beisheim et al., 2018). Our findings indicate that imposition of Western notions of civil society and good governance do little to advance

the political aspirations of communities but instead through a process of depoliticization impedes local efforts to build more representative forms of governance. Our article provides empirical evidence that the activities of these so-called "values based" NGOs depoliticize the public sphere and in the case of Palestine normalize occupation.

Descriptions of governance in areas of limited statehood as "multi-level governance linking inter-and transnational actors to local ones in a variety of rule and authority structures" (Risse, 2013: 99) obscure the structural and discursive power relations that constitute governance in Palestine. Power of international governance in Palestine is exercised through settler colonialism and neoliberal development regimes (Seidel & Tartir, 2019). State building under occupation and settler-colonialism has resulted in a *de facto* single state, which resembles more a Bantustan than a sovereign state. The PA is also complicit because it has been partially coopted by international donor agencies to help maintain Israeli security thus normalizing occupation The civic needs of Palestinians such as education, health and sanitation are managed by the PA while the Israeli authorities continue their policy of settlement consolidation and expansion through "security coordination" with the PA's security forces that further marginalizes Palestinians.

Our findings also problematize the complex nature of the legitimacy of governance in areas of limited statehood. There is an assumption that losing the legitimacy war can somehow overcome military domination enabling oppressed populations to meet their political aspirations, as the dismantling of the apartheid state in South Africa has shown (Falk, 2019). That is certainly not the case in Palestine where apart from the illegitimate Israeli occupation, even the ruling PA in the West Bank is being seen as lacking in legitimacy by many Palestinians not least because of the way it was created by the international community but also because of wide spread corruption within the PA's institutions (Dana, 2015). Voluntary compliance of the governed as the basis for empirical legitimacy becomes

problematic because it obscures the coercive and choiceless aspects of "voluntary" compliance. While areas of limited statehood scholars acknowledge that the imposition of a Western governance package that assumes consolidated statehood on non-Western sites is flawed, their prescription to provide "governance assistance rather than state-building" (Risse, 2013: 82) is also flawed, because as our study shows providing governance assistance does not help communities resistance oppressive regimes but instead normalizes occupation while undermining resistance. Inclusive institutional building as advocated by areas of limited statehood scholars still suffers from the limitations of what are still very Western notions of deliberative democracy.

If Israeli occupation of Palestine is a form of settler colonialism then the relationship between domestic NGOs and international donors can be seen as a form of internal colonialism where the colonization is now done by local elites whose interests are linked to international donor agencies. Palestinians that are unable to access these networks find themselves further marginalized and hindered in their ability to meet their political aspirations. Our findings indicate there is a need to decolonize governance in areas of limited statehood. This will be a complex and challenging task given entrenched interests and institutions. Local organizations deemed "illegitimate" because of their association with militant groups for example often have more legitimacy with marginalized communities than NGOs. As Risse (2013: 101) points out, local non-state actors, "traditional institutions" (we assume he means religious organizations) and the "quintessential transnational bad guys" (here Risse refers to Hamas in the Gaza Strip and Hezbollah in Southern Lebanon, both political parties that were democratically elected) are seen by local populations as being more legitimate and representative than governments. The electoral victory of Hamas, deemed as a terrorist organization by the United States and the European Union also highlights this legitimacy gap because Palestinians elected a party that had rejected the Oslo Accords,

opposed neoliberal reform and promoted redistributive policies while calling for the end of military occupation and the PA's security cooperation with Israel (Turner, 2012). After years of calling for free and fair democratic elections in Palestine, several Western governments and their donors refused to accept the results of the 2006 election of Hamas in the Gaza Strip (described by EU delegations as "free and fair"), thus undermining the legitimacy of the very political processes they wished to promulgate. A blanket refusal to engage with these groups by donors or governments does not address and can even exacerbate local tensions. Even ardent proponents of the "war on terror" appear to have softened their stance: both the United States government and the democratically elected government of Afghanistan are currently negotiating (for "political reasons") with the Taliban, an organization that they previously blacklisted.

