

Hamas, Israel and the Transition to a Palestinian State

Written by Robert Mason

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ROBERT MASON, JUL 4 2011

In May 2011 Fatah and Hamas signed a historic unity agreement that will unite Gaza and the West Bank politically for the first time since Hamas won the Palestinian parliamentary elections in Gaza in 2006.[1] The agreement raised the possibility that Fatah and Hamas could overcome substantial issues relating to a transitional government, security arrangements, and a restructuring of the Palestine Liberation Organisation.[2] The move has been facilitated by the Arab Spring and the instability it has created in Syria, Hamas' main financial backer, conduit for support from Iran and home to Hamas' spokesman, Khaled Meshal. The Arab Spring has also affected Egyptian foreign policy regarding the Israel - Palestine conflict. Since Mubarak has stepped down, Egypt has chosen a path of greater independence in its foreign policy choices, which has led to the opening of the Rafah crossing into Gaza as of May 2011.[3] More importantly, the Arab Spring demonstrations in the West Bank and Gaza put pressure on both sides to be transparent and conduct their relations in line with the people's wishes.

Prime Minister Netanyahu's right wing coalition has indicated that a joint leadership of Fatah and Hamas (which does not recognise Israel) in the PNA will not be tolerated. Israel has already implemented punitive economic measures against the Palestinians including its withholding of \$88 million in customs outstanding since the 1993 Oslo Accords.[4] Netanyahu has said that the PNA must choose between peace with Israel and peace with Hamas.[5]

Hamas must choose between remaining outside of the executive branch of the Palestinian National Authority (PNA) if its policies of armed resistance, not honouring past political agreements, and not recognising Israel remain unchanged, or modify its policies according to the pre-conditions presented by the Quartet in order to become a political rather than militant actor. Israel could then have a chance to constructively engage with what could be a new state on its doorstep by September 2011. By doing so, a bilateral final agreement(s) could be facilitated according to the Road Map rather than finding fresh UN resolutions being applied further down the line. Those in favour of considering constructive engagement with Hamas include Shimon Peres, who sees the situation with Hamas in much the same way as with the situation with Yasser Arafat before the Oslo Accords.[6] The implication is that many in Israel believe talks with Hamas will fail, but that it is worth an attempt in order to secure peace for the future.

Facilitating Dialogue

Israeli engagement with what could be a new Palestinian state in September 2011 depends primarily on how Hamas is conceived in a future Palestinian government. The following factors will have significant consequences in how cooperation will proceed:

- The discussions and negotiations within Fatah and Hamas about the role of each and the maintenance of foreign aid and economic development in the West Bank and Gaza
- The ability of the Quartet to get Hamas to renounce violence and take a constructive role in the Peace

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Process

- The posture of the U.S. when the PNA goes to the UN in September 2011 and after U.S. presidential elections in 2012

Foreign Aid and Economic Development

International donors have played a crucial role in promoting the Peace Process and punishing actors who are believed to be obstacle to reaching a final agreement. The EU has already suspended aid to Hamas, although it has been able to channel funds to Gaza through the World Bank, the UN Relief and Works Agency (UNRWA) and directly through the office of the President of the PNA. Aid is now creating a divide between the West Bank and Gaza. The dependency on aid is now so great, (95% of Gaza's industrial operations have been suspended) and restrictions so extensive, that the capacity to generate significant revenues through exports has been replaced with a consumer and aid led economy. Palestinians had referred to the "two state solution" as that being between the West Bank and Gaza.[7] Hamas had to find \$45 million per month for staff and social services in Gaza which been largely paid for by the 'tunnel economy' that it has controlled and taxed over the last four years.[8] The costs to Gaza have continued to mount since there has been no significant inward investment or time to develop large scale infrastructure in Gaza designed to ease internal mobility problems. Some investments have been negotiated and British Gas is scheduled to invest \$1.5 billion in Gaza from 2011, but this is the tip of the iceberg as far as the total demand for FDI is concerned.[9] Fatah and Hamas reconciling should be as much about shorting up financial resources to address deep poverty in Gaza, which increased from 21.6% in 1998 to 35% in 2006, as it is about securing a future Palestinian state.[10]

During the suspension of aid to Hamas, Saudi Arabia has filled some of the funding gaps and is now putting pressure on the U.S. to recognise a Palestinian state if and when the issue is voted on in the UN Security Council.[11] However, it is Israel which represents the biggest financial headache for the PNA. That is because most Gazan industries are now export-oriented for the global economy rather than supplying the Israeli market. However, they remain 95% reliant for their raw materials on imports from Israeli and other firms. This should be a great inducement to Hamas to moderate its policies towards Israel. Aid can be channelled into Gaza regardless of politics, but the pre-conditions necessary for the economic take off of an isolated and encircled territory cannot be achieved without Israeli acquiescence to their cause.

