

Determinants of the Complementary Relationship Between the Public and Private Sectors in the Palestinian Economic Field

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Abstract: The study revealed several results, the most important of which are: the Palestinian economy encounters the absence of a special law in the partnership through which to clarify the meaning of this concept and to set the rules and standards regulating the related contracts, in addition, to the absence of laws ensuring transparency and fighting corruption which negatively affects the complementary relationship between the two sectors. Palestinian national authority is unable to control its fiscal, financial and economic policies because of its economic dependence on the Israeli entity as well as its direct reliance on external financing which is often conditioned and public sector institutions suffer from routine procedures through which the investment project and the multiplicity of the necessary approvals and licenses excessively which prevented the completion of many projects in addition, to the difficult political situation resulting from the Israeli occupation and control over Palestinian land and internal political division between the two parts of the homeland. The study suggested several recommendations, the most important of which were: recommendations to the public sector on the necessity of issuing a special law on partnership, establishing a joint committee from the public and private sectors with wide authority to develop the business environment and establishing specialized courts in commercial disputes.

Key words: Determinants, partnership, economic development, legislation and texts of law, tax policies, operational and institutional framework, political situation

INTRODUCTION

Globally, public and private sectors partnership has become a dominant phenomenon in recent years and since, the end of the 1980s due to insufficient investment and increasing pressures on government budgets. In addition, to the public concern about the inefficiency of services provided by government institutions where public-private sectors partnership has been implemented mainly in the areas of economic infrastructure such as (telecommunications power, water and roads) which are recognized as being primarily provided by the public sector (Hamdona, 2017).

Therefore, since, the establishment of the Palestinian National Authority, successive Palestinian governments have sought to build a strong and strategic relationship with the private sector based mainly on the principle of partnership and mutual benefits rather than on the principle of competition through development plans, conferences and meetings between the two sectors. The real institutional and legal structure needed to move towards establishing a true partnership (Hamdona, 2017).

In addition, to the above, the Palestinians were still living under the occupation and control of the capabilities of the Palestinian economy which led to high rates of poverty, unemployment and causal subordination of the Israeli economy, so that, all Palestinians are looking forward to a developmental model to achieve their hopes and aspirations which other peoples have achieved.

MATERIALS AND METHODS

The study problem: The Palestinian economy suffers from many problems, most notably the high unemployment rate which reached 32.4% in 2018, the increase in the poverty rate which reached 29.2% in 2017 and the budget deficit which reached 31% in 2018 which has greatly affected the various economic activities at the total level and at the level of local economies. The government and the local authorities have been unable to finance service projects in many areas, due to weak revenues, high demand for public services and a significant reduction in financial support from Foreign countries and institutions in recent years. This had motivated the government to search for alternative solutions. In order to mobilize the necessary

financial resources to finance its various activities which has emerged significantly in its quest to attract investments from the private sector as one of the means available in the medium and long term. The real partnership between the public sector and the private sector in Palestine contribute positively to the development process and enhance the ability to deal with the problems facing the Palestinian economy. In an initiative announced by the Prime Minister on more than one occasion, the government established a joint investment fund of \$250 million between the two sectors in order to launch and finance investment projects with high economic and financial feasibility to contribute to solving the problems of poverty and unemployment where he ensured the government's willingness to discuss this initiative and lay the foundations for it and the study of the problems of the private sector in order to help solving them such as poverty and unemployment.

Therefore, the problem of this study is to answer the following question. "What are the determinants of the complementary relationship between the public and private sectors in the Palestinian economic field".

Definition of terms

Partnership between public and private sector: An agreement between public side and private partner to share risks and opportunities in mutual business of providing public services (Marei, 2017).

Public sector: All minsters, organizations and all organizations followed the stat's budget (Marei, 2017).

Private sector: Includes all natural and legal persons not belonging to the public sector including civil society organizations (Marei, 2017).