Our findings add empirical support to theories of neoliberal development that propose how particular forms of development transform relationships between individuals and institutions (Escobar, 1995). In the Palestinian context regimes of international aid transformed the economic and social realities of local organizations who found themselves becoming increasingly disembedded from the needs and aspirations of the communities they were supposed to "empower" and "develop" due to donor-driven priorities. NGOization of the economy also resulted in new forms of exclusion and inclusion and contestations between a new class of urban middle class professionals working in NGOs and the older generation of activists that were involved in grassroots organizations. Fluency in English, ability to write grant proposals, and submit reports became the new criteria to assess the performance of civil society actors creating new divisions between rural/urban, English/Arabic speakers, pro or against Oslo, professional technocrat/political activist (Hanafi & Tabar, 2003). NGOs competed for funding based on their ability to demonstrate their "professionalization", which inevitably meant separating politics from development, eschewing nationalistic visions and

distancing themselves from any religious organizations however representative or legitimate, essentially becoming an "anti-politics machine" (Ferguson, 1990: 176).

Depoliticization does not mean an absence of politics but marks a shift in relations of power where collective interests can only be voiced through private individualistic and market driven mechanisms. Such a shift narrows the scope of political debate to focus on providing efficient market based solutions to poverty and social welfare suppressing alternate political ideologies that could be seen as a threat to neoliberal development policies. Such policies that constructed poverty as a "technical problem" specifically excluded politics from development and the peace process to the extent that local NGOs applying for funding were instructed not to include words like "military occupation", "economic apartheid", or "colonialism" in their proposals (Meinzer, 2019). The Oslo Accords transformed the politics of anti-colonial struggle to a developmental aid regime and consequent normalization of occupation (Dana, 2015). NGOization of the Palestinian political economy involved new forms of cultural and economic colonialism fostering "privatization from below" that depoliticized local struggles and undermined resistance (Petras, 1999: 432).

Neoliberal state building in Palestine is contingent on an artificial separation of economics from politics that promotes the illusion that "economic peace" can somehow overcome the realities of colonial occupation. Palestinian NGOs as a result of international aid became constituted as a globalized elite through a "transnational subjective formation, in which local actors' actions are foregrounded by debates, development paradigms and international standards, which are not bound in their local context" (Hanafi & Tabar, 2003: 210). When efficient delivery of public services replaces political struggle, occupation becomes normalized. Social justice becomes another service to be delivered efficiently, which essentially means living under an efficiently organized occupation administered by the Palestinian Authority. Donors are also complicit in the institutional normalization of

occupation. For instance, when Israeli military forces damage or destroy donor-funded projects and infrastructure, donor agencies do not mount any legal claims for reparation or compensation. Instead, they fund rebuilding and rehabilitation efforts (Murad, 2014). Governance failures in Palestine cannot be separated from the realities of occupation and no amount of technocratic governance reforms can address the role of the Israeli government in these failures (Springer, 2015).

Conclusion

Regimes of international aid in Palestine have interpellated local NGOs into a global agenda that promotes particular forms of governance that serve interests of Western donor countries and agencies. The transformation of what was a vibrant political civil society to a depoliticized civic civil society normalizes the occupation while constraining forms of resistance. Social relations are disembedded from the local context and re-embedded in new relations with international donor organizations and Western governments and the resultant depoliticized public sphere then becomes a model for global governance (Hanafi & Tabar, 2003). International actors dominate non-state governance in areas of limited statehood, yet little is known about how the "universal" norms they promote undermine local traditions and voices (Azzizi & Jamali, 2016). Contrary to Baur and Palazzo's (2011) assertion, the moral legitimacy of Palestinian NGOs cannot be assessed through the norms of democracy, deliberative or otherwise. If NGOs' moral legitimacy are to be judged by Baur and Palazzo's procedural criteria of civil and consensual behavior, then our analysis shows that "morally legitimate" NGOs serve to legitimize what is undoubtedly an immoral occupation.

It will be a formidable challenge to reverse this process. Instead of focusing on capacity building of Palestinian communities and NGOs, what is needed is building the capacity of international donors to be more aligned with the needs and aspirations of local

communities. Perhaps identifying "solidarity donors" – international donors that fund local organizations who are more focused on mass mobilization of communities rather than efficient service delivery – may offer new forms or resistance against the depoliticization that results from NGOization (Meinzer, 2019). If professionalization of NGOs has led to depoliticization then it becomes necessary for activists to "deprofessionalize" in order to build relations with vulnerable communities (Kamat, 2004).

