



The Road Out of Gaza

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FEBRUARY 2008

On January 18, 2008, Israel imposed a total blockade on movement in and out of the Gaza Strip in retaliation for rockets that Hamas had fired on the Israeli town of Sderot. In explaining the move, an Israeli defense ministry spokesman stated frankly: “It’s unacceptable that people in Sderot are living in fear every day and people in the Gaza Strip are living life as usual.” What he failed to note is that what has emerged as “life as usual” in Gaza is stunningly bleak. And indeed, what is most remarkable about the current Palestinian situation at all levels—economic, social, humanitarian, diplomatic, and political—is what now passes for normal.

The blockade clearly backfired, leading Hamas not to end rocket fire but instead to destroy portions of the wall dividing Gaza from Egypt. The move—expected by almost nobody but retrospectively an obvious step—led all major actors scrambling to understand the implications. The Israeli leadership ultimately reacted by threatening military action, hinting at the possibilities of assassinating Hamas’s leaders or invading Gaza. While sympathy is in short supply in the Israeli–Palestinian conflict, it is easy to understand how Israel’s desperate measures, while almost certainly counterproductive, come largely because of the feebleness of the alternatives.

Two years after Hamas’s electoral victory shook up the Palestinian political scene, all domestic and international actors still show signs of deep disarray and confusion. On occasion, a political actor shows some short-term tactical ingenuity (as Hamas did in this case by destroying the fence) though clumsiness and knee-jerk reactions have become far more common. And while many visions of better futures have been embraced by various parties—a host of one-state and two-state solutions—no actor has shown the ability to marry any clear strategy to such visions.

Time has not been kind to the slow-footed. Marx’s ironic dictum that everything in history occurs twice, the first time as tragedy and the second as

farce, does not quite capture the situation. In the West Bank and Gaza, tragedy and farce are occurring at the same time. Palestinians have two cabinets—one headed by Hamas in Gaza and one by technocrats in Ramallah—but neither one can truly be called a government and certainly neither represents a state. Israel and the international community have simultaneously imposed extremely harsh sanctions that have driven most Palestinian households below the poverty line and established a host of mechanisms that act to limit the suffering in Gaza to a point short of starvation. In some instances, civil servants are actually paid not to work. International budgetary assistance will only support those hired before Hamas came into office, and in the Gaza Strip they are the employees least likely to show up to their jobs (those who were hired by Hamas, and therefore respect the authority of the Gaza-based ministers and show up for work, are not on the internationally-supported payroll).

On the West Bank, the economic situation is less severe, but the institutional decay is only thinly masked by an international support effort that amounts to an undeclared trusteeship. The international community has proclaimed its support for Palestinian reform and development, but it does not have many places where it can spend money other than paying the salaries of those who work for a non-functioning government.

Even Hamas, the most coherent actor, shows signs of inconsistency and even growing division. Members on the West Bank have begun to feel like spectators rather than participants in the organization. The movement lays claim simultaneously to both Islamic ideological credentials and valid constitutional ones, but it finances itself by taxing smuggling and vice: cigarettes for sale in the Gaza Strip have been spirited in via tunnels and taxed by Hamas. Hamas's parliamentary majority can only ensure a quorum and thus function at present because of a questionable decision by the leadership to allow the photographs of the dozens of imprisoned deputies to vote. But if the imprisoned deputies were released—making it possible in theory for the parliament to function in a more respectable legal manner—the president's aides explain that he will disband the body on the unintentionally ironic grounds that it cannot function.

The ripple effects of Palestinian institutional decay and the Fatah–Hamas division are threatening even the sustainability of what now passes for normal. International, Israeli, and Palestinian actions have led to a Palestinian political chaos that creates problems for everyone and blocks most solutions. In this sense, the problem is not that Palestinian history is moving too quickly, but that it is rushing backwards. Instead of moving toward statehood, Palestine is a failed state—and the failure is deepening by the day.

This essay will discuss first, the economic and political disarray prevailing in Gaza and the West Bank as well as within Hamas and Fatah, and second, the

cumulatively counterproductive nature of international efforts to counteract Palestinian institutional weakness. It will then outline a more long-term international strategy based on restoring Palestinian institutions, encouraging a Fatah– Hamas accommodation, and using regional diplomacy. While the proposed alternative carries real risks, it is far more likely to be more effective in addressing the political impasse and institutional collapse than the current basket of punitive measures, diplomatic negotiations detached from reality, and desperate ameliorative aid packages.