Legalization: Any legal rule issued through formal written documents by a public authority in the government according to certain standard procedures (Al-Neya, 2017).

Laws scripts: A set of abstract and binding legal rules that regulate the behavior of individuals within society and ensure that they are applied by a penalty imposed by the state when necessary, against any violator (Al-Neya, 2017).

Taxes policy: A set of programs developed by the state using all its actual and potential tax sources to generate desired economic, social and political effects and to avoid any undesirable effects in order to achieve the society's economic, political and social goals (Misimi, 2016).

Economic and financial policy: A set of rules, methods, methods, measures and measures taken by the state to manage its financial activity as efficiently as possible to achieve a range of economic, social and political objectives during a given period.

Executive and organizational framework: The activities and tasks that are distributed among the employees of the institution and the implementation of coordination and supervision which is necessarily oriented towards the objectives of the institution and organization organization theory selected readings (Pugh, 1990).

Political status: There are three categories in the international law representing the political status as an independent state, internal-independence or under the protection of another country in defense and Foreign affairs, colonies and other forms of non-independence.

Public awareness: Accumulative behaviors of practices, beliefs and pre-ideas common on the society as they are in continuous change.

Study questions: To what extent does legislation and the provisions of the law contribute to strengthening the complementary relationship between the public and private sectors in the economic field? To what extent do the implemented tax policies contribute to the promotion of the complementary relationship between the public and private sectors in the economic field?

To what extent does the executive and institutional framework contribute to enhancing the complementary relationship between the public and private sectors in the economic field? To what extent does the political situation contribute to strengthening the complementary relationship between the public and private sectors in the economic field?

Objectives of the study: To recognize the impact of the policies and the provisions of the law in enhancing the complementary relationship between the public and private sectors in the economic field. Recognize the impact of tax policies applied in promoting the complementary relationship between the public and private sectors in the economic field. To identify the impact of the executive and institutional framework in enhancing the complementary relationship between the public and private sectors in the economic field. To identify the impact of the political situation in enhancing the complementary relationship between the public and private sectors in the economic field?

Importance of the study: The importance of this study is that it addresses the participatory relationship between the public and private sectors which is an important issue as it has been and continues to attract the interest of researchers and the Palestinian economists to benefit from it as an experiment in the process of building the national economy and its compatibility with the objectives and principles of the sectoral strategic plan for the development of the national economy (2017-2022) in conjunction with the establishment of a joint investment fund of \$ 250 million between the two sectors with the aim of launching and financing investment projects with a high economic and financial edge and to contribute to solving the problems of poverty and unemployment.

The study sheds light on the problems and obstacles that stand in the way of developing the complementary relationship between the two sectors in light of the reality and the modern Palestinian variables and proposing mechanisms and means to create a pivotal role for the private sector in leading economic development alongside the government sector and is complementary to the achievement of society's goals with the optimal use of resources increasing levels of national income and solving the problem of poverty and unemployment.

The study population: The population of the study is defined as all the subjects of the phenomenon studied by the researcher. Thus, the study population is all individuals or objects who are the subject of the study problem. Based on the study problem and its objectives, 9th target population consists of all public sector institutions including ministries, non-ministerial institutions, public bodies and local bodies as well as private sector institutions with a relationship with the public sector.

The study sample: Due to the large size of the study population, the purposeful sample was used in conducting interviews with specialists in the following institutions.

RESULTS AND DISCUSSION

Analysis (answer to study questions and hypothesis)

Instrument scoring: The following distribution of items has been adopted in the process of scoring the items of the study instrument (interview) as follows.

Table 1 interpretation of the percentages of confidence intervals in the scoring was adopted. Table 2 and 3 shows the interpretation of percentages of confidence intervals in scoring the interview items.