What then happens to resistance in areas of limited statehood? Mass mobilization, which was the hallmark of political struggle before the NGOization of Palestine, is becoming increasingly difficult in the West Bank. Middle class Palestinians are reluctant to mobilize because their interests are tied to NGOs or the PA (the largest employer in the region). Instead their various service delivery, gender empowerment and entrepreneurship skills and training projects legitimize Israeli occupation. Activists who protest Israeli occupation and governance failures of the PA find themselves in a revolving door between Israeli and PA jails because they are arrested (and often tortured) by both the Israeli forces and the PA security forces often for the same offence and the same charges (Tartir, 2019). However, despite the somewhat bleak picture we have painted of state building in Palestine it is important to realize that resistance is ongoing. The "Great March of Return" protests in Gaza which started in March 2018 where tens of thousands of people protested at the border demonstrates that resistance is alive. This resistance is not being led by urban middle class NGO leaders but is happening in refugee camps, small towns and villages in the West Bank and in Gaza (Hanafi & Tabar, 2003). Resistance in Palestine has taken many forms since the Nakba – from armed struggle to more popular forms of direct action including demonstrations, strikes, civil disobedience, boycott of settlement products as well as practices of everyday resistance – described as *sumud* (steadfastness). *Sumud* is seen as a form of passive cultural resistance and steadfastness in the face of occupation. In more recent years

due to increased Israeli militarization, settlement expansion and an increasing disenchantment with the PA, activists have called for a more active form of *sumud* that looks to the future and a willingness to confront both Israeli authorities and the PA. Other popular non-violent movements like the Boycott, Divestment, Sanctions (BDS) and Stop the Wall create new forms of collective identity that can lead to repoliticization of the public sphere and perhaps the basis of a stateless democracy (Jad, 2007). If regimes of international aid and NGOization have separated the civic from the political then the task for scholars and activists is to envision development strategies that can articulate a relationship between development and resistance through a process of collective action.

Perhaps it is fitting to end the article with a quote from *Under Siege* a poem by the Palestinian poet Mahmoud Darwish:

"Here on the slopes of hills, facing the dusk and the cannons of time
Close to the gardens of broken shadows
We do what prisoners do,
And what the jobless do
We cultivate hope".

References

Allen, L. (2013). *The rise and fall of human rights: Cynicism and politics in occupied Palestine.* Stanford: Stanford University Press.

Azarova, N. (2018). Business and human rights in occupied territories: The UN database of business active in Israel's settlements. *Business and Human Rights Journal*, 3(2), 187-209.

Azizi, S., & Jamali, D. (2016). CSR in Afghanistan: A global CSR agenda in areas of limited statehood. *South Asian Journal of Global Business Research*, 5(2), 165–189.

Banerjee, S.B. (2018). Transnational power and translocal governance: The politics of corporate social responsibility. *Human Relations*, 71(6), 796-821.

Baur, D., & Palazzo, G. (2011). The moral legitimacy of NGOs as partners of corporations. *Business Ethics Quarterly*, 21(4): 579-604.

Beisheim,M., Ellersiek, A. & Lorch, J. (2018). INGOs and Multi-Stakeholder Partnerships. In T. Risse, T.A. Börzel, & A. Draude (Eds.) *The Oxford Handbook on Governance and Limited Statehood.* Oxford: Oxford University Press.

Börzel, T.A., Risse, T., & Draude, A. (2018). Governance in areas of limited statehood. In T. Risse, T.A. Börzel, & A. Draude (Eds.) *The Oxford Handbook on Governance and Limited Statehood* (pp. 3-25). Oxford: Oxford University Press.

Browning, N. (2014). Major Dutch pension firm divests from Israeli banks over settlements. Retrieved June 30, 2019 from https://www.reuters.com/article/netherlands-israel-divestment/major-dutch-pension-firm-divests-from-israeli-banks-over-settlements-idUSL6N0KI1N220140108.

Cooke, B., & Kothari, U. (Eds.) (2001). *Participation: The new tyranny?* London: Zed books.

Choudry, A., & Kapoor, D. (Eds.). (2013). *NGOization.* London: Zed Books.

Crouch, C. (2005). *Capitalist diversity and change: Recombinant governance and institutional entrepreneurs.* Oxford: Oxford University Press.

Dana, T. (2015). The structural transformation of Palestinian civil society: Key paradigm shifts, *Middle East Critique*, 24(2), 191-210.