The Role of the Quartet

The Quartet has a unique opportunity to modify its policies and consider a phased, rather than simultaneous, process of Hamas renouncing violence, accepting past agreements and then recognising Israel.[12] In this way Hamas could mimic the same transition that Sinn Fein made during the Irish Peace Accords, when it moved from the political wing of a paramilitary force to take up seats and leadership positions in the newly formed Northern Ireland Assembly under the Good Friday Agreement. In so doing, Hamas would be given a chance to embrace peace through proper recognition and participation in the Peace Process. So long as Hamas and the popular grievances that they represent can be addressed, their transition into political participation should be facilitated. This could be enhanced by the EU recognising Hamas and in trusting the PNA in the West Bank and Gaza (including all the relevant checks and balances) to distribute aid and development funding. With Hamas brought in from the cold, it would give them the opportunity to recognise rather than resist Israel, and then negotiate alongside Fatah.

U.S. Posture in 2011 and 2012

Whether or not the U.S. vetoes recognition of a Palestinian state in the UN Security Council remains to be seen, but a majority in the UN General Assembly (UNGA) should provide the momentum necessary to carry on with the activities associated with state implementation and consolidation. The UN decision could also lead the way for peacekeeping troops to be sent to enforce an internationally agreed-upon border.

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The U.S., as part of the Quartet that has supported the PNA as part of its fundamental mission, would find it difficult not to recognise a two state solution, especially when this aim has formed part of its Mid-East foreign policy under many U.S. Presidents. President Obama may be under some pressure in the lead up to 2012 elections to take a pro-Israeli stance and this is already evident in pushing for demilitarisation in the Occupied Palestinian Territories (oPt).[13] Mitt Romney, the former governor of Massachusetts, and Republican presidential contender says apart from the economy, one of Obama's main weaknesses is that he is not pro-Israeli enough[14] going so far as to say that Obama had "thrown Israel under the bus".[15] However, under Obama defence cooperation with Israel has risen sharply, Iran is under a harsh sanctions regime, and there is anecdotal evidence that younger American Jewish voters are losing their ties with Israel and often support Democrats over Republicans no matter what their position is on Israel-Palestine. All this adds up to a potential second term for Obama to secure his policies towards Israel and Palestine, through the UN Security Council in 2012 after perhaps a slow start in recognising Palestine in September 2011. The Quartet would then be in a good position to push ahead with the final bottom up issues such as the territorial link to secure a lasting two state solution.

Room for Cooperation

The agreement between Fatah and Hamas should be perceived to be a good thing by Israel. It could lead to a contiguous Palestinian state, but requires that the Quartet and Israel do more to assist a Palestinian economy as it gears up for international exports. It is particularly important to revise the obsolete Agreement on Movement and Access (AMA) which would make Palestinian products more competitive abroad. Israel's airport authorities do not currently allow Palestinian cargo to be shipped on passenger aircraft, so the costs of shipping air freight often incur additional charges and follow indirect routes to market.[16] A territorial link, as provided for in the AMA, is also the best way to ensure compliance with UN Security Council Resolution 1860 (2009) that calls for the 'un-impeded provision and distribution throughout Gaza of humanitarian assistance, including of food, fuel and medical treatment.'[17]

Conclusion

Ironically, Israel would be in a better position if it accepted the Arab Peace Plan put forward by Saudi Arabia and addressed the sixty years of UN resolutions that deal with the unilateral decision making of the PNA. That way Israel would benefit from normalised relations with Arab nations and give it time to negotiate a final status agreement(s) with the PNA more thoroughly, in effect extending the Road Map in a way which is more conducive to its national interest. The ex-Mossad chief, Meir Dagan supports this idea, emphasising that Israel must present an initiative or vision rather than being "backed into a corner".[18] By agreeing on a joint vision, even at this late stage, and with the inclusion of Hamas, both sides could settle on the ground issues which would create a framework for the negotiation of final status issues. Much depends on a step change and new beginning between Fatah, Hamas and Israel which the Quartet should facilitate.

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[3] 'Hamas is Itself Divided', *The Economist*, 28 May – 3 June, 58

[4] Mel Fryberg, 'The Birth of a New Nation?', *The Middle East*, Issue 423, June 2011, 24

[5] *ibid*, 25

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- [7] Interview with Abdel-Hafiz Nofal, Deputy Minister, Ministry of National Economy, PNA, 12 September 2010, Ramallah
- [8] Interview with Tim Williams. Movement and Access Advisor, Office of the Quartet Representative, Jerusalem, 14 September 2010
- [9] Interview with Abdel-Hafiz Nofal, Ministry of National Economy, PNA, Ramallah, 12 September 2010
- [10] Deep poverty is defined as a NIS 1,837 budget for a family of six for food, clothing, and housing only, 'Economic Development and Prospects', *Interim Strategy for West Bank and Gaza for the Period FY08 – FY10 and Request for Replenishment of the Trust Fund for Gaza and West Bank*, International Bank for Reconstruction and Development and International Development Association, 25 March 2008, 8
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- [17] 'Security Council Calls for Immediate, Durable, Fully Respected Ceasefire', UN Security Council, available at <http://www.un.org/News/Press/docs/2009/sc9567.doc.htm>
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