Table 1: Study population the purposeful sample

| Institutions | Sectors |
|--------------------------------------|--------------------------------|
| Ministry of Local Governance | Public Sect-Ministryor |
| Ministry of Economy | Public Sector-Ministry |
| Ministry of Labor | Public Sector-Ministry |
| Ministry of Communications | Public Sector-Ministry |
| Investment promotion board | Public sector-local commission |
| Bireh Municipality | Public sector-local commission |
| Palestine bank | Private sector |
| Palestine telecommunications company | Private sector |
| Birzeit pharmaceutical company | Private sector |

Table 2: The distribution adopted in the scoring of the interview items

| Interview items | Scores |
|--------------------|--------|
| A very high degree | 5 |
| High degree | 4 |
| Moderate degree | 3 |
| Low degree | 2 |
| Very low degree | 1 |

Table 3: The interpretation of percentages of confidence intervals in scoring the interview items

| Interview items | Scores |
|--------------------|--------|
| A very high degree | 90-100 |
| High degree | 80-89 |
| Moderate degree | 60-79 |
| Low degree | 50-59 |
| Very low degree | <50 |

Question 1: 1 To what extent does legislation and the provisions of the law contribute to strengthening the complementary relationship between the public and private sectors in the economic field?

Hypothesis: Legislation and the provisions of the law contribute to enhancing the complementary relationship between the public and private sectors in the economic field to a high degree from the point of view of the public and private sectors. Tool used, structured interviews.

Public sector: Table 4 shows the complementary relationship between the public and private sectors.

Private sector: Table 5 shows the enhance the public-private complementarity.

Question 2: To what extent do the implemented tax policies contribute to the promotion of the complementary relationship between the public and private sectors in the economic field.

Hypothesis: The tax policies applied to enhance the public-private complementarity in the economic field are low from the point of view of the public sector and to a high degree from the point of view of the private sector tool used structured interviews.

Table 4: The complementary relationship between the public and private sectors

| WI93. | Items | Ministry of Economy | Ministry of Labor | Ministry of Telecommunication | Ministry of local Governance | Bireh Municipality | Investment promotion board | Total |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|-------------------------------|------------------------------|--------------------|----------------------------|-------|
| 1 | There is a special Palestinian law that establishes and regulates the partnership between the public sector and the private sector, so that, it clarifies the controls and regulatory standards, the control mechanisms and the supervision to achieve the desired objectives in addition to motivating the official authorities to this relationship | 5 | 4 | 4 | 2 | 1 | 1 | 17\30 |
| 2 | The private sector, along with the public sector, participates in the development of economic plans and the creation and development of laws and policies that regulate their relationship, so as to avoid fear of changes in laws and regulations that affect their business | 5 | 5 | 4 | 3 | 4 | 3 | 24\30 |
| 3 | The absence of courts dealing with commercial disputes makes it difficult to attract private investment and enter into partnerships with the public sector | 3 | 4 | 3 | 4 | 3 | 4 | 21\30 |
| 4 | Legislative and legal regulation is not subject to all forms of private sector participation that can be applied under existing laws which casts a lot of ambiguity about forms of private participation (cooperative and contractual partnerships) | 2 | 3 | 3 | 4 | 4 | 4 | 20\30 |
| 5 | The absence of a central body that carries out the policy and programs of partnership between the two sectors with a regulatory reference to its decisions does not stimulate the private sector to enter these partnerships | 2 | 2 | 2 | 2 | 5 | 5 | 18\30 |
| 6 | The absence of certain laws guaranteeing transparency such as a law to prevent conflicts of interest, a law on the protection of whistleblowers and the law on the right to information which is a basic requirement of development and contributes to the opening of public and private sector files to the public to practice their role in monitoring and accountability | 4 | 3 | 3 | 2 | 5 | 5 | 22\30 |
| 7 | The absence of a law to encourage competition and prevent monopoly which is an obstacle to activating the role of the private sector as the prevention of monopolies and the opening of competition contributes to improving the services provided to the public community | 4 | 4 | 3 | 3 | 4 | 5 | 23\30 |