Dar, S. (2014). Hybrid accountabilities: When western and non-western accountabilities collide. *Human Relations*, 67(2), 131-151.

De Voir, J., & Tartir, A. (2009). *Tracking external donor funding to Palestinian non governmental organizations in the West Bank and Gaza strip 1999 -2008*. Jerusalem: Palestine Economic Policy Research Institute.

Duffield, M. (2001). Governing the borderlands: decoding the power of aid. *Disasters*, 25(4), 308-320.

Eikenberry, A.M., & Kluver, J.D. (2004). The marketization of the nonprofit sector: Civil society at risk? *Public Administration Review*, 64(2):132-40.

Escobar, A. (1995). *Encountering development: the making and unmaking of the Third World.* Princeton: Princeton University Press.

Falk, R. (2019). Foreword. In A. Tartir & T. Seidel (Eds.), *Palestine and rule of power: Local dissent vs. international governance* (pp. v-xi*).* London: Palgrave Macmillan.

Ferguson, J. (1990). *The anti-politics machine: "Development" depoliticization and bureaucratic power in Lesotho.* Cambridge: Cambridge University Press.

Haas, A. (2014). Destruction of Palestinian villages is not a matter of perspective. Retrieved June 30, 2019 from https://www.haaretz.com/.premium-destruction-of-palestinian-villages-is-not-a-matter-of-perspective-1.5381430.

Haddad, T. (2018). *Palestine Ltd. Neoliberalism and nationalism in the Occupied Territory.* London: I.B. Tauris.

Hall-Jones, P. (2006). The rise and rise of NGOs. *Global Policy Forum.* Retrieved June 30, 2019 from https://www.globalpolicy.org/component/content/article/176/31937.html.

Hanafi, S., & Tabar, L. (2003). The Intifada and the aid industry: The impact of the new liberal agenda on the Palestinian NGOs. *Studies of South Asia, Africa and the Middle East,* 23(1), 205–221.

Jad, I. (2007). NGOs between buzzwords and social movements. *Development in Practice,* 17(4), 622-629.

Kamat, S. (2004). The privatization of public interest: Theorizing NGO discourse in a neoliberal era. *Review of International Political Economy,* 11(1), 155–176.

Khalidi, R.J., & Samour, S. (2011). Neoliberalism as liberation: The statehood program and the remaking of the Palestinian National Movement. *Journal of Palestine Studies*, 40(2), 6-25.

Khan, M.H. (2004). Introduction. In M.H. Khan, G. Giacaman & I. Amundsen (Eds.), *State formation in Palestine: Viability and governance during a social transformation* (pp. 1-12). London: Routledge.

Kraemer, R., Whiteman, G., & Banerjee, S.B. (2013). Conflict and astroturfing in Niyamgiri: The importance of national advocacy networks in anti-corporate social movements. *Organization Studies*, 34, 823-852.

Krasner, S. D., & Risse, T. (2014). External actors, state-building, and service provision in areas of limited statehood: Introduction. *Governance: An International Journal of Policy, Administration, and Institutions,* 27(4), 545–567.

Lazarus, N., & Gawerc, M.I. (2015). The unintended impacts of "Material Support": US anti-terrorism regulations and Israeli/Palestinian peacebuilding. *Journal of Peacebuilding & Development*, 10(2), 68-73.

Meinzer, M. (2019). Solidarity donors and popular education in the West Bank. In A. Tartir & T. Seidel (Eds.), *Palestine and rule of power: Local dissent vs. international governance* (pp. 175-202*).* London: Palgrave Macmillan.

Merz, S. (2012). Missionaries of the new era: Neoliberalism and NGOs in Palestine. *Race & Class*, 54(1), 50-66.

Murad, N.L. (2014). Donor complicity in Israel's violations of Palestinian rights. *Al-Shabaka*. Retrieved June 30, 2019 from https://al-shabaka.org/briefs/donor-complicity-in-israels-violations-of-palestinian-rights/.

OHCHR (2011). Guiding principles on business and human rights. Retrieved June 30, 2019 from https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf.

OHCHR (2014). Statement on the implications of the Guiding Principles on Business and Human Rights in the context of Israeli settlement in the Occupied Palestinian Territory. Retrieved June 30, 2019 from https://www.ohchr.org/Documents/Issues/Business/OPTStatement6June2014.pdf

Payes, S. (2005). *Palestinian NGOs in Israel: The politics of civil society.* New York: Taurus Academic Studies.