Gaza: A Prison Camp

Historically, Gaza has been poorer and less developed than the West Bank. Like the West Bank, however, its economic viability has been dependent since 1967 on access to Israel and through Israel to the outside world—all goods entering and exiting Gaza must pass through Israeli ports. Israel has also been a major market for Gazan products and labor as well as a source of a considerable portion of its electrical power. Yet since the negotiation of the Oslo Accords, Israel reversed a long-standing policy of removing barriers. Instead, it enclosed Gaza within a fence (and insisted on Palestinian acceptance of the fence in those agreements), allowing people and goods to pass through in accordance with the prevailing political and security situation. The destruction of orchards created a no man’s land along the fence; in 2005 apartment buildings were destroyed to create a no man’s land on the Gaza–Egypt border.

Israel and the PLO reached an agreement in 1993 concerning “safe passage” between the West Bank and Gaza as well as “coordination” of movement between Gaza and Egypt. But the “safe passage” took six years to implement and was cancelled at the beginning of the second intifada, and effectively unilateral Israeli control of the Gaza–Egyptian border continued until Hamas disrupted it in January 2008. The Oslo period did see the construction of a European-financed airport in Gaza and the beginning of the construction of a sea port. But both projects were first halted by donors and then destroyed by Israel during the second intifada, both to restrict movement in and out of Gaza and in retaliation for Palestinian attacks. The political situation had left the Gazan economy in a state of deep and sustained depression even before the victory of Hamas in the January 2006 elections. International donor and aid agencies were beginning to report spreading malnutrition and severe poverty.

After Israel removed its settlements and military bases from Gaza in 2005, virtually its only tools to compel or deter Palestinian actions were even harsher blockades and military force, very blunt hammers indeed. And the entire Strip began to resemble nothing so much as a nail in Israeli eyes when Hamas won the parliamentary elections of 2006, seized total control of Gaza in 2007, and intensified the pace of rocket fire. (In 2007, an average of three rockets per day were launched from Gaza onto Israel). Hamas’s offer of a

cease-fire have been seen by Israeli officials not as a solution but only as evidence that military pressure deeply frightened Hamas's leaders.

The result is a devastating humanitarian disaster. Four-fifths of the population are currently poor and two-thirds in deep poverty. Unemployment will probably surpass one-half of the labor force later this year.¹ In recent months, only limited amounts of essential foodstuffs and fuel have been allowed to enter Gaza. When Israeli officials say that they will not allow a humanitarian disaster, they really mean that they will not allow mass starvation, not that they will prevent suffering. And indeed, starvation has been avoided for four reasons. First, a massive international aid effort—on which most Gazan households now directly depend—has been mobilized and Israel has closely monitored supply levels in order to avert famine. Second, the Gazan agricultural sector has lost all ability for export, leading farmers there to dump their produce on local markets. Third, the Palestinian Authority continues to pay most of its employees (as does UNRWA, a major provider of basic social services); these payments, combined with a surprisingly functional banking system, have kept money flowing into Gaza. Fourth, even before Hamas brought down the border fence with Egypt, extensive smuggling was carried out through underground tunnels. Those tunnels have provided not only an economic lifeline for Gaza but also a financial boon to Hamas, which is believed to be imposing a tax on certain commodities (especially cigarettes) in order to finance its own operations.

The cumulative effect of these actions has been to convert a densely-populated and poor region to an internationally-supplied welfare project; the small size of the Strip and the strictness of the closure also lead to routine (and difficult to contest) descriptions of the area as a prison for its inhabitants. The result can hardly be described as calibrated pressure; instead it is better described as an attempt to shut down an economy encompassing a million and a half people combined with an international effort to mitigate the most severe effects of engineered economic collapse.

The political infrastructure, unlike the economic infrastructure, has not collapsed, but large parts have atrophied. By all accounts, Hamas's seizure of power in June 2007 was followed by improved public security, but that security is provided by a one-party state, its militias, and local warlords and gangs rather than the regular and accountable structures of democratic governance. While most public employees are paid, outside of health and education (two critical social services that have bizarrely limped along throughout all of the vicissitudes of the past eight years), most of the Palestinian Authority bureaucracy has apparently ceased functioning, with civil servants unable to navigate between their local supervisors and their Ramallah paylords. Hamas did seize control of the court system from the Ramallah-based Judicial Council, but it has not gone further than appointing a

small number of judges. In other words, Gaza may have order, but it does not have anything resembling law.

