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# *A Palestinian National Authority?*

An investigation of the World Bank's neoliberal influence on the  
emerging Palestinian national identity

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# Abstract

Since the creation of the Palestinian National Authority (PNA), donor involvement in Palestine has perversely influenced both an institution-building process and a de-mobilization and de-politicization of the Palestinian population. Some even say donors have effected a neoliberal reformation of society. This thesis intends to problematize the influence donors occupy over the incipient national identity by examining the World Bank's influence in the political struggle of the construction and reformulation of the PNA's identity. It attempts to trace the Bank's neoliberal influence on the PNA's identity formulated in the economic policy agenda in its four Reform and Development Plans. Laclau and Mouffe's discourse theory is used to guide analysis and their conceptualizations of identity and hegemony are operationalized for methodology. The findings of this research suggest that the World Bank has influenced a progressive neoliberal transformation of the PNA's identity.

*Keywords:* Palestine, World Bank, discourse theory, hegemony, Palestinian National Authority

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# 1 Introduction

Donors have been channeling aid to the occupied territories of West Bank and Gaza, otherwise known as Palestine, for decades. As an area of conflict, donor involvement is highly political by nature and inevitably guided by political agendas (Taghdisi-Rad, 2010). That being said, it is no wonder that donor attention dramatically increased in 1993 with the signing of the Oslo Accord and the ensuing creation of the Palestinian National Authority – witnessed in a 17-fold increase of international aid by 2009 (Wildeman & Tartir, 2014) – as it effectively opened donor involvement to new spaces for political maneuver. Given the massive inflow of aid to the area, one comes to question just how the politics of international aid have played to influence the development of the region.

Previous research contends that the Oslo Accord “changed both the nature and scale of foreign aid to Palestine and, hence, the self-conception of Palestinian civil society” (Merz, 2012). There appears to be a general consensus within academia that donor involvement has effectively led to the de-politicization and de-mobilization of the Palestinian population. Many within this literary strand allude to donors’ “strategic delinking of the grassroots” (Jamal, 2012) and claim the “direct interventions in the social and political affairs of the Palestinian society [are] aimed at achieving donors’ political priorities and objectives” (Taghdisi-Rad, 2010: 87). This draws reason for concern, as donors are simultaneously involved in a process of institution-building in Palestine’s attempt at becoming an independent sovereign state. Juxtaposed, donors are seen to influence a decoupling of the Palestinian population from politics while concurrently influencing the genesis of its political institution. It is in this perverse relationship that this study draws its primary concern. It questions the influence donors occupy over the national identity being constructed in Palestine – specially pertaining to the incipient institution of the Palestinian National Authority (PNA).

Many studies have also pointed to the neoliberal-inspired policies and reforms that this institution-building process has come to involve. While neoliberalism is a variegated notion, Foucault conceptualizes it as an expansion of economic logic to govern not only politics but all social interactions based on competitive relations (Read, 2009). It is in the *neoliberal* dimension of donor influence that this study focuses its attention. The notion of a neoliberal state-building process in itself seems contradictory in nature, as neoliberalism is also referred to as “state-building in reverse” (Medani, 2004). However, what is more troubling is the magnitude of influence donors can project by inspiring a neoliberal transformation of the Palestinian state. A transformation as such would not only imply a reformulation of the state-institution, but would work to reconstruct the identity of all Palestinian citizens and fundamentally change the social, political, and economic culture of Palestine. Various scholars have argued that such a donor-induced “neoliberal reformulation of society” has already begun to occur in Palestine and has effected a heightened “depoliticization and fragmentation of social relations and, in the case of Palestine, also [ ] the potential further weakening of the collective resistance movement” (Merz, 2012).

Building from this stand of literature, this study focuses on the neoliberal dynamic of donor influence and by doing so further problematizes the significance this influence holds on not just the PNA, but on the identity of Palestine in its entirety.

## 1.1 Aims & Research Questions

The purpose of this study is to illuminate and problematize donors'<sup>1</sup> political influence in the formation of the PNA's national identity, specifically in terms of neoliberalism. The multi-lateral donor of the World Bank is selected as the donor examined. This choice is premised on previous research which relates that "although not a significant financial donor to Palestine, the World Bank[ holds a] leading role in determining the overall direction of domestic and international development financing and policy-setting" (Taghdisi-Rad, 2010: 81). It is seen as a director of the state-building process and is also associated with neoliberalism (Khalidi and Samour, 2011). Moreover, a focus on the World Bank acts to further problematize donor influence as it is generally viewed as a neutral, apolitical development actor and holds a certain legitimacy to its name.

This study examines the political struggle in the construction and reformulation of the PNA's identity. It takes the form of a discourse analysis and is guided by Laclau and Mouffe's discourse theory in order to identify and understand the discursive nature of identity – seen as an articulated subject position contingent on the signifiers that fill it with meaning. It analyzes the PNA's identity in its four consecutive Reform and Development Plans (PRDP) - for the years 2006-2008<sup>2</sup>, 2008-2010, 2011-2013 and 2014-2016 – as these plans represent the emerging Palestinian state and are a product of the institution-building process. The PRDP is selected in particular because it is directly influenced by the World Bank, who monitors its implementation and maintains complete authority over the disbursement decisions of its funding – extracted from the PRDP Multi-donor Trust Fund. This study will focus on the economic policy agenda within each plan - the reasoning for this is two-fold. First, it is guided by the World Bank's previous politicization and strong concern for Palestine's economic policy agenda, where in 1994 the Bank declared "how often does it happen that world peace depends on an economic development program" (Taghdisi-Rad, 2010: 5). Second, the Bank's influence is thought most likely to be apparent in the economic policy agenda due to the Bank's esteemed international economic authority.

The PNA's identity is compared to the World Bank's identity constructed in its consecutive Economic Monitoring Reports to the Ad Hoc Liaison Committee (AHLC) for the years 2007, 2009 and 2012. Being that the AHLC is a mechanism for policy-level coordination between donors and Palestinian actors, these reports represent the Bank's identity constructed in regard to the Palestinian context and of which is directly presented to

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<sup>1</sup> In this study *donors* refers to bilateral states and multilateral organizations.

<sup>2</sup> The 2006-2008 plan was named a 'Medium Term Development Plan', which was then renamed by 2008-2010 a PRDP.

the PNA as recommendations for the PRDP. The years of World Bank reports were chosen to correlate with the PNA's construction of its next consecutive plan.

The empirical material is analyzed through an operationalization of Laclau and Mouffe's discourse theory, as it "combats the depoliticizing of politics by neo-liberal discourse" (Dahlberg, 2014). Laclau and Mouffe's notions of identity and hegemony are used to trace the World Bank's neoliberal influence on the PNA's identity. This is done as an attempt to uproot any instances of the PNA's naturalization of the Bank's neoliberal identity, an occasion otherwise known as a hegemonic intervention.