Peters, J., & Newman, D. (2013) (Eds.). *The Routledge Handbook on the Israeli-Palestinian conflict*. New York: Routledge.

Petras, J. (1999). NGOs: In the service of imperialism. *Journal of Contemporary Asia*, 29(4), 429-440.

Risse, T. (2011). Governance in areas of limited statehood. In T. Risse (Ed.). *Governance without a State? Policies and politics in areas of limited statehood*, (pp. 1-36). Columbia: Columbia University Press.

Risse, T. (2013). Governance under limited sovereignty. In M. Finnemore & J. Goldstein (Eds.) *Back to basics: State power in a contemporary world* (pp. 78-104). Oxford: Oxford University Press.

Risse, T., & Stollenwerk, E. (2018). Legitimacy in areas of limited statehood. *Annual Review of Political Science*, 21, 403-418.

Roy, S. (1995). *The Gaza Strip: The political economy of de-development*. Washington DC: Institute for Palestine Studies.

Said, E. (1992). *The question of Palestine.* New York: Vintage.

Said, E. (2005). *From Oslo to Iraq and the road map.* New York: Vintage.

Seidel, T., & Tartir, A. (2019). The rule of power in Palestine: Settler colonialism, neoliberal governance and resistance. In A. Tartir & T. Seidel (Eds.), *Palestine and rule of power: Local dissent vs. international governance* (pp. 2-19*).* London: Palgrave Macmillan.

Springer, J.E. (2015). Assessing donor-driven reforms in the Palestinian Authority: Building the state or sustaining status quo?, *Journal of Peacebuilding & Development*, 10(2), 1-19.

Srinivas, N. (2009). Against NGOs? A critical perspective on nongovernmental action. *Nonprofit and Voluntary Sector Quarterly*, 38(4), 614-626.

Taghdisi-Rad, S. (2011). *The political economy of aid in Palestine: Relief from conflict or development delayed?* London: Routledge.

Tartir, A. (2019). Criminalizing resistance: Security sector reform and Palestinian authoritarianism. In A. Tartir & T. Seidel (Eds.), *Palestine and rule of power: Local dissent vs. international governance* (pp. 205-226*).* London: Palgrave Macmillan.

Turner, M (2012). Completing the circle: Peacebuilding as colonial practice in the Occupied Palestinian Territory. *International Peacekeeping*, 19(4), 492-507.

Turner, M. (2014). The political economy of Western aid in the occupied Palestinian territory since 1993. In M. Turner & O. Shweiki (Eds.). *Decolonizing Palestinian political economy*, (pp. 32-47). London: Palgrave Macmillan.

Unerman, J., & O'Dwyer, B. (2006). Theorising accountability for NGO advocacy. *Accounting, Auditing & Accountability Journal*, 19(3), 349-376.

Year	Key Events
1917	End of Ottoman rule. Jerusalem captured by British forces.
1917	Balfour Declaration supporting a national home for the Jewish people in Palestine
1922-1948	British Mandate period. Land west of the Jordan River under direct British administration until 1948.
1948	Arab-Israeli war. Establishment of the State of Israel. West Bank annexed by Jordan. Gaza Strip controlled by Egypt. The beginning of the Nakba (catastrophe) for Palestinians. Hundreds of villages destroyed and more than 700,000 Palestinians expelled.
1967	The six-day war. Israel occupies West Bank including East Jerusalem.
1987	First Intifada (Uprising) began in December as a grassroots movement involving resistance and civil disobedience.
1993	Oslo Accords signed. Establishment of the Palestinian Authority (PA) as an interim (5 years) body to administer the West Bank.
2000-2005	Second Intifada erupts in September 2000. Gaza Strip under total siege. Operation Defensive Shield launched by the Israeli army in 2002.
2005	End of Second Intifada. Israeli forces withdraw from Gaza Strip.
2007-present	Gaza Strip and West Bank administration split after conflict between two main Palestinian parties. 2014 Israel-Gaza war.