It is not clear how the destruction of the border fence with Egypt will change Gaza's position, but it is likely to provide a mixed blessing at best. Tactically, of course, Hamas's action was brilliant principally because it placed all of its adversaries in such awkward positions. Egypt temporarily felt powerless to resist the flood from Gaza and has partly repudiated its willingness to participate in the full closure of Gaza. Israel has seen its stranglehold on Gaza reduced and now shows some concern not only that supplies will flow into Gaza but also that some Gazans with deadly plans might flow out and strike in unexpected places and ways. The Ramallah government, as it lobbied for control of a restored border crossing, found that it would get none of the credit if it managed to succeed in breaking the blockade—indeed it found itself placed in the politically embarrassing position of being aligned with a return to border controls.

Yet if Hamas succeeded in removing some options from its adversaries and providing relief to Gaza's inhabitants, it is not certain that residents of Gaza or broader Palestinian goals would benefit in the long term. Some greater openness of the border with Egyptian Sinai might diminish the consequences of the Israeli closure, but it would also link Gaza more closely with Sinai on economic and social levels. From Hamas's perspective, de-linking the Palestinian and Israeli economies has been a proclaimed goal, but for Gazan households, it is not clear how much would be gained by linking two poverty-stricken backwaters. And the degree of social and political separation between Gaza and the West Bank—a clear trend since the closure on Gaza imposed in 1994 that was not widely discussed in the past but is now undeniable—is likely to increase with unknown complications for the Palestinian national program.

Hamas Battered but Unbowed

Hamas has paid dearly for its insistence on holding on to power in Gaza—its unity and popularity have come under intense pressure. But it has not reacted by folding; instead it has dug itself in deeper and allowed its most hard-line leaders to seize the initiative and control the agenda.

Islamist movements in the Arab world often take great pride on their careful and deliberate decision making. "Every step is studied (*kull khatwa madrusa*)," their leaders intone in response to queries explaining a decision. Until recently, Hamas has generally followed this pattern. It debated for a decade before deciding to enter the parliamentary elections of 2006. Yet that decision has exposed the movement to enormous domestic and international pressure, and some of Hamas's most powerful leaders have reacted on critical recent occasions by throwing caution to the wind. The result has been a series

of bold moves but also a barely-concealed struggle among leaders who wish to pull the movement in different directions. For instance, on the eve of the 2006 elections, when it became clear that a majority was within grasp—an election that Hamas had entered assuming it would gain no more than a minority presence in the legislature—the leadership rejected advice from other Islamists in the region and decided to pursue victory. After Hamas formed the government, some within the movement and the cabinet worked carefully to break the international isolation by soothing talk and friendly gestures toward Fatah. But others participated in the capture of an Israeli soldier, a move that led Israel to arrest ministers and parliamentarians. When Hamas advocates of a national unity government finally won in 2007, some leaders publicly denounced the agreement and then moved to seize power in Gaza. Thus, the destruction of the border fence with Egypt was but the latest in a series of moves in which some within Hamas present not only the world but their own movement with a daring *fait accompli*.

In many ways, this series of bold moves by some Hamas leaders has been aimed to resist the implications of its fateful decision to participate in a Palestinian Authority constructed as part of an internationally-sponsored set of agreements with Israel. And each move has alternated with an attempt—generally unsuccessful—to move toward integration of the movement as a normal political actor on the domestic and even international scene. When Hamas decided to run, it did so not under its own name but under the banner of “Change and Reform,” hoping to attract non-Islamists to its banner. That effort largely failed, though some independent Islamists were brought on board. After winning the election, Hamas worked again to pull other parties into a national unity government, this time persuading only a few technocrats. When it finally did negotiate a national unity government, it was after tortured negotiations that papered over differences with its new partners rather than resolving them. The same might be said about how it handled internal divisions. While all within the movement felt that Fatah’s actions were provocative and threatening (and backed by a U.S. effort to evict Hamas from the government by force), the seizure of power in Gaza in June 2007—coming shortly after negotiating a national unity government—suggested a coup within the movement.