The study aims to address the following research questions:

- How are the identities of the Palestinian National Authority transformed within its economic policy agendas in terms of neoliberalism?
- Is there evidence of any hegemonic interventions on the part of the World Bank's neoliberal identity in the construction of the Palestinian National Authority's identity? If so, how has it influenced the PNA's reconstructed identity?

## 1.2 Delimitations

Outside of the empirical data, the study is delimited to relevant English literature made available in LUBSearch during the time of research. In addition, it should be noted that although the Israel-Palestine conflict has a large impact on donor politics in Palestine, it is not admissible within the narrow focus of this thesis. Being that the conflict is such a controversial issue that is widely treated within literature, it is the decision of the researcher to not include it in analysis. This is done to remain true to the purpose of this study and focus all attention on problematizing the World Bank's neoliberal influence on the PNA's identity.

## 2 Overview of Existing Research: International Donor Influence in Palestine

The purpose of this section is to contextualize the related field of academic literature and in doing so, place this study within it. The following overview is structured by four major themes: a discussion on socio-political influences, the political dimensions of donor influence, the neoliberal influence of donors and more specifically the World Bank's influence.

A large part of the literature has focused on the socio-political impact international donors have had on the Palestinian society. A prolific argument is that donor involvement has resulted in a NGOization of civil society and therefore has influenced a depoliticization of the Palestinian population. Hammami (1995) first introduced this argument (Challand, 2005) as a process beginning in the mid-1980s where donor funding effectively distanced civil society from the wider community and reconstructed it as professionalized project-oriented development agents. As civil society was traditionally an organic community-based political initiative, this resulted in a demobilization of the population, detaching it from the popular mass-movement (Hammami, 1995). Put more simply, NGOization “leads to the transformation of a cause for social change into a project with a plan, a timetable, and a limited budget” (Jad, 2010). This trend is observed in Jamal's (2012) research on the women's sector, which finds that donors influenced the transformation of the women's movement from a collective struggle into individualized cases. In his study, he finds that the fragility of the Oslo peace settlement led donors to focus funding on individuals and/or organizations in order to promote Western liberal cultural norms with the interest of advancing the peace process.

Other literature engages with the political dimensions of donor influence in Palestine. From his three ethnographic portraits of foreign involvement in Palestinian civil society, Bornstein (2009) concedes that the NGOization of Palestine is a result of the donor-influenced 1993 Oslo Accords. This placed Palestine in a state of ‘in-betweenness’ and as a result, “tension emerged between the goals and interests of multiple outsiders and of multiple insiders” (Bornstein, 2009). When this is juxtaposed with Safadi, Easton & Lubben's (2014) research on the formulation of anti-poverty policies, the tension of conflicting interests seems even more worrisome. In their qualitative case study, they problematize the PNA's 2009 adoption of the partnership approach and stress that “international donor organizations continue to exert influence on the policy-making process through financial and technical assistance” (Safadi, Easton & Lubben, 2014). Donor influence on Palestine's policy position has frequently been recognized to contribute to the de-development of the Palestinian society. Ibrahim and Beudet (2012) criticize donors for essentially normalizing the occupation through aid packages that act to liberalize the Palestinian economy and make the occupation more profitable for Israel. As trade liberalization is part of the World Bank's 1993 ‘Investment in Peace’ framework for economic development, it is interesting here to note to

Wildeman and Tartir's qualitative study (2014). Their research shows that donor involvement has ossified around this long-failed design and indicates that in the few instances when major donors did introduce new programs they "were directly linked to concepts of peace and normalization that are intrinsic to the existing peace dividends approach" (Wildeman & Tartir, 2014).

There are a few scholars that have argued the neoliberal influence international donors have effected on Palestine. Said to have first emerged in Palestine with the Oslo peace process, neoliberalism is said to be maintained by the PNA's eagerness to concede to donor recommendations specifically in relation to neoliberal institution building and good governance (Dana, 2015). In this frame of literature, the NGOization of the Palestinian civil society is alternatively understood as an expression of donors' influence towards the reproduction of neoliberalism within the Palestinian society. Merz (2012) claims that the effective individualization and de-politicization of society was a result of the intensification of neoliberal policies, enacted through "donor-driven priorities and the implementation of a neoliberal agenda that supports institutions and rules to provide a framework for the conduct of public and private businesses" (Merz, 2012). This thought is echoed in Dana's analysis (2015), where Western donors are seen to use NGOs to permeate the neoliberal values of individual choice, consumption, responsibility and competition – as "such values not only are necessary to aid construction of the neoliberal system in [Palestine], but also to inflict an effective 'displacement of a political mode of action, in the form of mobilization, by a civic mode of action, promoting new subjectivities and a new reflexivity on social norms'" (Hanafi & Tabar, 2005 cited in Dana, 2015).

A few studies directly associate Palestine's turn to neoliberalism with the influence of the World Bank. Khalidi & Samour focus analysis on the economic aspects of the Bank-led statehood-by-2011 program and explicitly categorize its economic policy, along with the 2008 PRDP, as 'Post-Washington Consensus' neoliberalism advanced by the World Bank Group (2011). In addition, Samara (2000) directly associates the neoliberalization of Palestine to the influence of the World Bank by the PNA's adoption of the Bank's neoliberal economic policy prescriptions. Moreover, it is expressed that "the entire [West Bank and Gaza] has been subordinated to the prescriptions of international financial institutions, mainly the World Bank and the IMF, the principal vehicles for the economic globalizations that constitutes this latest phase of capitalist development" (Samara, 2000).

However, not all scholars limit the Bank's influence to the notion of neoliberalism. The donor profile of the World Bank in Taghdisi-Rad's cogent book *The Political Economy of Aid in Palestine* alludes to the significant political role the Bank holds in directing aid allocation, state-building and the conflict more generally. Although not a major financial donor, "the Bank began to use its place, as the most influential multilateral organization at the table of the Israeli-Palestinian conflict, to play a direct political role" (Taghdisi-Rad, 2010: 84). This influence is also connected to pressures of bilateral donors on the Bank to support their interests, with specific reference to the Bank's biased support of the US Administration and its policies in Palestine since the Oslo Accords. Outside of this, the vast majority of scholars treat the World Bank uncritically and instead only use it as a reference to support and legitimize their argument. In this way, they assume the Bank to be a neutral, apolitical

actor and grant it with a sense of legitimacy. It is this assumption of the World Bank's neutral influence in Palestine that is problematized in this thesis. While a handful of scholars have previously drawn criticism to the World Bank's influence and even associated it to the neoliberalization of Palestine, there is an absence of empirical research to support these heavy claims. It is this gap in the literature that this study aims to fill.

