



## The Palestinian Political Crisis

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*The conflict between the main Palestinian parties, Fatah and Hamas, is growing. The Fatah-led Palestinian Authority is seeking to weaken Hamas by exploiting the deteriorating situation in the Hamas-ruled Gaza Strip. Deepening the conflict could lead Hamas to break the ceasefire with Israel or force a concession to Fatah, which may result in an agreement between the two parties. Continuation of the conflict will have a significant impact on the Israeli-Palestinian peace process.*

The dispute between the two main Palestinian factions, Fatah and Hamas, began in 2006 after Hamas won parliamentary elections in the Palestinian Authority (PA). Fatah refused to form a joint government and international sanctions were imposed on the Hamas government for refusing to recognize existing agreements with Israel. The political conflict transformed into armed clashes that ended with Hamas' takeover of the Gaza Strip in June 2007. Subsequently, Israel and Egypt initiated the blockade of Gaza. Since then, there have been two competing Palestinian centres of power, the PA, dominated by Fatah in the West Bank, and the Gaza Strip, governed by Hamas, which formally is still part of the PA. Despite negotiations, the attempts to establish a national unity government and conduct new elections have been unsuccessful (the last such attempt was made in January).

In recent months, Fatah has tightened its policy towards Hamas by increasing economic pressure on the Gaza Strip. The pretext was the creation of an administrative council for Gaza by Hamas, which undercuts PA institutions. PA authorities then decided to cut 40% of the fees paid to Israel for electricity supplies to Gaza, which resulted in an energy crisis there. The Authority has also withheld payments for PA employees living in Gaza, allowances for former Hamas prisoners released after the exchange with Israel in 2011, and medical equipment and supplies.

**Situation in the Gaza Strip and Hamas Policy.** Fatah's actions are worsening the already harsh conditions in the Gaza Strip. Inhabited by about 1.8 million Palestinians and fully dependent on external assistance (including Israel), the area is on the verge of a humanitarian and ecological catastrophe. By 2020, the Gaza Strip will become uninhabitable according to the United Nations Conference on Trade and Development report from 2015. The main problems faced by the population include water and electricity supply disruptions, high unemployment estimated at 40% (63% among youth), corruption, and lack of infrastructure destroyed in the conflict between Hamas and Israel in 2014. PA authorities predominantly blame the current dire situation in Gaza on Hamas, not Israel.

The deterioration of Hamas' situation has been fuelled by the diplomatic crisis between Qatar and other Arab states. Qatar is the most important regional ally of Hamas. The country officially donated over \$900 million for the reconstruction of Gaza following the 2014 conflict. Qatar considers Hamas the legitimate representative of the Palestinian people and has hosted Hamas political leaders since 2012. The Qataris' support for Hamas was cited by Saudi Arabia as one of the reasons why it and other Arab states placed demands and sanctions on Qatar, which was forced to expel several members of Hamas leadership in response.

Hamas has taken domestic and foreign policy actions to improve its situation. Changes in the leadership of the organization in February and March led to the rise of some politicians from the Gaza Strip. Among them is Ismail Haniyeh, a former PA prime minister who was elected head of the political bureau, and Yahya Sinwar from the Hamas military wing, who was chosen as the organization's leader in the Gaza Strip. In external relations, Hamas has pushed for an agreement with Egypt, with which relations deteriorated following the 2013 military coup of a Muslim Brotherhood-led government, which was ideologically linked with Hamas. In return for supplying fuel to the Gaza power plant and easing some restrictions on the Rafah border crossing, Hamas offered help fighting an Islamic uprising on the Sinai Peninsula. Hamas is also seeking to improve its relations with Iran and has declared neutrality in the dispute between the Gulf States.

Hamas introduced a new *Covenant* (also known as "Charter") in May with the purpose of improving the international image of the organization. The document distances Hamas from the Muslim Brotherhood and removes unequivocal anti-Semitic remarks. Although it includes the possibility of accepting a Palestinian state within the 1967 borders, subsequently the document denies the possibility of recognizing Israel and rejects "any alternative to the full and complete liberation of Palestine, from the river to the sea".

**Fatah's Actions.** Fatah, which rules the West Bank, is also under increasing internal pressure because of political stagnation, the deadlock in the peace negotiations with Israel, and the difficult economic situation in areas it controls. President Mahmoud Abbas' position was undermined by a hunger strike by Palestinian prisoners in Israeli prisons in April and May. The strike's leader, Marwan Barghouti, enjoys greater public support than Abbas. In addition, Israel and the new U.S. administration increased pressure on the PA to suspend its payments to Palestinian terrorists and their families.

The desire to avoid politically difficult and socially unpopular decisions translates into stricter action against Hamas, which is still the strongest political competitor to Fatah. Such actions also allow Abbas to reaffirm his commitment to the fight against radicalism (to meet U.S. demands) and to strengthen his internal political position. By emphasizing the responsibility of Hamas for the current crisis in Gaza, he aims to reduce support for his rival among West Bank residents (about 30%, according to a March poll). In the long run, Fatah hopes to force Hamas to make political concessions that would allow the PA to regain all Hamas-controlled territory.

**Scenarios.** The current crisis may increase the tension between Israel and the Palestinians. Since the conflict in 2014, Hamas has been trying to avoid confrontation with Israel, but the worsening internal situation may prompt it to break the armistice. Hamas might believe another round of fighting would allow it to redirect social pressure to the outside and, as in previous years, to strengthen international pressure on Israel and boost humanitarian aid to areas it controls. Israel does not want to engage in the Palestinians' disputes, but its indifference could deepen the crisis. Israel conditions any increase in humanitarian aid to the release of imprisoned civilians and the bodies of Israeli soldiers held since 2014.

The dynamics of the conflict between Fatah and Hamas can have a twofold impact on the Israeli-Palestinian peace process. An agreement between the organizations could lead to the establishment of a national unity government and new elections. This would increase the legitimacy and political stability of the Palestinian Authority. At the same time, Hamas participation in the Palestinian government could prompt Israel and the U.S. to suspend the peace process until the group disarms and renounces violence in its political struggle. However, a renewed Israeli-Palestinian conflict in the Gaza Strip would likely mean that President Abbas would have to break off the peace talks because of high internal political costs of continuing. The scenario of Hamas losing control of the Gaza Strip as a result of bottom-up pressure, as Fatah and Israel desire, is less likely. A prolonged crisis can indirectly involve regional states. Egypt has a special role to play here because it can effectively influence the Hamas authorities by controlling the border. Also, Turkey may increase its involvement in the Palestinian issue because of the Qataris' withdrawal.

Solving the crisis as quickly as possible is in the best interest of the European Union. Member States, including Poland, which will join the UN Security Council in 2018 as a non-permanent member, can offer to actively mediate the conflict for the parties and increase humanitarian aid to the Gaza Strip. Escalation of the conflict could bury the opportunities for a peace agreement for years to come and make it difficult to pursue effective EU policies in the region.