In sum, a group of hard-line senior leaders (the most prominent of them being Mahmud al-Zahhar and Sa’id Siyam) has effectively prevented any effort within the movement or outside of it to domesticate Hamas. And they have done so without fracturing the organization, a considerable accomplishment considering that some divisions are close to public view. In a recent interview with a Hamas member in Ramallah, I was startled to hear him refer to the movement as “they.” (In the past I had noticed that Hamas supporters tended to refer to the movement in the first person plural as “we”—as opposed to the more self-centered tendency among many Fatah leaders to use “I.”) While

many in Hamas—especially those outside of Gaza—are spectators more than decision makers, the movement is nowhere close to a fissure.

And having seized power in Gaza, Hamas has proceeded to dig itself in. While most Palestinians continue to expect Hamas and Fatah to attempt to come to an accommodation, Hamas has not behaved as if its hold on power is transient. Again, this attitude has surprised its sister Islamist movements in the Arab world. While they took enormous pride in Hamas's electoral triumph, they see their movements as aimed at personal and social transformation. The political arena is a means to an end and the parliament (and even the cabinet) of the Palestinian Authority are structures that Hamas never respected when it did not control them. But after seizing power in June in Gaza, Hamas has insisted that its ministers are still legitimate office holders in a caretaker cabinet despite Abu Mazin's dismissal of them. This position is absolutely supported by the Palestinian Basic Law and to a lesser extent by the streets of Gaza—but nowhere else. Hamas's leaders are not deterred, however; they have now reconvened the Legislative Council, dormant since Israel arrested most of the Hamas deputies on the West Bank. Since Hamas deputies lack a quorum, they have their West Bank deputies participate by phone from undisclosed locations to avoid Israeli arrest and disruption by the Ramallah government. And to complete a quorum, they position photographs of the imprisoned deputies in the chamber and allow them to vote by proxy.

Hamas's self-image as forming the legitimate Palestinian government is not mere posturing: it is supported by the movement's understanding of the law, the election results, and the realities in Gaza. This does not mean that Hamas is governing Gaza solely through legal mechanisms: it has clearly used extralegal measures to impose its control on the streets and contain Fatah and critical voices. But the consistent message it has delivered is that the movement is not seeking to be extricated from the position it has found itself. Just the opposite seems to be the case—when the Ramallah government and the presidency suggested that it could control border crossings in Gaza, Hamas retorted that it had the power on the ground and that they would represent Palestinians in any border arrangements. And while limited mediation efforts between Hamas and Fatah have occurred, Hamas leaders in Gaza are not behaving as if they are the weaker party.

Hamas's public standing in Palestinian society has been deeply tarnished by the violence it used in seizing Gaza and by its failure to address any Palestinian problems. Its refusal to buckle under pressure as well as its tactical adroitness still earn respect, but it would still be extremely hard pressed to repeat its electoral success of 2006. Yet no elections are in the offing; the division of the Palestinian Authority actually saves Hamas from facing the electorate with empty hands.

The West Bank: A De Facto International Trusteeship

The West Bank is no longer the basis of a proto-state. It is an international ward. And while the international effort will keep the Ramallah government alive and afloat, it will not make it legitimate.

Economically, the economic situation is less dire than in Gaza but problems are still severe. Only half (rather than four-fifths) of the population lives in poverty. The share of the population in deep poverty, for instance, has been estimated to hover at about one third of the rate for Gaza. The unemployment rate has been a little more than half that in Gaza.² But the picture is only happy in comparison: movement within the West Bank and access to external markets are severely constrained and uncertain. The brief economic recovery that began with the decline of the intifada has been reversed. And a considerable portion of the area's greater fortune is dependent on a more generous environment for international assistance. Rather than focus on emergency relief, external donors have also given the Palestinian Authority government in Ramallah extensive budgetary support (save for the period when Hamas controlled it, from March 2006 until June 2007). Private economic activity and investment have declined. The result is to turn the West Bank into a more prosperous version of Gaza—an international charity case. And international assistance is largely charity. While there are valiant attempts to design and fund development projects, these do not even allow the economy to run in place. A recent spate of increases in donor funding left international experts scrounging all over the West Bank seeking viable projects to support. Even the Ramallah government's access to its own resources (especially taxation) is dependent on its ability to obtain international diplomatic support.