### 3 Laclau & Mouffe's Discourse Theory

Laclau and Mouffe's discourse theory – a derivative of their publication *Hegemony and Socialist Strategy* (2001) - is used as a foundation to guide and structure both the methodological and analytical components of the research conducted within this report. The following text provides the reader with a general overview of discourse theory, as well as a detailed explanation of the two major facets of the theory that are used to ground methodology: subject identity and the logic of hegemony.

Discourse theory frames the social world in terms of discourse: the resulting structured totality from articulatory practices – where articulations are “any practice establishing a relation among elements such that their identity is modified as a result of the articulatory practice” (Laclau & Mouffe, 2001: 105). This does not entail the rejection of the existence of material objects, but rather finds that objects are absent of meaning outside of discourse, as discourse ascribes meaning to the material. Discourse, then, is the totality of both linguistic and non-linguistic practices and comes to constitute the ontological dimension of social life – that is, as Martin explicates, “the ‘being’ of objects is achieved only within the parameters of a discursive setting” (2012).

The philosophical center of discourse theory is related to Laclau and Mouffe's social logic of radical contingency – the logic of the unfixity of all social meaning (Jorgensen and Phillips, 2002). The thought is that all meaning is always contingent - inasmuch as it can never fully transgress the prevailing structures of meaning – and therefore meaning is never absolutely fixed, but at the same time, never altogether fluid and open. An object meaning cannot exist in an exclusive and autonomous state of being, but is inherently dependent on a broader discursive articulation. This idea is interpreted by Hansen as an ‘ontological negativity’: where “all social objects have, as part of their constitutive identity, not only the possibility but also the necessity of entering into contingent articulations” (2014). Therefore - as Laclau and Mouffe understand discourse as the ontological dimension of social life (Martin, 2012) – all social practices are understood as meaningful by their relationship to other social practices; where “the social *is* articulation insofar as ‘society’ is impossible” (Laclau & Mouffe, 2001: 114), and as such, articulations act to (re)produce and transform prevailing or dominate ascriptions of meaning.

The logic of contingency acts as the premise for discourse theory's understanding of the political. As ontological negativity implies the constant struggle over meaning between articulations, the vulnerability of discourse to contestation and modification becomes essential to the logic of contingency. It is within this space of struggle that politics emerges. Politics is seen as the resulting organization of society from the continuous struggle of contingent articulations, where the predominate organization conversely excludes all alternative possibilities. In other words, it is the constant struggle between articulations to determine meaning and thereby restructure the understanding of the social world. As Laclau simply states, the political is “the world of contingent articulations” (2006). In this way

discourse theory's ontological primacy of the political emerges, as all of the social is determined by the discursive political struggle between contingent articulations.

### 3.1 Subject Identity

Laclau and Mouffe reject the essentialist notion of identity and instead theorize identity as a discursive construct: overdetermined by nature and consequently situated in the political struggle of all discursive systems. Identity is not an empirically given position, but understood as a subject position taken within a discursive structure. While being loyal to the logic of contingency, identity is relational by nature and consequently never fully constituted and fixed. The relational quality of identity consequently subsumes that all identities are negatively constituted – that is, defined by what they are not. This means that, in Laclau and Mouffe's words, "there is no social identity fully protected from a discursive exterior that deforms it and prevents it becoming fully sutured" (2001: 111). Identity is then situated within the discursive struggle of all social practices – continuously being constructed, maintained or transformed in a constant condition of tension between the interiority/exteriority.

The premise to discourse theory's notion of 'identity' is Laclau and Mouffe's conceptualization of the 'subject'; where an identity is assumed as the result of a subject being represented discursively through a subject position. Their notion of the 'subject' is rooted in the psychoanalytic theories of Lacan. From Lacanian theory the subject gains an unconscious, and with it, a fundamental desire of wholeness. Laclau and Mouffe's logic of contingency is reflected in Lacan's theory - as the subject is perpetually unfixed and negatively defined, and in being so, will never achieve totality. This idea of the subject is incorporated by Laclau and Mouffe via their use of the psychoanalytical concept of suture - simplified in one of Best's footnotes as: "an attempt to 'fill in for' the absence of closure and fixity that characterize social systems of meaning [...] in a context of a structure in which the closure of objectivity and the fixing of meaning are, in the last instance, impossibilities" (2009). The concept relates to the understanding of the subject as a site of tension in the discursive struggle of identity.

In terms of discourse theory, the subject can be understood as an active identification with one or more subject positions within the structure of discourse - where subject positions "are simply another way of understanding the gaps and openings of a structure which are the traces of its radical outside" (Best, 2009). In this way the subject, by definition, is political – part of the constant discursive struggle where "[u]nfixity has become the condition of every social identity" (Laclau & Mouffe, 2001: 85). For discourse theory the subject is fragmented and overdetermined, and as such, supports an identity that is contingent in nature - meaning "in principle, it always has the possibility to identify differently in specific situations [and] therefore, a given identity is [...] possible but not necessary" (Jorgensen & Phillips, 2002: 43).

It is within this understanding of the subject and its identity that Laclau and Mouffe situate the notion of antagonism as “a witness of the impossibility of a final suture” (2001: 125). An antagonism is a condition of existence for any identity, where an identity’s “*constitutive outside* is another name for the radically antagonistic otherness that confronts every identity” (Best, 2009). Therefore, an antagonistic relationship can be understood as the relation between what constitutes an identity and what threatens its constitution and thereby obstructs its desire for wholeness. It is this political struggle over the construction of identities between antagonisms that Laclau and Mouffe use to develop the most important concept within discourse theory – the logic of hegemony – which will be the focus of the next body of text.

## 3.2 The Logic of Hegemony

As articulations are seen as the social, and antagonisms are the conflict over meaning and identity between articulations, a hegemonic intervention can thus be understood as the dissolution of antagonistic articulations through one articulation’s forceful reconstitution of unambiguity (Jorgensen & Phillips, 2002). Hegemony is an articulatory practice that involves the domination and naturalization of certain elements over others, which then comes to structure identity and meaning (Tregidga, Milne & Kearins, 2013). As such, according to Tregidga, Milne & Kearins, “while meaning can never fully be fixed, certain discourses can come to dominate others and become ‘the main guide for action’” (2013). Hegemony is politics - it relates to what is included and what is excluded (Dahlberg, 2014).

