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BULLETIN

Gaza War Poses a Quandary for the Palestinian Authority

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The armed conflict between Israel and Hamas puts the Palestinian Authority (PA) in a complex political situation. The war has exacerbated the extreme unpopularity of the PA's ruling Fatah and President Mahmoud Abbas, while Israeli repressions in the West Bank are further worsening public sentiment and the state of the economy. At the same time, the PA is benefiting from greater diplomatic engagement with the international community and is positioning itself to be an integral part of a post-Gaza war political solution.

Situation in the West Bank. Although the ongoing confrontation between Israel and Hamas since 7 October last year has not led to an open and widespread Israeli-Palestinian escalation in the West Bank, the risk of destabilisation remains high. The Israeli military and services regularly carry out special operations (an average of 700 a month, according to UN figures) in key PA cities, which are often accompanied by armed clashes. There are also numerous Palestinian attacks on Israelis, as well as acts of violence by Jewish settlers against Palestinians. Total Palestinian casualties in the West Bank is around 430 dead (combatants and civilians) and around 5,000 injured. The military enforces numerous restrictions on movement for PA residents, including blockades of towns and villages and ad hoc curfews. Israeli services continue demolitions and displacements in the part called Area C, while the authorities are proceeding with new decisions on the expansion of Jewish settlements.

The continued ban on Palestinian workers (around 150,000 people) entering Israel is hitting the West Bank economy hard. The day-to-day operations of the PA were affected in November last year when the Israeli authorities withheld some of the funding provided under bilateral arrangements. The diplomatic intervention of external partners, primarily the U.S. and Norway, eased the dispute in February. The livelihoods of some PA residents are also threatened by the suspension of payments by some donors to the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which operates schools,

hospitals, and other services, following accusations that employees in Gaza were involved in Hamas activities.

Political Implications. The latest escalation of the Israeli-Palestinian conflict deepens a long-standing crisis of support for the PA government, which repeatedly faces accusations of corruption, overly protecting its interests, and subordination to Israel. The most pronounced manifestation of this trend is that the public perception of Fatah leaders among West Bank residents has led to 93% of those surveyed demanding the resignation of President Mahmoud Abbas (PCPSR centre data). Crisis conditions in the West Bank, combined with the humanitarian disaster in Gaza, are encouraging radicalisation, which is reflected in the polls. Since the beginning of the war and the start of the Israeli military operation, support for Hamas in the West Bank has risen again (to 35%) and support for armed confrontation as a tool to achieve political aspirations is indicated by 51% of those surveyed, although those figures are down from late last year (44% and 68%, respectively). With the continued mobilisation of force structures, the PA leadership can suppress possible opposition. Despite the PA's harsh criticism of any Israeli action at the international level, cooperation between Israeli and PA security services continues.

The PA leadership remains a key party in talks on the situation in Gaza and declares its willingness to return to administering the territory once the fighting stops. At the same time, support from external actors (e.g., the U.S. and Arab states) in this regard is officially conditional on the PA

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implementing political reforms. Foreign partners are fundamental for the Palestinian leadership, especially given the antagonistic attitude of the Israeli government, which officially rejects any form of a return of the PA to governance of the Gaza Strip. One result of this pressure, combined with an attempt to respond to the internal situation and other factors, is a change of government has been initiated. In March, Mohammed Mustafa, a close associate of Abbas and head of the Palestinian Investment Fund, took over as PA prime minister from Mohammad Shtayyeh. Mustafa's stated aim is to form a technocratic cabinet and implement a series of reforms in the functioning of the PA . However, the castling of the head of government does not achieve the central aspect of the external and internal criticism, which is the need for a change in the main decision-making centre, namely the president. A significant factor in this context is the still unresolved issue of succession to the 88-year-old Abbas, who serves simultaneously as PA president, head of Fatah, and chairman of the Palestine Liberation Organisation (PLO), the official international representation of the Palestinians. The lack of a designated successor affects the political calculations of the external partners, members of the Fatah leadership, and other Palestinian political factions that want to use the moment of succession to advance their interests. An option under consideration, as indicated by, among others, Arab states, is to force Abbas to move to a ceremonial position, allowing him to retain some influence but with less leverage over day-to-day Palestinian politics. Abbas's other political rivals, specifically Mohammed Dahlan (the UAE-linked, former head of Fatah in Gaza) and Nasser al-Kidwa (former Palestinian foreign minister), have also stepped up their activity.

The war in Gaza is affecting the dynamics of the <u>relationship</u> <u>between Fatah and Hamas</u>. On the one hand, the PA authorities have avoided openly condemning Hamas's actions, officially declaring the necessity of its participation in future political solutions and the reconstruction of the Gaza Strip. Talks involving the Hamas politburo on <u>reconciliation</u> and Hamas's accession to the PLO were held at a meeting of Palestinian factions in <u>Russia</u> in February. However, the negotiations have not tamed the mutual strategic rivalry. For the PA, Hamas's popularity among Palestinians is the most severe internal challenge. Hence, the ongoing dialogue is partly a tool calculated to win over a section of Palestinian public opinion and is used as an element of competition between Fatah factions. Hamas, on the other hand, sees in Abbas's policies and the formation of a new government led by Mustafa measures calculated to permanently deprive it of power in the Gaza Strip, which it cannot accept.

Conclusions and Outlook. Public sentiment and stability in the West Bank remain closely linked to the perception of the current situation in Gaza. Prolonging the conflict will risk further destabilisation. This will additionally undermine the position of the PA, whose abilities remain primarily limited by Israeli actions, from the local level (military operations, settlement development) and bilateral cooperation (economic pressure) to the strategic dimension, including the possibility of a return to Gaza administration or peace process talks. Hence, there will be increasing dependence on foreign partners and their support in both Israeli-Palestinian and intra-Palestinian crises.

At the political level, the desire of the current Palestinian leadership to maintain the existing power arrangement is evident despite changing circumstances and external pressures. This generates the risk that the measures proposed under the new PA government may have the façade of change but will be geared towards preserving the ruling faction's influence. At the same time, the uncertainty over the succession of government and the ensuing interparty rivalry seriously constrain the credibility and effectiveness of the Palestinian position towards the ongoing conflict and its future solutions. There is a growing likelihood that tensions within Fatah will lead to some form of political overreach and force Abbas's departure.

Despite its political weakness, the PA remains the most appropriate actor for future Gaza Strip solutions. However, a return of the Authority to the management and reconstruction of the area would only partially allow it to rebuild internal legitimacy and would be negatively perceived by most Palestinians as compromising with Israel. At the same time, a challenge—difficult to resolve at this stage—from the EU and U.S. perspective (and a discomfiting factor for Israel) is the PA leadership's declarations of the need for cooperation with Hamas in future political solutions for Palestine.