Thus it is not only an international ward in an economic sense; the West Bank is now governed by an international trusteeship in all but name. There is, to be sure, a popularly-elected president. But there is no functioning parliament and the cabinet consists of an unconstitutional "caretaker," "emergency" government headed by Salam Fayyad, a figure who commands great international respect but whose party won a grand total of two seats in the 2006 elections. While he has promised to bring reform and has sterling credentials in the fiscal arena, "reform" has taken on a new meaning in a Palestinian context. From the birth of the Palestinian Authority until last year, the cause of political reform was generally linked with democracy. At present, the reform is promised instead by a group of technocrats with neither political nor legal basis for rule. Fayyad is joined by ministers who resemble him—highly educated, often with impressive international reputations, but representing nobody but themselves. Many come out of Palestinian NGOs that impressed many with their work over the past decade but were far more dependent on foreign donors than any domestic constituency. In most cases, they govern ministries whose effectiveness collapsed long ago and whose

loyalty they do not command in any case—they are staffed by Fatah stalwarts who are protected by a strong civil service law.

And signs of resentment in Fatah toward the Fayyad government are unmistakable. Many in Fatah were miffed at their party's exclusion from the technocratic cabinet, and some ministers have provoked Fatah resentment by making references to the corruption of Palestine's former leaders. The measure of fiscal responsibility that Fayyad wishes to bring to Palestinian governance is not greeted warmly by the Fatah-bloated bureaucracy. And Fayyad's ginger attempts to take responsibility for internal security could easily lead to tension—or be derailed by—officers or local militias with strong Fatah loyalties. At this point, Fatah is too fractured to bring the cabinet down. And the international respectability that Fayyad's cabinet brings (and the consequent salary payments) makes most in Fatah grudgingly accept the cabinet, reducing their demands to changing specific ministers who have incurred particular ire.

Thus, the political situation has only continued because of the strong international financial and diplomatic assistance the Ramallah government receives. The Palestinian Basic Law gives no support to the Fayyad cabinet's authority—a fact that Palestinians (even many harsh opponents of Hamas) now widely acknowledge, at least in private.³ Many observers find discussions of constitutional provisions irrelevant in the current political context—akin perhaps to lecturing a mob of looters on the necessity of regular and secure property rights for long-term economic growth. Such cynicism is not wholly unjustified given the violence of the events of June 2007. But oddly the legal situation tends to be treated more seriously in many Palestinian circles than it is by outsiders, for understandable reasons. With a deeply divided political system, one seasoned Palestinian political observer told me last May “the Basic Law is all we have left” holding the system together. And in my recent conversations with Palestinians in Ramallah, even those in Fatah acknowledged that there was no legal basis for the president's frequent call for early parliamentary elections and therefore no elections can be imposed against Hamas's will (of course, Hamas's effective control of Gaza is another obstacle).

The necessity to choose between observing the law and clinging to power would become especially acute if Hamas and Israel negotiated an exchange of prisoners that led to the release of the imprisoned parliamentarians. Able to muster an undeniable quorum without the use of either photographs or proxy votes, Hamas would be able to overturn all emergency measures taken by the president and the cabinet and make clear that Fayyad did not have the required confidence of the parliament. Fatah leaders make clear that they would not tolerate such an outcome and would move to disband the legislature. Widespread speculation about such a move—expressly forbidden in the Palestinian Basic Law—only serves to underscore the Fayyad government's

shaky domestic legitimacy. Its continued ability to serve without further shredding the constitutional system is dependent on Israel continuing to hold elected parliamentarians in prison. Just as with the Gaza–Egyptian border arrangements, the Ramallah government finds itself in the awkward position of hoping that Israeli actions aimed against Hamas continue. This only serves to emphasize the international rather than domestic basis of the Ramallah government.

Might this weak position improve if Fayyad and Abu Mazin can show real benefits to Palestinians? Will material and diplomatic progress make Palestinians embrace the government they now experience as sponsored more by international patrons than domestic legitimacy? This is the unmistakable gamble that the United States is leading the international community in making. It is almost certain not to pay off in the short term and may not be sustainable or viable in the long term either.

The strategy is to make Fayyad’s and Abu Mazin’s international connections and legitimacy allow them to lead Palestinians to two kinds of benefits. The first are political—Palestinians are told that if they cooperate they will have a state declared this year and difficult issues addressed soon after that rather than postponed again. The problem is that even enthusiasts of the two-state solution have grown so cynical about diplomacy that it will be difficult to adduce persuasive evidence of progress. Palestinians feel they have been promised a state for a decade and a half. Renewal of the promise is treated as a diversion at best and a cruel joke at worst. Nothing that has happened since the Gaza events of June 2006 has allayed Palestinian concerns that they are being offered meaningless generalities. Of course, it would be possible to couple such diplomatic declarations of intentions with very tangible improvements—removal of road blocks, settlements, large-scale releases of prisoners, and an end to Israeli operations in Palestinian cities. It would take very dramatic steps and not mere half-measures to convince Palestinians that Abu Mazin and Fayyad were delivering something real. There are indications that some in Israel—including the prime minister himself—would like to take some of these steps. But most Israelis are understandably skeptical about making concessions to a government that shows little ability to govern. Distrust is deep on both sides, and generally for good reasons.