Laclau and Mouffe’s logic of hegemony is developed as a synthesis of the thought of Foucault and Gramsci. In Jessop and Sum’s analysis, they deem it as an attempt at ‘foucauldizing Gramsci’, where Gramsci’s conceptual contributions to international political economy are ‘enhanced’ through the adaption of Foucault’s thought. Jessop and Sum position discourse theory’s logic of hegemony as a ‘foucauldizing’ of Gramsci due to its “aim to further reduce the risk of reductionism in Gramsci’s Marxist philosophy of praxis by emphasizing the plurality and heterogeneity of identities and social forces and the inherent unfixity of micro- and macro-social relations” (Jessop & Sum, 2006: 165). They deduce that the work of Foucault is used to challenge economic determinism and instead affirm the immanence of power - to stress the processes involved in the constitution of subjects and to effectively maintain the plurality and contingency of identities and meanings (ibid). Laclau and Mouffe construct their logic of hegemony as a modification of the concept of hegemony developed in Gramsci’s prison writings, which is based on the essentialist ideal of a political struggle of resistance of the ‘fundamental classes’ to transcend corporate interest. From Gramsci, Laclau and Mouffe import “the idea of hegemony as an ‘articulatory practice’ that ‘sutures’ concepts and practices around key principles such that certain elements come to be viewed as ‘naturally’ related or contiguous” (Martin, 2012).

In terms of discourse theory, hegemony is “quite simply, a political *type of relation*, a *form*, if one so wishes, of politics” (Laclau & Mouffe, 2001: 139), whereby “the political is []

seen as the world of contingent articulations” (Laclau, 2006). Within this, discourse theory’s ontological primacy of the political is exposed - as all the social is discursive and thus vulnerable to contestation and modification of identity and therefore subject to hegemonic interventions. Essentially, the logic entails a hegemonic process of various identities competing for the ability to fill the open space of power with the ambition to authorize and effectively determine the social formation that results (Best, 2009). Simply put, it is a political process of power and exclusion, where hegemony is “an articulatory practice that structures concepts and practices in a way that makes certain elements come to be viewed as natural or taken for granted” (Tregidga, Milne & Kearins, 2014).

## 4 Politicizing the Economic: framing the notion of neoliberalism

In line with Laclau and Mouffe's discourse theory, the economic determinism of Marxist political economy is rejected in the adaption of an ontological primacy of the political; expressed as an understanding that all social practices are fully discursive - where politics, ideology, culture and discourse are epiphenomenal and superstructural. In other words, the economy is understood here as an entirely discursive process. The following text acts to locate the economy in discourse theory in order to contextualize and frame the notion of neoliberalism that is used in the context of this study. It is essential to politicize the economic in order to problematize neoliberalism - as neoliberalism is often seen to objectify the social by economizing the political (Read, 2009).

The economy as a discursive system is understood in relation to Laclau & Mouffe's ontology of radical contingency, which "emphasizes the central role of hegemonic and discursive practices in the constitution, contestation and potential transformation of all social systems" (Phelan & Dahlberg, 2014). Therefore, the traditional sense of the economy as an objective infrastructural system is fully rejected and instead replaced by a conceptualization of the economy as a discursive construction governed by the political logic of hegemony and "essentially prone to political subversion and recomposition in respect to other discursive positions" (Daly, 2006). Building on these ontological roots, Dahlberg's post-Marxist concept of radical political economy of capitalism (2014) acts as a supplementary component to relate an understanding of capitalism in discourse theoretical terms. In this, Dahlberg iterates that it is *radically political* "in the sense of understanding the constitution of the economy, including capitalist systems, as based upon necessary contingency: as fundamentally discursive and lacking, but constituted as a whole by the political practice of hegemonic articulation" (Dahlberg, 2014). Dahlberg elaborates on this concept with an ideology critique of the naturalization of capitalism - where capitalism is observed as ideological through Laclau's notion of ideology, as "the misrecognition and obscuring of discursive contingency, and the associated concealing of heterogeneity, exclusions, and alternative discourses" (ibid). The critique draws focus to the radical contingency and vulnerability that is characteristic of all capitalist systems and specifically points to "their openness to contestation and re-articulation by that which has been excluded" (ibid).

It is here that the notion of *neoliberalism* is incorporated into this politicized economic framework and translated into terms congruent with Laclau and Mouffe's discourse theory. It is framed by amalgamating two disparate approaches to the notion - Simon Springer's (2012) discursive understanding and Wendy Larner's (2006) interpretation of it as a transformative ethos.

Simon Springer's theorization of neoliberalism as a discursive notion provides the theoretical foundation for the understanding of neoliberalism being articulated here. Springer develops a version of neoliberalism as discourse, which he recognizes "as a mutable,

inconsistent, and variegated process that circulates through the discourses it constructs, justifies, and defends” (2012). This discursive understanding acts to situate neoliberalism within the bounds of discourse theory.

Springer’s framing of neoliberalism is extended by Wendy Larner’s focus on the complexities inherent in the concept and the *programmatically coherence* of neoliberalism she effectively challenges (2006). Larner emphasizes the contextuality of neoliberalism and the impossibility of reducing it to a political ideology, particular political apparatus or set of philosophical principles. Alternatively, Larner sees neoliberalism as more of an ethos or an ethical ideal that is constantly reconstructed as part of a political process. With this she understands:

*“that different formulations of neoliberalism emerge out of a multiplicity of political forces always in competition with each other, producing unintended outcomes and unexpected alignments. Moreover, the emergence of new political projects is never a complete rupture with what has gone before, but rather is part of an ongoing process involving the recomposition of political rationalities, programs and identities” (Larner, 2006: 209).*

The idea of neoliberalism as a complex system of ethos, discursively constructed and in a constant state of political reformation is Larner’s chief contribution to this paper’s framing of neoliberalism. It speaks to Laclau and Mouffe’s primacy of the political as well as their concept of hegemony – which concentrates on discursive conflict and power in the construction and transformation of social meanings and identity.

At this point, neoliberalism can be understood as a discursive system related to an ethos that is constantly being reformulated in a political process of struggle between competing discourses. Due to the contextual and transformative nature of neoliberalism, an explicit definition of the meaning attached to the term will not be provided. Nevertheless, as Clarke submits, neoliberalism “typically carries particular ‘traits’ which enable us to recognize it when we see it” (2011). In order to postulate a surface-level recognition of these traits while remaining true to the established framework, Read’s ‘Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity’<sup>3</sup> (2009) will briefly be outlined to give the reader some sense of the ‘traits’ that have previously worked to frame an understanding of neoliberalism.

In his genealogy, Read presents neoliberalism by framing it around the work of various scholars positioned within a critical approach to analysis. Particular attention is given to Foucault’s understanding of neoliberalism as an anthropology of competition - hinged on the notion of *homo economicus*: an understanding of man as an economic subject, which comes to constitute the basis of politics. In this sense, neoliberalism is related to a rationality of competition that extends to govern all of the social by cost-to-benefit calculations based on investment and competition. Read structures a neoliberalism that exists at the junction of

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<sup>3</sup> A genealogy is used in order to maintain the post-structural constructivist grounds of this thesis, as it is a study that works to detail the constitution of a system of thought through discourse and does not explicitly lay claim to one particular understanding of the notion.

labor and human capital, where the individual becomes determined by a ‘business spirit’ - making every action come to be considered as an investment in the human capital of the self - and ultimately defines a way of life. Within this, the difference between work and the market, as well as the citizen and the economic subject is abandoned and replaced by one relation: self-interested competition. Read constructs neoliberalism around capitalists, entrepreneurs, deregulation, privatization, accumulation by dispossession, and an understanding of labor as “any activity that works towards desired ends” (Read, 2009). He imparts a new role prescribed to the state, as an agent positioned to manipulate society in favor of market competition through incentives. Overall, neoliberalism is articulated as “a new regime of capitalist accumulation” that governs through paradox in the sense of possibility – where freedom of competition acts to limit the possible through isolation of the individual (ibid).