Mean: 145/210 = 69% moderate degree

Table 5: Implemented tax policies contribution to the promotion

| Items | Palestine bank | Birzeit pharmaceutical company | Telecom company Paltel | Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------|------------------------|-------|
| There is a special Palestinian law that establishes and regulates the partnership between the public sector and the private sector, so that, it clarifies the controls and regulatory standards, the control mechanisms and the supervision to achieve the desired objectives in addition to motivating the official authorities to this relationship | 1 | 4 | 4 | 9\15 |
| The private sector, along with the public sector, participates in the development of economic plans and the creation and development of laws and policies that regulate their relationship, so as to avoid fear of changes in laws and regulations that affect their business | 2 | 2 | 3 | 7\15 |
| The absence of courts dealing with commercial disputes makes it difficult to attract private investment and enter into partnerships with the public sector | 2 | 4 | 4 | 10\15 |
| Legislative and legal regulation is not subject to all forms of private sector participation that can be applied under existing laws which casts a lot of ambiguity about forms of private participation (cooperative and contractual partnerships) | 2 | 4 | 4 | 10\15 |
| The absence of a central body that carries out the policy and programs of partnership between the two sectors with a regulatory reference to its decisions does not stimulate the private sector to enter these partnerships | 5 | 4 | 3 | 12\15 |
| The absence of certain laws guaranteeing transparency such as a law to prevent conflicts of interest, a law on the protection of whistleblowers and the law on the right to information which is a basic requirement of development and contributes to the opening of public and private sector files to the public to practice their role in monitoring and accountability | 5 | 5 | 3 | 13\15 |
| The absence of a law to encourage competition and prevent monopoly which is an obstacle to activating the role of the private sector as the prevention of monopolies and the opening of competition contributes to improving the services provided to the public community | 4 | 2 | 4 | 10\15 |

Mean: 71/105 = 68% moderate degree

Table 6: Tax policies applied to enhance the public private

| Items | Ministry of Economy | Ministry of Labor | Ministry of Communication | Birch Municipality | Investment promotion board | Total |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------------|--------------------|----------------------------|-------|
| The tax policies applied encourage the private sector to invest and engage in partnership with the public sector | 2 | 2 | 4 | 2 | 4 | 14\25 |
| The elements of the Palestinian tax system were formulated in the Paris economic convention, a reflection of the fiscal policy practiced by the Israeli authorities, which did not take into account Palestinian private interests and was not supportive of the Palestinian economic development process | 5 | 5 | 2 | 5 | 3 | 20\25 |
| Tax exemptions (Article 23 of the Palestinian Investment Law) encourage the continued improvement and development of the private investment process. These exemptions in public-private partnership projects also promote private sector opportunities to engage in new partnerships from the public sector | 4 | 4 | 5 | 4 | 5 | 22\25 |
| The private sector's failure to pay taxes and tax evasion impede partnership with the public sector | 5 | 4 | 4 | 5 | 4 | 22\25 |
| There is fairness and transparency in taxation and collection, so that, the private sector is encouraged to invest | 1 | 2 | 3 | 4 | 1 | 11\25 |
| Mean: 89/125 = 71% moderate degree | | | | | | |

Table 7: Tax policies applied encourage

| Items | Palestine bank | Birzeit pharmaceutical company | Telecom company Paltel | Total |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------|------------------------|-------|
| The tax policies applied encourage the private sector to invest and engage in partnership with the public sector | 2 | 4 | 3 | 9\15 |
| The elements of the Palestinian tax system were formulated in the Paris Economic Convention, a reflection of the fiscal policy practiced by the Israeli authorities which did not take into account Palestinian private interests and was not supportive of the Palestinian economic development process | 5 | 5 | 4 | 14\15 |
| Tax exemptions (Article 23 of the Palestinian Investment Law) encourage the continued improvement and development of the private investment process. These exemptions in public-private partnership projects also promote private sector opportunities to engage in new partnerships from the public sector | 3 | 3 | 4 | 10\15 |
| The private sector's failure to pay taxes and tax evasion impede partnership with the public sector | 4 | 2 | 3 | 9\15 |
| There is fairness and transparency in taxation and collection, so that, the private sector is encouraged to invest | 1 | 2 | 2 | 5\15 |
| Mean: 47/75 = 63% moderate degree | | | | |

Private sector

Question 3: To what extent does the executive and institutional framework contribute to enhancing the complementary relationship between the public and private sectors in the economic field?

