The Politics of the European Mechanisms Supporting the Palestinian Authority

Introduction:

Europe had a long history of involvement in the Arab region but it has been lost to the hegemonic dominance of the U.S. in the global arena. Because of that, Europe found itself in need for a new and more effective role in the region and naturally the Palestinian cause is the gateway were Europe can gain a strong foothold in the Arab region. Due to its geographic proximity, the Arab region is important to Europe since it is a major consumer market and a source for illegal immigration. Therefore, Europe has made a considerable effort to penetrate the region in order to protect its interests and safeguard its security and economy by resolving the Arab-Israeli and Palestinian-Israeli conflict based on international law.

The European mechanisms supporting the PNA were the outcome of the European economic and political efforts based on the Madrid Peace Conference and the Barcelona Declaration of 1995 which established and defined the relationship between the PNA and Europe with the aim at establishing and securing peace and promoting prosperity in the Mediterranean. From 1995 to 2010, Europe is the largest donor to the PNA and the Palestinian people. However, this support experienced a seesaw according to the political and security situation between the PNA and Israel and the domestic intra Palestinian relations.

Several political and security related changes has negatively and positively influenced the financial situation of the PNA especially since the financial support is conditional on the PNA commitments and implementation its obligations based on the international agreement with Israel. In 2007,
Europe has made a strategic move when it decided to support the goals of the PNA especially when it came to development and reform and in establishing the foundations for the any future state. Forms of Support: First, the Temporary International Mechanism (TIM), and the second is Palestinian- European Socio-Economic Management and Assistance mechanism or PEGASE.

The European financial support is no longer restricting the PNA operations in certain directions or sectors. It is fair to say that it is a minimal intervention through directing the money to the PNA public revenue and in a way the complies with the needs of the PNA. At the same time, other sources of funds from the Israeli tax collections and other various tax revenues also now go through the PA budget. The PNA also succeeded in enhancing its fiscal powers and discipline. According to various economic indicators, the PNA is steadily moving towards financially supporting itself. This march forward is based on a strategy that targets reducing reliance on foreign donors and therefore freeing itself from foreign pressures. The PNA has improved its functions in a way that made it possible to exit a situation where it faced fragile institutions to a situation where it established the role solid sectors and a well-defined strategy to establish a Palestinian state on the 1967 borders with Jerusalem as its capital. The new strategy confronts the realities of the occupation and works toward ending it.