While this brief outline has conferred various potential signifiers for the reader to refer to, it should be reiterated that neoliberalism is understood here as a contextual ethos that is intentionally left amorphously defined in order to problematize all its complexities. Therefore, it will be inductively identified in the empirical material based on varieties of neoliberalism previously articulated in academic discourse.

# 5 Methodology

## 5.1 Research Design

This thesis is a qualitative case study that examines the political influence international donors hold over the Palestinian National Authority, specifically in terms of the reproduction of neoliberalism. It takes the form of an intrinsic case study (Punch, 2005) rooted in a post-structural approach to research through a method of discourse analysis. The empirical data is analyzed through an operational usage of Laclau and Mouffe's discourse theory. Their conceptions are adapted into a two-dimensional design that includes a longitudinal analysis of identity and a hegemony analysis. The empirical material takes the form of discourse, as discourse is understood as “the primary terrain of objectivity” where “the problem of the constitution of social and political reality becomes [ ] the problem of the *constitution of discourse*” (Selg & Ventsel, 2010). Therefore, the empirical material can then be read as a discursively constituted reality. This frame of thought is based on the social constructivist epistemology that grounds the use of discourse analysis as a methodology (Jorgensen & Phillips, 2002). The analysis is centered on the PNA's economic policy agenda in its four consecutive Reform and Development Plans for the years 2006-2008, 2008-2010, 2011-2013 and 2014-2016 and the World Bank's Economic Monitoring Reports to the Ad Hoc Liaison Committee for the years 2007, 2009 and 2012.

Laclau and Mouffe provide an insightful method for understanding “the fluid and changing nature of identity construction and consider identity renegotiation and (re)articulation in order to resist threats and maintain hegemony” (Tregidga, Milne & Kearins, 2013). Their discourse theory is particularly advantageous in this regard as a result of its ontological primacy of the political, which foments a particular sensitivity to conflict and struggle in the formulation of identity and meaning. This conceptual capacity complements the aims of this thesis and therefore is extended to function as guidelines for the analysis of the empirical data – through the translation of the theory into discourse analytic practice. The reformulation of Laclau and Mouffe in this way is not uncommon within post-structural research, although translations vary considerably (e.g. Huvila, 2011; Solomon, 2009; Tregidga, Milne & Kearins, 2013; and Walton & Boon, 2014).

That being said, the non-traditional nature of discourse analysis and the radical ontology of Laclau and Mouffe's discourse theory also inspire a wide range of criticisms within academia. While more generally scholars are skeptical to the scientific validity of the anti-positivist approach to social research, many also question the subjectivity inherent in the interpretive nature of discourse theory as a methodology. Although these criticisms are acknowledged and critically reflected upon, the benefits of this approach are seen to outweigh concerns. By approaching qualitative research in a non-traditional manner, this thesis works to develop a new interpretation of social phenomena that may have been potentially obscured within the rigidities of traditional methods – as “all ways of seeing are

also ways of *not* seeing” (Phillips & Hardy, 2002: 16). The aim of this thesis is not in the traditional sense of interpreting the social reality of donor influence as it exists, but rather to use discourse analysis in an attempt to expose the way donor influence has been produced. That being said, it is important to be reflexive and aware of the researcher’s values and position in relation to the issue researched, as this too acts as a lens from which the data is read, interpreted and analyzed.

## 5.2 Operationalization of Discourse Theory

The research is conducted by operationalizing Laclau and Mouffe’s treatment of identity and hegemony in order to trace the neoliberal transformation of the PNA’s identity and recognize potential instances of World Bank hegemonic intervention. It subsumes a two-dimensional structure. First, it takes the form of a longitudinal analysis to observe the neoliberal transformation of the PNA and the World Bank. This then acts as a premise for the hegemony analysis – where a comparative method is used to explore potential hegemonic interventions of the Bank in the instances of observed transformation in the PNA’s identity.

Laclau and Mouffe’s concepts of *nodal point*, *signifiers* and *logic of equivalence* are operationalized to account for identity. A *nodal point* represents a discursive subject position and therefore an identity constructed by the subject (Jorgensen & Phillips, 2002). Laclau and Mouffe define nodal points as “the privileged discursive points of [ ] partial fixation [of] any discourse [which] is constituted as an attempt to dominate the field of discursivity, to arrest the flow of differences, to construct a centre” (2001: 112). However, a nodal point only gains an identity through the signifiers that fill it with meaning – where *signifiers* are “elements which are particularly open to different ascriptions of meaning [...] the signs that different discourses struggle to invest with meaning in their own particular way” (Jorgensen & Phillips, 2002: 28). Signifiers are attached together and to the nodal point through Laclau and Mouffe’s *logic of equivalence* to form a chain of equivalence - understood by Jorgensen and Phillips to be when signifiers “are sorted and linked together in chains of opposition to other chains which thus define how the subject is, and how it is not” (2002: 43). In other words, nodal points represent constructed identities, signifiers are discursive elements that fill it with meaning and the logic of equivalence links the two components together.

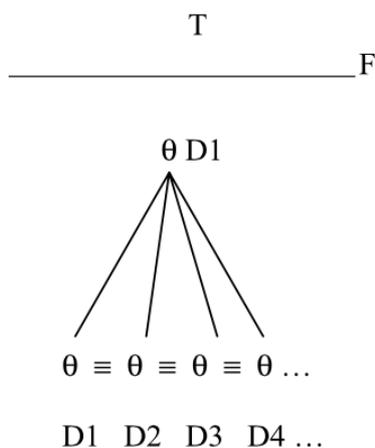
The longitudinal analysis investigates identity by analyzing how nodal points have been formulated and reconstructed in relation to the signifiers that fill them with meaning. It is an attempt to both recognize each subject’s identity in terms of neoliberalism and plot the course of these identity – in light of the contingent, overdetermined and relational nature of identity. The analysis focuses on the discursive struggle to fix neoliberal meaning to nodal points in the formation of identity. A nodal point acts to create and maintain identity by serving to cement related meanings, and, as Solomon suggests, the use of the concept “contributes a theoretical understanding of how discourses and identities attain partial stability, while still recognizing their fluidity and instability” (2009). The method used for the analysis of identity is informed by Tregidga, Milne, and Kearins’ translation of Laclau and

Mouffe in their work on identity and sustainable organizations (2013). By adapting their methodology to the context of this thesis, data analysis takes the form of a three step process - delineated in Table 1.