The hypothesis: The executive and institutional framework contributes to enhancing of the complementary relationship between the public and private sectors in the economic sphere to a medium degree from the point of view of the public and private sectors. Tool used structured interviews (Table 4-6).

Public sector: Table 7 shown in the executive and institutional framework contribute.

Private sector: Table 8 shown the absence of a specialized institution.

Question 4: To what extent does the political situation contribute to strengthening the complementary relationship between the public and private sectors in the economic field.

Hypothesis: The political situation contributes to the strengthening of the complementary relationship between the public and private sectors in the economic field to a high degree from the perspective of the public and private sectors: tool used structured interviews.

Public sector: Table 9 shows in the the political situation contribute to strengthening.

Private sector: Table 10 shows economic field to a high degree from the point of view of the public and private sectors.

Study results: In light of the analysis and testing of the hypotheses of the study, a number of results were reached, the most important of which are.

The Palestinian economy is encounters a lack of a partnership law that clarifies the meaning of this concept and the setting of controls and standards governing the contracts related to it and the mechanisms of monitoring and supervision to achieve the benefits of these contracts. In contrast, there are opinions of some of the parties interviewed that there is no need for a special law

Table 8: Absence of a specialized institution

| Items | Ministry of Economy | Ministry of Labor | Ministry of Communication | Ministry of local Governance | Bireh Municipality | Investment board promotion | Total |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------------|------------------------------|--------------------|----------------------------|-------|
| The absence of a specialized institution in the Palestinian National Authority to study the partnership and strengthen the tools to achieve it and the areas that must be implemented, affect the activation of the private sector to ensure an effective and productive partnership in society | 5 | 2 | 2 | 2 | 5 | 4 | 20\30 |
| There is a unified strategic vision at the government level when addressing the participation of private investment in financing and operating these types of projects where they are planned based on actual needs and priorities | 1 | 3 | 4 | 4 | 2 | 4 | 18\30 |
| The weakness of the formal regulatory aspect on the extent to which the private sector is committed to the public interest and the conditions stipulated in the administration of public utilities. Profit represents the primary objective of the partnership contracts which may have a negative effect on the public. Profit and ability of the citizen to bear it | 3 | 5 | 3 | 5 | 4 | 5 | 25\30 |
| The routine procedures of the investment project in addition to the multiplicity of bodies responsible for organizing this participation and the multiplicity of approvals and licenses necessary in an exaggerated manner and this prevents the completion of many participatory projects because it cost the investor a lot of time and effort | 5 | 5 | 3 | 5 | 4 | 5 | 27\30 |
| The absence of an effective administrative judiciary and specialized contracts related to partnership which requires the separation of disputes that result in a high degree of experience in administrative, financial, trade and economic affairs at the same time may reflect negatively on the desire of the private sector and fear of entering into such contracts | 5 | 1 | 3 | 5 | 2 | 4 | 20\30 |
| The spread of the financial and administrative aspects of the private sector on many levels has greatly reduced private capital investment initiatives which have limited its activities to projects with rapid profitability in real estate and imports without any significant interest in the productive sectors | 4 | 4 | 4 | 5 | 4 | 3 | 24\30 |