Table 1: A Brief Timeline of Palestine's History

	Positions	***Number and Gender (F= Female; M=Male)***
NGO 1 Founded 1993	Executive director, deputy general director, branch managers, technical officers, financial director, program directors and coordinators	16 (1 F; 15 M)
NGO 2 Founded 1977	General director, General Assembly (GA) members, board of directors (BOD), former employees, donors, beneficiaries, founders, former volunteers, farmers, program coordinators, consultants, director of advocacy & lobbying.	34 (14 F; 20 M)
NGO 3 Founded 1985	GA members, BOD, public relations officer, administrative assistant, women's health program directors, primary health directors, medical center directors, health educators.	36 (21 F; 15 M)
NGO 4 Founded 1987	Current & former general directors, members of GA & BOD, volunteers, founders, project coordinators, ministry of culture representatives, administrative assistant,	24 (8 F; 16 M)
NGO 5 Founded 1978	Current & former general directors, founding volunteers, fieldworkers, director of local accountability, director of international accountability, fundraising officer, financial director, coordinator of visual documentation, head of training unit, coordinator of the council of human rights, members of GA & BOD, ministry of justice representatives, victims of human rights violations,	35 (7 F; 28 M)
Total	5 NGOs, interviews with multiple respondents occupying various positions	145 (51 F; 94 M)

Table 2

The Sample

First order codes	Illustrative quotes
Formalization and reporting	*"We started to receive instructions to professionalize and formalize the work of our organization. It is very important to professionalize our interventions"* (Program Officer, NGO1).
Project based approach	*" We started accepting irrelevant projects, I remember one of the projects, which was on recycling, it had nothing to do with our own interests as individuals, or of our organization and neither did we have the qualifications"* (Community Development Officer, NGO 3).
English language as power	"*Proposal writing is the criterion even for promotion, and if you cannot write in English, then you feel threatened"* (Advocacy Officer, NGO2).
Employment relations	*"Having projects-based contract, and core based contract, created another form of internal tension amongst the staff, and the type of contract became an ultimate objective for many of them"* (Consultant, NGO2).
Individualism versus collectivity	*"I think the program is a good fit because it contributes to elevating the level of individual thinking, it liberates individualism to optimize their hidden capabilities, and tap their talents and interests for improvement"* (Project Officer, NGO4).
Participants versus beneficiaries	*"Through organizational restructuring we shifted from grassroots organization into a professional one, which distanced our relationships with our farmers. We are drifting away from our values; the love of people has been replaced by professionalization and impersonal structures"* (Program Officer and former GA member, NGO2).
Donor priorities	*"Donors avoided funding any projects in Area C, which are illegal Israeli settlements, although we insisted that we need to reclaim the land. We had to adapt to their conditions"* (Director, Land Reclamation, NGO2).
Service delivery	*"Our medical and health related work is not influencing the Palestinian society anymore, as we just deliver services. Because we are under occupation we need a different approach, where we consider health more holistically and not just as a provider of services"* (Chairman, NGO3).
Training and education	*"Our purpose is clear: we work in education, and we do not want to interfere or engage in politics. I think this is one of our strengths that we do not belong to political parties. We had to assuage the concerns of parents of their children that we work with that we only focus on education, and we have nothing to do with politics"* (Program Director, NGO1).
Nationalism	*"(The Palestinian International Festival for Music and Dance) was a perfect nationalistic and popular festival. All songs were patriotic, the troupes were sympathetic about our situation and demonstrated that in their different performances"* (Former General Director, NGO4).

Identity and culture	*"The intention is to organize events and conferences to stand up against Israelization of Jerusalem. Engagement even with irrelevant activities such as Dabke[3], camps, drama, anything to maintain our Palestine roots in Jerusalem, to prove that we exist, as part of our struggle against the Israeli occupation"* (Director of Women's Program, NGO3).
Volunteerism	*"Volunteering and being close to our farmers was in our view synonymous with resistance. While our soldiers were fighting in the war, volunteering to work with people was another form of fighting, we were fighters in agriculture"* (Former General Director, NGO2).
Meeting local needs	*"Our farmers suffered from high taxes and poor services because our local economy was subservient to the Israeli economy. We created mobile services where they were most needed, close to checkpoints for example, especially when direct hostilities occurred"* (Director of Advocacy, NGO3).
Partnerships	*"Our major aim was to cultivate partnerships with community based organizations all over the West Bank so we can organize music and dance performances in the villages instead of bringing people to the city"* (Program Officer, NGO4).
Human rights	"*Rights have become a motto that we all were obliged to embrace to please the donors. Many forces control Palestinians" life, so which rights we are talking about?* (Director, Medical Center, NGO3).
Advocacy and lobbying	*"The aim of advocacy and lobbying was to show international states that their companies are investing in a colonial system. The goal is to show how these companies contribute to occupation by the systematic exploitation of Palestinian resources"* (Head of international advocacy, NGO5).