The hegemony analysis is then conducted on points of neoliberal transformation in the PNA's identity observed in the longitudinal analysis. Transformative instances are compared to the World Bank's corresponding construction of the nodal point and investigated for hegemonic interventions using Laclau's model, featured in Figure 1 (Laclau in: Thomassen, 2005). This level of analysis draws the political influence of the World Bank into question and critically scrutinizes the Bank's capacity to modify and construct a neoliberalized Palestinian identity through a consideration of hegemony. The hegemony analysis is conducted in three steps - as presented in Table 2.

<b>Table 1. Identity Analysis</b>	
Step 1: Recognizing identity	Read text and select key nodal points that emerge in discourse
Step 2: How is identity constructed?	Identify signifiers linked to nodal points in a chain of equivalence; scrutinize signifiers in terms of neoliberalism
Step 3: The transformation of identity – A longitudinal analysis	Organize the nodal points chronologically for each subject to determine: when the associated neoliberal theme first appeared; whether it became more or less dominant; and how it transformed over time. Analysis is focused on understanding how neoliberalism is transformed within each identity over time.

**Figure 1. Laclau's Model of Hegemonic Articulations\***



\*This model depicts a chain of equivalence ( $\equiv$ ) that has emerged through the articulation of particular signifiers (D1, D2, D3, D4 and so on). One signifier ( $\theta$ D1) has emptied itself of its particular meaning and thereby can represent all signifiers of the chain. Therefore, it is this empty signifier (i.e. nodal point) that establishes equivalence between the various signifiers. In effect, an antagonistic frontier (F) is created with the emergence of an antagonistic force (T) that counters the chain of equivalence. (Thomassen, 2005)

**Table 2. Hegemony Analysis**  
(comparative approach to analysis between neoliberal identities)

Step 1: Target neoliberal transformations	Re-approach discourse by focusing on determined neoliberal transformations; characterize theme and key signifiers for each neoliberal transformation
Step 2: Apply comparative method	Compare transformed nodal point to the World Bank's corresponding construction of the nodal point; investigate for any similarities between the PNA's neoliberal transformation and the Bank's construction
Step 3: Analyze for hegemonic interventions	If there appears to be a correlation, use Laclau's model to interpret the text and expose any hegemonic interventions.

## 6 Analysis

The results of the comparative hegemony analysis indicate a significant lack of struggle between the PNA and the World Bank in the course of fixing meaning to the nodal points examined. This lack of struggle is suggested based on the evidently consistent hegemonic intervention of the World Bank in the PNA's construction of the nodal points within each plan's economic policy agenda. This engagement is consistent with the PNA's gradual neoliberalization, where each hegemonic intervention is coherent to a reconstruction of meaning that serves a neoliberal conception of the nodal point. The resulting identity of the PNA is one far removed from its initial constitution and instead transformed into a 'modern' and 'progressive' society that speaks towards market efficiency and competition. By its 2014-2016 plan, the construction of each subject position could arguably work more towards appeasing the World Bank's antagonistic articulations than struggling to cement the PNA's own identity into a functioning governmental institution.

The following analysis aims to illustrate the World Bank's neoliberal influence on the transformation of the PNA's identity. The evidence presented is the result of both the longitudinal analysis on how the PNA's identity has transformed through the plans as well as the comparative analysis that examined antagonisms and hegemonic interventions by the World Bank. As the empirical material was handled through the use of Laclau and Mouffe's discourse theory, the following analytical results are framed around discursive nodal points inductively selected upon the initial reading of the PNA's plans. In maintaining the conceptualization of neoliberalism developed in this thesis – as a discursive system that is highly contextual and transformative in nature – the researcher embraced the relative aspect of neoliberalism and allowed the text to guide treatment. Various academic discourse is referred to in order to ground the identified neoliberalism and provide the reader with some degree of transparency. The analysis is explained in relation to the treatment of each nodal point based on the signifiers that were used to fill the nodal points with meaning via chains of equivalence. It specifically focuses on the treatment of each nodal point in terms of neoliberalism. The nodal points examined are: private sector, market, growth and labor.

### *Private Sector*

The hegemony analysis reveals that between each of the PNA's reformulations of the *private sector*, the World Bank emerges as an antagonistic force that can be seen to hold a hegemonic intervention on the PNA in the name of neoliberalism. The first transformation is marked by the emergence of an affirmed support for finance capital and deregulation - both themes of which are frequently understood as primary elements of the neoliberal apparatus. David Harvey, a prolific voice on the subject, attests that a neoliberal state's "fundamental mission was and is to facilitate conditions for profitable capital accumulation" (2006). The PNA reformulates *private sector* in its 2008-2010 plan in full affirmation of neoliberal capital accumulation by constructing its identity through signifiers such as: 'credit flows', 'release

capital' and 'creating surplus'. The PNA's subsequent support for modes of accumulation can be seen as an act of conformity to the previously antagonistic force of the World Bank's construction of *private sector*. In its 2007 report, the Bank constructs the nodal point to explicitly serve the neoliberal desire of capital accumulation through the signifiers 'gross capital formulation', 'financial capital' and 'capital accumulation'. In addition, *private sector* is signified as 'alternative to public sector'; an expression of neoliberalism that "presupposes that poverty alleviation and economic profitability are best accomplished through private initiatives" (Varman, Skalen & Belk, 2012). This extension of market relations is also subsumed in the PNA's first reconstruction of *private sector* implying a hegemonic intervention on the part of the World Bank.

The PNA's second transformation, between its 2008-2010 and 2011-2013 plan, demonstrates a reformation of the citizen by the economic subject - where the private sector is rearticulated to imply a neoliberal conception of society governed by competition and self-interest. In the Foucaultian school of thought a transformation of this nature connotes a full embrace of the neoliberal identity, articulated as a "restoration of capitalism as synonymous with rationality" (Read, 2009). To this end, neoliberalism is conceived as a reconfiguration of people as subjects. It entails the extension of economic logic to determine all social relations and redefines society as a body of individuals acting on the interests of profit-maximization and motivated by a culture of competition (Read, 2009). The PNA's second transformation witnesses a reconstruction that speaks loudly towards this neoliberal identity with private sector constituted by: 'self-advancement', 'free and competitive economy', 'develop themselves and their country' and 'freedom to engage'. When contrasted to the World Bank's 2009 construction of *private sector*, there is indication of the Bank's hegemonic intervention on the PNA identity. The transformation alludes to a naturalization of the Bank's antagonistic neoliberal logic of self-interested individualism and competitive culture that is embedded in the signifiers used to fill the meaning of *private sector*, such as 'economic freedom' and 'increased competition'. A construction as such frames a Palestinian private sector as an autonomous space in which all Palestinian citizens are mobilized to construct a dynamic engine of economic growth.