Mean: 134/180 = 74% moderate degree

Table 9: The political situation contribute to strengthening

| Items | Palestine bank | Birzeit pharmaceutical company | Telecom company paltel | Total |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|--------------------------------|------------------------|-------|
| The absence of a specialized institution in the Palestinian National Authority to study the partnership and strengthen the tools to achieve it and the areas that must be implemented, affect the activation of the private sector to ensure an effective and productive partnership in society | 2 | 4 | 4 | 10\15 |
| There is a unified strategic vision at the government level when addressing the participation of private investment in financing and operating these types of projects where they are planned based on actual needs and priorities | 1 | 2 | 3 | 6\15 |
| The weakness of the formal regulatory aspect on the extent to which the private sector is committed to the public interest and the conditions stipulated in the administration of public utilities. Profit represents the primary objective of the partnership contracts which may have a negative effect on the public. Profit and ability of the citizen to bear it | 5 | 3 | 2 | 10\15 |
| The routine procedures of the investment project in addition to the multiplicity of bodies responsible for organizing this participation and the multiplicity of approvals and licenses necessary in an exaggerated manner and this prevents the completion of many participatory projects because it cost the investor a lot of time and effort | 5 | 2 | 3 | 10\15 |
| The absence of an effective administrative judiciary and specialized contracts related to partnership which requires the separation of disputes that result in a high degree of experience in administrative, financial, trade and economic affairs at the same time may reflect negatively on the desire of the private sector and fear of entering into such contracts | 3 | 3 | 4 | 10\15 |
| The spread of the financial and administrative aspects of the private sector on many levels has greatly reduced private capital investment initiatives which have limited its activities to projects with rapid profitability in real estate and imports without any significant interest in the productive sectors | 3 | 4 | 4 | 11\15 |

SMA: 57/90 = 63% medium degree

to regulate this relationship. The Palestinian economy is characterized as a free economy that does not restrict or

prevent the establishment of partnerships. There are also many laws that regulate the relationship between the

Table 10: The economic field to the higher degree from perspective of the public and private sector

| Items | Ministry of Economy | Ministry of Labor | Ministry of Communication | Ministry of Local Governance | Birah Municipality | Investment promotion board | Total |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------------|------------------------------|--------------------|----------------------------|-------|
| Restricting the Israeli occupation of the movement and the right to move through the checkpoints and control of the border crossings, both in terms of individuals and in terms of goods, in addition to the inability to invest in many areas of the Palestinian National Authority, especially, areas marked by Area C in accordance with the Oslo agreement, Is not attractive to private sector investment | 5 | 5 | 5 | 4 | 5 | 5 | 29\30 |
| The internal political division has led to the disabling of the Legislative Council and thus, to the rejection of the adoption of many important legislation at the level of partnership and non-introduction of legislation in line with the current needs and desires of society | 4 | 5 | 5 | 5 | 2 | 5 | 26\30 |
| The split between the two parts of the country and the political situation led to the suspension of many participative engagements between the authority and the private sector, the duplication of laws and legislation in addition to the double fees and taxes between the West Bank and Gaza which led to the closure of dozens of private companies and institutions | 5 | 5 | 3 | 3 | 3 | 5 | 24\30 |
| The Oslo treaty restrict the ability of the Palestinians to exercise economic development in the occupied Palestinian territories by providing for the protection of the security of Israelis including the settlers which gives Israel full and final influence to tighten its control over the whole area if it deems it necessary. Palestinian territories in any form if the occupation feels that there is a threat to its security | 5 | 2 | 4 | 3 | 4 | 5 | 23\30 |
| The government seeks to mitigate the impact of political agreements and their economic dimensions through strategies that support and enhance the role of the private sector in economic life | 4 | 3 | 3 | 3 | 2 | 4 | 19\30 |
| The current political situation has strengthened the role of the private sector as a strategic economic partner of the government in providing services on a participatory basis where the Authority is taking a participatory approach with the private sector to overcome the existing political problems and eliminate the burden of services in light of the preoccupation of the public sector with political issues | 4 | 3 | 3 | 3 | 3 | 3 | 19\30 |

Mean: 140/180 = 74% moderate degree

public and private sectors in the light of its competence, such as the Law of Standards and Metrology, the Law of the Capital Authority, the law of companies, banks law and other laws specific to each area.