What about offering Fayyad and Abu Mazin economic benefits to pass on to their people? This seems even less likely to pay off.⁴ It is true that a massive amount of international aid has been promised and that salary payments have resumed. But this is not a formula for economic development. If the pledges are indeed paid—and experience suggests that only a portion will be honored and that what does arrive will trickle in—most will go to support a gigantic welfare and make-work project despite the best of intentions to invest in long-term development. Prosperity in the West Bank depends on open access to Israel and the rest of the world, and no international aid program can provide

that. Infrastructure projects might be designed to employ workers but any long-term economic benefit they would provide would be dependent on the broader political context. Abu Mazin and Fayyad may be able to hire Palestinians to build roads to nowhere, but that will not make them appear successful.

It should therefore be unsurprising that Fayyad's program has not produced much domestic enthusiasm. Of course, the resumption of salary payments was greeted with relief. Fayyad may impress international donors when he boasts how many he has fired or about subsidies he has cut. But civil servants have been deeply angered by a requirement that they provide proof they have paid their utility bills (which had been ignored in the period when the payroll was not met). In retaliation, their unions—led by Fatah loyalists whose partisanship was sometimes insufficient to induce them to toe the line even when Fatah held all the reins—have threatened to strike the Fayyad government as they did its Hamas predecessor. Fayyad is unlikely to be the extremely rare example of a responsible finance minister responsive to external actors who enjoys domestic adulation.

And even if the policy did show some signs of success, Hamas has shown that it can be resourceful and clever in disrupting diplomatic processes of which it disapproves. A well-timed escalation in Gaza or another move designed to provoke an Israeli response could endanger the basis of whatever Fayyad or Abu Mazin could offer.

If Fayyad's cabinet will have to place its fate in the hands of international supporters just to run in place, can Fatah—reformed, renewed, and chastened by repudiation—present a more viable longer-term alternative?

Fatah: The Struggle for Reform

Fatah's response to its electoral defeat in January 2006 was problematic on several levels. There are signs—but only limited ones—that it may be beginning to learn the appropriate long-term lessons.

Fatah's position after its 2006 defeat was dire but not hopeless. After all, it had run an incompetent and incoherent campaign on a disastrous domestic and diplomatic record, but it had still only narrowly been edged out by Hamas in the national ballot. It still controlled the presidency and enjoyed international respectability that Hamas lacked. Yet rather than licking its wounds and beginning a long-term process of party rebuilding, Fatah leaders reacted in short-term and petty ways. First, they behaved as if they were the party of power by right, momentarily denied office by a fluke of the electoral law—and ready to return by any means necessary, legal or illegal, long before the next election. They threatened early elections, encouraged strikes, collected

international support, used civil service positions to disrupt the cabinet, and acted as if some security services were a party preserve.

Second, leaders continued the disastrous internal rivalries and backbiting that had contributed so heavily to their electoral defeat, resembling nothing so much as a group of passengers on a sinking ship elbowing each other for seats at the captain's table. Palestinians in the West Bank see little sign of a shift in Fatah's organizational culture, and the eagerness of some leaders to hold on to the few remaining pockets of power with perquisites (such as the president's office or the party's senior leadership bodies) do not inspire confidence.

Third, Fatah's leaders have ignored internal party processes and structures, viewing them either as irrelevant to the party's mission of regaining power or as party fiefdom's to be won in order to stave off rivals. These flaws are not simply personal failings of individual leaders but are closely connected to the organizational culture that developed in Fatah, especially under Arafat's leadership.

But this last mistake may also prove the last glimmer of hope for the party, since it allowed the process of party rebuilding to inch along, surviving largely on the neglect—benign or otherwise—of its most senior leaders. In practice this meant that local branches went through the steps of defining their memberships, devising ways to involve them in party affairs, and holding local branch elections. The internal reform process was tied to the holding of the first party congress since 1989—a long promised but frequently postponed event (indeed, one of the frequent criticisms that Fatah reformers made of Yasser Arafat in the Oslo period was that he procrastinated on the congress). In 2005, a date was actually announced. The congress was to convene on Arafat's birthday, but, perhaps true to the late president's memory, the event was postponed yet again.