Whereas the first two transformations signify World Bank hegemonic interventions on the PNA's economic policy agenda explicitly and denote a sense of contingent intertextuality, the third transformation suggests a more implicit hegemonic intervention by the PNA's vague adaption of the World Bank's antagonistic articulation of the private sector. The key feature of this reconstruction is the PNA's new treatment of the private sector as a governing body, which relinquishes an unprecedented amount of government power to the private sector. The repositioning of the state in favor of private enterprise is often associated with neoliberalism in policy, where deregulation is "not withdrawal of the state from the economy but the redirection of intervention increasingly towards serving finance capital" (Peet, 2012). It is in the PNA's turn towards this neoliberal sense of state functions that the World Bank's influence can be discerned. Arguably, it is a product of the World Bank's 2012 constitution of *private sector* around 'sound regulation' and 'political capital'. In its report, the World Bank fills the nodal point with signifiers relating to governance and regulation that hinge on a neoliberal conception of the state as a function of market support. Being that this

theme is echoed in the PNA's reconstruction of the private sector, it can be inferred that the World Bank again enacts a hegemonic intervention on the PNA's subject position of private sector.

### *Market*

In relation to the PNA's construction of the nodal point *market*, the hegemony analysis reveals evidence to suppose hegemonic intervention on behalf of the World Bank to account for the most notable PNA transformations. The first instance of transformation identified is the PNA's acquisition of the neoliberal homo-economicus of competitive culture in the 2008-2010 plan. Foucault's notion of the homo-economicus of neoliberalism is related to the reinvented subjectivity of the individual as an economic subject governed by competition (Read, 2009). It is articulated as a reconfiguration of the social as an economic entity (Walker, 2012) where "entrepreneurial activities and investments are the most important practices of the neo-liberal self" (Dilts, 2011). Initially this notion is absent from the PNA's 2006-2008 constitution of *market*, signified by a collective 'local' and which demurs this idea of a competitive culture by explicitly alluding to an incapability to 'withstand the rigors of international competition'. However this construction is radically contradicted by its reformulation of market in the 2008-2010 plan, where it signifies the market as the 'potential to compete' and purports a full embrace of a free and open market in order to be 'competitive in regional and international markets'. The reconstituted identity of the PNA exhibits a neoliberal homo-economicus propensity, informed in the emergence of appeals for opening and extending the market for the freedom to compete. This 180-transformation holds an element of intertextuality with the 2007 World Bank construction. The Bank frames the Palestinian market by a 'support [to] selling outside of local metropolitan areas', a construction of which seems to hold a hegemonic intervention on the PNA's transformation: from a counter-competitive local market identity towards an extension of the market outside the local in the name of competition. The Bank's influence can also be recognized in its use of the signifier 'entrepreneur', which pervades the PNA's reconstruction as a naturalized signifier for the nodal point. It is in this influence that the Bank can be recognized to ossify the neoliberal homo-economicus - an action which works to transform the entire Palestinian society towards the canon of the 'entrepreneur'.

The other notable indication of the World Bank's hegemonic intervention on the PNA's subject position of *market* is observed between the 2008-2010 and 2011-2013 plans. Here, the neoliberal homo-economicus is further embraced by the PNA in its reconstitution in terms of the state's relation to the market - from a trade facilitator and regulator of quality standards to a role of market-integrator and regulator of competition. A transformation of which serves to position the nodal point within an understanding of the state as a protector of competition that operates to intervene in the conditions of the market to maintain competitive relations. This understanding is associated to the most recent strand of neoliberal development policy, defined by Carroll & Jarvis as 'deep marketisation' (2015). It is articulated as a re-inspired market fundamentalism that re-envision the state as a regulatory body focused on supporting market operations and centered around fomenting 'enabling

environments'. Carroll & Jarvis refer to it as a 'Polanyian paradox', in that Polanyi's market society is enacted *around* the state. Therefore, the state functions to extend "the perverse inversion of social needs and social relations to the interests of the economy" through exogenous policy mechanisms (Carroll & Jarvis, 2015). It is this deep marketization that is observed to be a defining feature of the World Bank's 2009 formulation of *market* in a chain of equivalence with 'market needs', 'integration' and the negatively framed 'unauthorized competition'. With this treatment the World Bank constructs the market to be an autonomous entity that is in need of government intervention in the name of fair competition – a treatment of which comes to dominate the PNA's meaning of the market.

### *Growth*

Within the scope of the PNA's four plans, the hegemony analysis indicates that the World Bank progressively influenced each reformulation of the nodal point to achieve a successful hegemonic intervention - evidenced in the absence of antagonistic articulations in the most recent economic policy agenda. Where the PNA initially constructed the nodal point around 'agriculture' and 'poverty reduction strategies', by 2014 *growth* is signified by 'GDP', 'economic independence' and related to a process that 'citizens will participate in and benefit from'. This transformation signals the PNA's gradual naturalization of the World Bank's formulation of growth, as it integrates components of the antagonistic articulations until the nodal point is filled with a meaning equivalent to that of the World Bank's construction. It is interesting to note that there is a high degree of intertextuality that emerges via occasions of language sharing in signifiers used. For instance, the World Bank's use of the terms 'viability', 'security', 'recovery' and 'long-term growth' are explicitly incorporated into the PNA's reconstruction.

Being that the World Bank formulates *growth* upon a neoliberal operative of the nodal point, this transformation can be viewed as the World Bank's neoliberalization of the PNA's identity. The World Bank frames an understanding of growth consistent with a neoliberal sense of governmentality that engages with interest, investment and competition to inspire a trajectory of intensification towards a freedom secured by competition (Read, 2009). This position is apparent in how the World Bank establishes *growth* in a chain of equivalence with the signifiers 'ensure competition', 'unleash private sector', 'investment' and 'real GDP expansion'. For example, when focusing on the signified 'unleash private sector', the use of the adjective *unleash* to condition private sector implies the removal of market restraints on capital enterprises in order to open for competitive business relationships. Although not directly apparent, this neoliberal interpretation is commonly grounded on the assumption of market efficiency and the governing power of competition. It is this understanding that the PNA comes to adopt through the World Bank's hegemonic intervention.

