

# Bush Administration is Undermining Democracy in Palestine

By Kevin Murray | December 17, 2003

Aid to Palestinian civil society organizations has always been a tough sell in the United States, but perhaps never as tough as it is today. Images of Palestinians as doctors providing trauma treatment, human rights workers documenting abuses on all sides, or city dwellers planting urban gardens in Gaza seldom appear on the evening news. Palestinians are doing all of these things and more. Their work is central to any vision of a democratic future for the Palestinians, and a just solution to the Israel-Palestine conflict.

But in the aftermath of the 9/11 attacks, anti-terror legislation combined with divisive rhetoric surrounding the wars on Iraq and Afghanistan have created a vicious climate of suspicion around any charitable work in the Middle East, especially in Palestine.

The Bush administration has used this climate to challenge the independence of all U.S. aid organizations. Andrew Natsios, administrator of the U.S. Agency for International Development (USAID), said last May that any U.S. organization taking USAID funding should consider itself an “arm of U.S. foreign policy.” The American Enterprise Institute, a conservative think-tank that counts among its distinguished alumni many Bush administration officials, has launched a well-financed aid-monitoring project called NGOWatch to counter what it calls the “growing power of an unelected few.”

In this charged environment, the Treasury Department last year issued a set of guidelines entitled “Voluntary Best Practices for U.S.-based Charities.” These guidelines have elicited critical comment from aid groups from across the political spectrum. The new rules seek to regulate all U.S. entities providing financial support to organizations overseas, and by extension also to all the American foundations, corporations, and individuals who donate money to those entities. While the guidelines are voluntary, the administration has sought public comment on them, making it likely that some version of them will be made mandatory.

Their stated aim, which all aid givers support, is to prevent charitable funds from being diverted to support terrorists without affecting “legitimate good works.” But the guidelines are so sweeping in their effect and onerous in their standards that they will freeze many positive initiatives. One, for example, requires aid organizations to ensure that foreign banks they deal with have adequate administrative safeguards against money laundering. Another asks organizations to investigate the external associations of all individuals associated with any overseas organization they fund.

The use of cash grants is prohibited, though it is sometimes the only way to move money in remote areas of a country in turmoil. Copies of every foreign recipient organization’s public documents, all their sources of income, and full names and detailed biographical information of staff and board members are sought in English. Taken together, the guidelines seek to turn charities into mini intelligence agencies. This role is quite different from the one for which they were chartered and requires resources that simply are not available to most aid organizations.

It is, of course, vital that charitable funds not be misused. Due diligence related to its projects is the ultimate insurance policy for any international funder. By all accounts, however, the majority of funding for terrorist organizations has come from banks, businesses, Internet donations, and individual remittances. Laws are already on the books to prevent and punish terror funding through registered U.S. chari-



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ties. These new regulations are better understood as part of an agenda to limit progressive dissent here and abroad, than as a legitimate effort to cut off support to terrorists.

While international giving actually increased during the recent economic downturn, donations to politically sensitive areas like Palestine have clearly fallen off. Citing financial limitations but privately expressing political concerns, many foundations are suddenly closing or dramatically curtailing funding programs in the Middle East. Individual donors continue to support progressive international work, but prefer that their resources go to projects in Brazil or Mexico so as to avoid accusations of “supporting terrorists” in Palestine.

It would be cruel irony, indeed, if a government that purports to spread democracy and freedom throughout the Middle East ends up cutting off the oxygen to the courageous few who provide the real democratic alternatives in Palestine. The regulations currently under discussion at the Treasury Department threaten to do just that.

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Published by Foreign Policy In Focus (FPiF), a joint project of the Interhemispheric Resource Center (IRC, online at [www.irc-online.org](http://www.irc-online.org)) and the Institute for Policy Studies (IPS, online at [www.ips-dc.org](http://www.ips-dc.org)). ©2003. All rights reserved.

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Recommended citation:

Kevin Murray, “Bush Administration is Undermining Democracy in Palestine,” (Silver City, NM & Washington, DC: Foreign Policy In Focus, December 18, 2003).

Web location:

<http://www.fpif.org/commentary/2003/0312palestine.html>

Production Information:

Writer: Kevin Murray  
Editor: John Gershman, IRC  
Layout: Tonya Cannariato, IRC

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