There is a discrepancy between the opinion of the public sector and the opinion of the private sector regarding the participation of the private sector alongside the public sector in the development of economic plans and the creation and development of laws and policies governing the relationship between them. The public sector believes that the laws primarily serve the interest of the private sector and seeks to facilitate their work and interest in their consent. Whereas the private sector believes that there is marginalization of their opinion and their participation in the legislative and legal aspects such as recent tax amendments that have not been discussed with the private sector to create solidarity with all parties to face the coming crisis, especially with the decline of external support and the crisis of the political situation.

The results of the study showed that the Palestinian National Authority is unable to control its fiscal, financial and economic policies due to its economic dependence on the Israeli entity as stipulated in the Paris economic agreement as well as its direct dependence on external financing which is often conditional. All the competent parties interviewed by the public sector and the private sector unanimously agreed that the elements of the Palestinian tax system were formulated in the Paris economic agreement, a reflection of the fiscal policy practiced by the Israeli authorities, this is linked to what came in the fourth domain related to the political situation which we will discuss the results later.

The public sector institutions suffer from bureaucracy which is intended for the routine procedures of the investment project which costs the investor a lot of effort and time during the mobility between the offices and institutions to obtain a license to establish the project in addition to the multiplicity of bodies responsible for

Table 11: The political situation contributes

| Items | Ministry of Economy | Ministry of Labor | Ministry of Communication | Ministry of local Governance |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------------|------------------------------|
| Restricting the Israeli occupation of the movement and the right to move through the checkpoints and control of the border crossings, both in terms of individuals and in terms of goods, in addition to the inability to invest in many areas of the Palestinian National Authority, especially, areas marked by area C in accordance with the Oslo agreement, Is not attractive to private sector investment | 5 | 5 | 5 | 15\15 |
| The internal political division has led to the disabling of the Legislative Council and thus, to the rejection of the adoption of many important legislation at the level of partnership and non-introduction of legislation in line with the current needs and desires of society | 5 | 5 | 5 | 15\15 |
| The split between the two parts of the country and the political situation led to the suspension of many participative engagements between the authority and the private sector, the duplication of laws and legislation, in addition to the double fees and taxes between the West Bank and Gaza which led to the closure of dozens of private companies and institutions | 5 | 4 | 5 | 14\15 |
| The Oslo treaty restrict the ability of the Palestinians to exercise economic development in the occupied Palestinian territories by providing for the protection of the security of Israelis including the settlers which gives Israel full and final influence to tighten its control over the whole area if it deems it necessary. Palestinian territories in any form if the occupation feels that there is a threat to its security | 5 | 5 | 5 | 15\15 |
| The government seeks to mitigate the impact of political agreements and their economic dimensions through strategies that support and enhance the role of the private sector in economic life | 1 | 2 | 3 | 6\15 |
| The current political situation has strengthened the role of the private sector as a strategic economic partner of the government in providing services on a participatory basis where the authority is taking a participatory approach with the private sector to overcome the existing political problems and eliminate the burden of services in light of the preoccupation of the public sector with political issues | 4 | 2 | 2 | 8\15 |

Mean: 73/90 = 81% high degree

organizing this partnership between the public and private sector and the number of approvals and licenses necessary in an exaggerated manner which prevented the completion of many projects (Table 7 and 11).