### *Labor*

By the 2014-2016 plan the PNA's economic policy agenda is seen to significantly marginalize the nodal point *labor*<sup>4</sup> - a treatment of which aligns with a neoliberal conception of society. It connotes labor as synonymous with human capital and functions to enforce an individualism driven by self-interest and investments (Read, 2009). A displacement as such is consistent with what Read advocates as "the central term and political strategy of neoliberalism, [in] not the absence of governing, or regulating, but a form of governing through isolation and dispersion" (2009). When the PNA does make reference to *labor* it fills its meaning with signifiers that directly link to this neoliberal frame of thought: 'economic empowerment', 'all Palestinian citizens', 'incentives'. The resulting construction is the epitome of a neoliberal governmentality framed to "foster and enforce individual responsibility, privatized risk-management, empowerment techniques, and the play of market forces and entrepreneurial models in a variety of social domains" (Brannstrom, 2014). The hegemony analysis indicates that this neoliberal framing is a product of the World Bank's hegemonic intervention on the PNA's plans as it represents a reformulation of the nodal point aligned with the World Bank's construction, of which is antagonistic to the PNA's initial constitution.

The struggle to fix meaning to the nodal point undergoes two notable shifts on the part of the PNA. The first emerges in the PNA's initial reconstruction of *labor* in its 2008-2010 plan, where it naturalizes the World Bank's treatment of labor as human capital that works to serve desired ends. In this plan the nodal point is signified in a way that implies a marketing strategy. In other words, labor seems to be presented as a market offer of exploitable human capital and fashioned to be attractive to potential capital investors. The PNA signifies labor in this way as a 'readily available, skilled and relatively inexpensive local workforce' and hints to the potential profit of such a market exchange in the signifiers 'economic stimulus' and 'generates tax revenue'. As such, this construction insinuates a neoliberal perception of labor as a "world as heterogeneous human capital" (Dilts, 2011). This features as an antagonistic construction to the PNA's initial 2006-2008 formulation of *labor*, which alternatively was equivocated to a strong collective Palestinian body ('skilled labor *force*') and associated to 'social development' with a heavy concentration on education.

The second major shift is the PNA's treatment of the nodal point occurs in its 2011-2013 plan with a transformation of labor into an autonomously functioning market that demonstrates its own 'labor market needs'. This is a reflection of the World Bank's 2009 construction of *labor* as market that determines its own needs. In its report, the Bank signifies a 'labor market' that requires 'more advanced forms of division of labor' and 'a rational and efficient division of labor', the PNA's reformulation can be seen as a direct reflection of this. The PNA's acknowledgement and accommodation of this understanding of labor is further connoted in its re-framing around the signifiers 'optimistic, progressive society' and 'modern society and economy'. These signifiers are loaded with implications of how the PNA has reconstituted labor as a market to be aligned with its perception of a *modern* and *progressive* society. As these statements parallel with the PNA's submission to the World Bank's

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<sup>4</sup> Although the American English spelling is used here, both the American English and the British English treatment of the term were evident in the discourse. The spelling of the word did not impact the study's analysis, as both spellings were treated equally.

hegemonic intervention in the struggle to fix the meaning of *labor*, it can be suggested that the World Bank's neoliberal subject position is associated with the model of a *modern* and *progressive* society. The power relation evident here is less one of struggle and more of a hegemonic domination of the World Bank on the PNA's economic policy agenda.

### *A Neoliberal Identity of the Palestinian National Authority*

The analysis of each nodal point features instances of the PNA's alignment with the neoliberal construction of the World Bank, which serve to illustrate the transformation of the PNA's identity within the course of the four plans. When put together, the longitudinal analysis demonstrates a radical alteration of the PNA's constructed identity towards one framed by competition, individualism and investments by its 2014-2016 plan. This is a far cry from its identity in 2006-2008 – an identity that related a strongly involved government signified to 'encourage and support' and correlated with 'agriculture' and the juxtaposition of 'farmers and businessmen'.

The PNA's naturalization of the many neoliberal expressions of the World Bank's antagonistic articulations has arguably diminished the culture for a strong state apparatus and alternatively worked to position the emerging Palestinian state to be decoupled from the social and delimited to a market regulator. This repositioning of the state is an evident product of the World Bank's hegemonic interventions, which are recognized in the analysis of each nodal point examined. The World Bank's influence is observed in the PNA's reconstructed identity and associated with its embrace of: capital accumulation, deregulation, competitive culture and individualism. Alignment with such ideals suggests a new identity recognized with neoliberalism, and as such contributes to frame the developing state as an institution primarily involved with market intervention in the name of freedom of competition. In the context of Palestine's continued efforts for sovereignty, this reformulation towards a diminished role of the state makes one question the political struggle between donor and receiver of international aid.

## 7 Conclusion & Future Research

The purpose of this study is to illuminate and problematize the political influence donors hold over the formation of the PNA's national identity in terms of neoliberalism. It draws on Laclau and Mouffe's discourse theory as a method to understand the fluid and transformative nature of identity construction and illuminate donor influence in the re-articulation of the PNA's identity. Their notion of hegemony has been operationalized in order to trace the World Bank's influence on the neoliberal dimension of the PNA's emerging identity within its state-building process. Using an amorphously defined discursive frame of neoliberalism, the analysis indicates that the World Bank has maintained a high degree of influence on the emerging neoliberalism of the PNA's identity through an almost constant state of hegemonic force. The demonstrated instances of the Bank's hegemonic intervention on the PNA's identity formulation serve as evidence to suggest that the Bank has influenced the neoliberal reformation of the PNA's identity.

The transformation of the PNA's identity is seen as a radical alteration of its initial construction towards an identity built on the implied characteristics of the neoliberal values of competition, individualism and investments. In consideration of the magnitude of the World Bank's influence and the radical degree of neoliberalization observed, one should draw skepticism to the national identity that is emerging out of this state-building process. Just how connected to the Palestinian population will the resulting state be? How will the Bank's neoliberal influence alter the Palestinian population and culture? Is the state-building process *really* working to inspire a sovereign state? Khalidi and Samour articulate: "equally perplexing, given the Palestinian tradition of vibrant and pluralistic political debate, is the fact that PNA neoliberal policy preferences remain largely unquestioned, except by a handful of analysts and the occasional international NGO or UN agency" (2011). The results of this research serve to support scholars who argue Palestine's neoliberal turn (Merz, 2012; Dana, 2015) and provide empirical evidence towards the credibility of arguments that stress the World Bank's involvement in this shift (Khalidi & Samour, 2011; Samara, 2000).

In order to maintain an essence of reflexivity, the results of this thesis should be read in accompaniment with a critical reflection on methodology. The use of discourse analysis, and more specifically Laclau and Mouffe's discourse theory, leaves the role of the analyst undefined and opens research to one's own interpretation. Therefore, the results should be understood in relation to the researcher's position to the subject matter – as this represents a lens through which the text has been read, interpreted and analyzed.

The initial intention of this study was to examine the donor influence of both the World Bank and European Union on the PNA's identity. Although practical limitations made it an unviable option for this study, it is a possible direction for future research. It would extend the research of this study to also account for donor diplomacy by analyzing the political struggle between donors.

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