It may now finally take place. All arrangements for the party congress—including basic questions like where to hold it and when, what the agenda will be, and who will attend—are still contested, but the progress of grass-roots elections (completed in most but not all of the West Bank and Gaza) and senior preparatory committees has led the leadership to speak of holding the event as soon as this spring.

The few who still place their hopes in Fatah have a series of easy benchmarks with which to judge the party's climb back to relevance. First, does the party congress actually take place? Second, does it result in the clear emergence of a new generation of leaders and will those who led the party so ineffectively in the past be held accountable? Third, does the new leadership act coherently rather than absorb its energies with internal rivalries and backbiting? And fourth, does it begin to pay attention to the party's local branches and grass roots (making good on its plan to drop references to “democratic centralism”

inside the party and instead practice unadulterated internal democracy)? Fatah is still something unusual in the Arab world—a party with a viable mass base. But it must discover ways to maintain that base’s loyalty with something other than revolutionary rhetoric and patronage.

The tasks before Fatah will be hard to meet simultaneously. To maintain unity among leaders while also being more responsive to a diverse constituency is an almost contradictory task. It is not certain Fatah can accomplish either, much less both at the same time. If Fatah instead continues its slow decay, is there any organization that can step into the breach? There has certainly been much talk of alternatives among some Palestinians. The leftist factions have never given up hope, though their following now is quite small. Civil society activists in the 1990s, wealthy businessmen, and Fayyad himself are often discussed as possible leaders for new political parties. But the work of building a party takes place over years and decades, and there is little sign right now that any of these ideas is linked to the sort of sustained, long-term effort required.

The International Role in Weakening Palestinian Institutions

The deep institutional decay afflicting Palestinian politics has many victims—Palestinians themselves, their Israeli neighbors (and those in Jordan, Egypt, and even Lebanon), and the international actors who have invested huge amounts of aid and diplomatic capital in Palestinian development and an Israeli–Palestinian settlement. But many of these victims are very much implicated in the problem. The Palestinian leadership under Arafat seemed at times based on the principle of institutional disorder; the shortcomings of the current leadership have already been made clear. The Israeli government under Ariel Sharon explicitly based its approach on the idea that the Palestinian president was irrelevant and all but overtly worked to undermine the Palestinian Authority, an admittedly soft target. Palestinian and Israeli leaders had some understandable reasons for making the choices they did, but both societies are now paying an expensive price for those decisions.

But the most surprising member of the coalition to weaken Palestinian institutions was the international community. Led by the United States but joined by the European Union and members states as well as a host of international organizations, the vast international effort to build and reform the Palestinian leadership has to be viewed as a failure. To be fair, the effort was not completely counterproductive, since the creation of the Palestinian Authority and its continued existence, however tenuous, have depended on international diplomatic and financial support. But that support, while substantial, has been so mercurial in intentions and so short-sighted in its agenda that the effect has been to pummel those institutions with rapidly

shifting and sometimes contradictory demands made more in response to last week's headlines than next year's needs.

This can be illustrated most directly by considering the bizarre contortions surrounding the institution now at the center of international efforts to create and sustain viable Palestinian institutions: the presidency of the Palestinian Authority. Created in part as a result of a series of bilateral Israeli–Palestinian agreements signed between 1993 and 1995, the presidency has lived its entire short career buffeted by international concerns (chiefly involving security, violence, and the peace process), many of which now seem ephemeral indeed. Actually, to refer to the Palestinian “president”—as U.S. and Israeli leaders now routinely do—obscures the strange and forgotten fact that at its birth, the position was one that dared not speak its name in English. Suspicious that referring to the title of the position was somehow connected to Palestinian statehood—an issue reserved for negotiation at a later date—Israelis and Palestinians locked horns over whether to refer to the “president” or “chairman” before compromising on the *ra'ees*, the Arabic word that refers to either. Having successfully found an alternative to the term “president,” however, Israeli and U.S. officials forgot their reticence about the vocabulary of statehood and gave clear public support when the occupant of the office created “state security courts” to try those accused of attacking Israelis. These courts—operating directly under the presidency—convicted those in front of them with ruthless efficiency, sometimes in a matter of minutes and on occasion in the middle of the night. The peace process that could not call the president by his title took its first step toward openly acknowledging Palestinian statehood by praising kangaroo courts.