The difficult political situation resulting from the Israeli occupation and its control over the Palestinian land and the inability to invest in many areas of the Palestinian National Authority, especially, the areas marked by area C in accordance with the Oslo agreement which is under Israeli security and administrative control, despite that it represents majority of the lands of the Palestinian National Authority which contains the largest amount of natural resources such as groundwater and tourism such as the Dead Sea as well as agricultural areas such as the Jordan Valley and other resources as the first assessment comprehensive study of the potential impact of this "restricted land" conducted by The World Bank had reported that the losses incurred by the Palestinian economy as a result of this about \$3 billion in addition to restricting the Israeli occupation of the movement and the right to move through the checkpoints and control of the border crossings both with regard to individuals or with respect to goods, makes this the most difficult obstacle, especially, in the face of the private sector and is a barrier to the state in encouraging the private sector and helping him to play his role in the economy. The division and the internal political rupture have led to the disabling of the Legislative Council and thus, to the rejection of the

approval of many important legislations at the level of partnership. Despite the possibility of issuing laws by a decision of the President, the Legislative Council remains the main legislative body which takes into account the interests of all sectors and represent them in addition to circulating the laws of the Legislative Council approved more broadly at the state level.

CONCLUSION

In addition, it is crucial that the Palestinian Investment Promotion Authority to provide all the services needed by the investors and review the laws and regulations in place to combat corruption and ensure transparency.

RECOMMENDATIONS

Recommendations to the public sector: The creation of a joint public and private sector committee with broad authority to develop the business environment and make it conducive to investment, trade and finance. At the same time, the process of modernization also ensures the protection of consumer rights. This review could include some elements of tax reform, rationalization of the regulatory framework of private sector institutions, reviewing laws on settlement of disputes, dealing with

bankruptcy, accelerating debt collection (possibly through the establishment of a specialized trade court system) and facilitating merging companies and strengthen the judicial proceedings affecting the economic activity of specialized competencies. The establishment of specialized courts for commercial disputes, similar to the civil courts and the rehabilitation of specialized staff in trade disputes with a high degree of experience in administrative, financial, commercial and economic affairs.

Activate the unified window in the Palestinian Investment Promotion Authority, so that, it provides all the services investors need to follow up their administrative transactions, simplify their procedures and facilitate their progress to obtain the licenses and approvals required to carry out their investment and partnership projects from various ministries and other public bodies concerned with investment affairs. Which are needed by the unified window to enable them to carry out their responsibilities both in their area of competence and in accordance with the delegated authority.

Establishment of a special administrative body to follow the contracts of partnership between the two sectors to be supported by all human, financial and technical means while scientific justification and precise reasons for resort to this type of contract (determine exactly what the financial, economic, social and environmental benefits of partnership). Completion of the necessary studies for the project (financial and technical to determine the total cost and risks). Follow-up of the implementation of the project at all stages and throughout its life. The establishment of a tripartite monitoring body (the public sector (the competent authority), the private sector (project managers), trade unions and civil society) shall be equal in representation, monitor, evaluate and submit proposals.

The issuance of the competition law and the prevention of monopoly by the responsible authorities and not to procrastinate in that where the final draft of the law was completed by the Ministry of Economy in 2012 but it was not issued and applied until the date of study.

Activate the role of supervisory bodies that have the authority to control the participation of the private sector in the management of public economic affairs such as the Bureau of Financial and Administrative Control and the Commission on Illegal Profits.

Recommendations to the private sector: Unification of all trade union bodies, unions and other private sector gatherings under one framework representing all members of the private sector and their representative in all fields.

Allocating specific percentages of private sector profits to support scientific research and development and constant coordination with research centers and universities to benefit from the outputs of scientific research and exploitation in the working life and the dissemination of a culture of partnership among members of society. Benefiting from exemptions and incentives provided by the government in creating new investments which will positively affect their profits in particular and the Palestinian economy in general.

Studying the experiences of the private sector in countries that have had economic renaissance experiences, namely Turkish, Malaysian and Brazilian, taking into account the specificity of the Palestinian situation. The need for the private sector to adhere to the financial and tax implications and policies of the government in order to win the confidence of the private sector and civil society. Contribute to the creation of opportunities and improve working conditions by the private sector and encourage this role through the government sector through education and training institutions.

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