Table 3

Illustrative Quotes

[3] Dabka is an Arab/Palestinian folk dance.

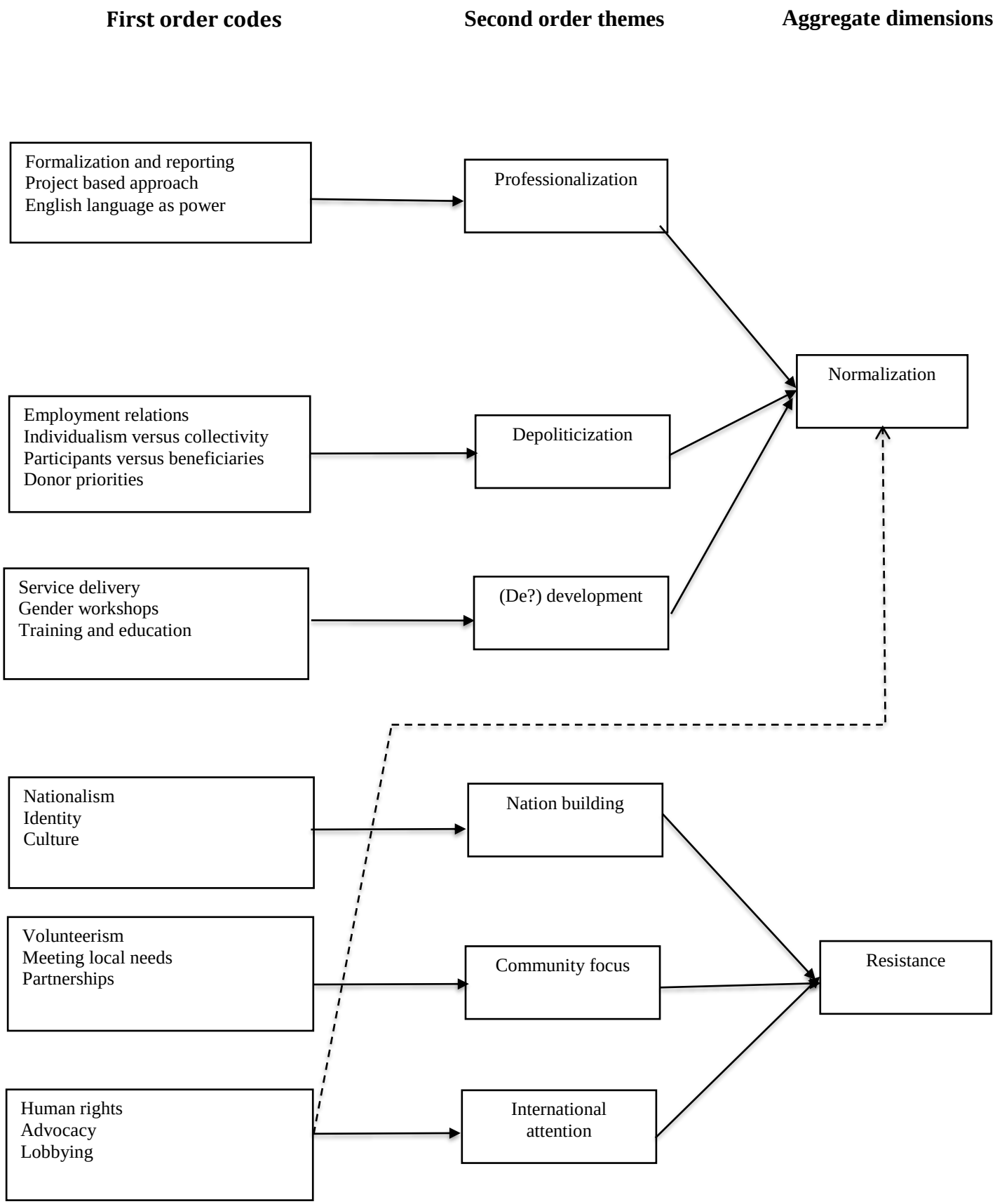

Figure 1

Analytical coding process