And the willingness to back an authoritarian presidency continued up until the collapse of the peace process and the eruption of the second intifada in 2000. In the 1990s, Israel transferred the Palestinian share of tax revenues to an account controlled by Arafat rather than the Palestinian treasury; for its part, the United States muted any criticisms of Arafat's domestic record. But with the intifada—and the decision of Israel and then the United States to treat Arafat as a pariah, personally responsible for the violence—the Palestinian presidency suddenly became unspeakable again. A concerted and successful effort to isolate Arafat diplomatically and physically ended with Israel not merely besieging him but destroying his office complex in Ramallah room by room. (The U.S. treatment of Arafat was less severe but its boycott has outlived Arafat himself as U.S. diplomats and President Bush himself studiously avoid the late leader's tomb, immediately adjacent to Abu Mazin's office.) In 2002 and 2003, Palestinian reformers who had languished without much international support for years suddenly found more diplomatic enthusiasm than they wanted for their project of transferring authority from the president to a prime minister and a cabinet accountable to the parliament. Having succeeded in diminishing the president, however, the international community showed little enthusiasm for continuing the reform process.

Efforts to support the reformed system and the prime minister were surprisingly lackadaisical.

Following the Hamas electoral victory, however, the Americans led the international community in desperately embracing the presidency once again. Indeed, it became one of the few Palestinian institutions the Americans would deal with. Financial assistance, security training, and diplomatic contact were now routed through a small office with weak constitutional authority and shaky popular standing in order to avoid any institution that had any official appointed by Hamas at its head. The Bush administration gave Abu Mazin explicit and enthusiastic support when he acted in direct contradiction of constitutional provisions that it had earlier helped force his predecessor to accept.

Each one of these decisions—to resist signs of statehood, to back Arafat, to isolate him, and to isolate Hamas—made perfect sense in terms of the prevailing logic of the day. Yet the cumulative effect has been to undercut Palestinian institutions in a manner befitting only analogies with toys and other playthings. Palestinian institutions have been treated like yo-yos or perhaps as clay to be molded and remolded by the pressing diplomatic needs of the moment. So when diplomacy requires a viable Palestinian leadership—as it does now for both short-term and long-term reasons—there is none to be found.

Finding a Way Out

There is a clear international strategy to deal with the current impasse, but it will not work. The effort led by the United States now aims to support the Ramallah government fiscally and diplomatically, allowing it to accumulate an impressive record and deliver to the Palestinian people. But the current level and nature of international support will not earn Abu Mazin and Fayyad the ability to speak authoritatively for Palestinians. Even if an agreement were negotiated, there would be no way to allow Palestinians to vote on it, much less implement it. And Hamas has many different tools that it can use to disrupt any progress that does occur. The ostensible thrust of efforts—to strengthen Palestinian institutions—will be undermined by the current set of tactics.

But that fundamental goal of strengthening Palestinian institutions makes sense and represents the only hope of escape from the current impasse. There is no way out for Palestine unless political structures are revived that represent, speak for, and can deliver Palestinian constituencies. This can only happen if there is an end to the current Palestinian cold civil war. The option of military victory by one side is simply not open at present. That leaves only the solution of restoring the status quo before the civil war turned hot briefly last June:

Hamas must relax its hold on Gaza but be allowed to return to the cabinet; the parliament must be reconvened and constitutional government restored.

Such a solution requires a return to a national unity government. At one point, it was probably preferable to have Fatah go into the opposition and develop itself as a real alternative to Hamas, but that option died as a result of Fatah's short-term maneuvering in 2006 and Hamas's violent seizure of Gaza in 2007. Now it is necessary that Fatah and Hamas learn to live with each other and allow Palestinian institutions to re-establish themselves. If managed adroitly, the restoration of the Palestinian Authority would also allow a path out of the international impasse which embroils the region. Such a careful approach would involve:

- Restoring constitutional rule by following the terms of the Basic Law. Not only would a return to constitutional rule provide the basis for more order in Palestinian society, it would also provide what might be the most likely way to either tame Hamas or ease it out of office—another election. Without a Fatah–Hamas agreement, no election is possible. With an agreement to return to constitutional rule, presidential and parliamentary elections are due in 2010. There is no reason to rush this date forward, especially since earlier attempts to do so contributed to Hamas's decision to seize Gaza in the first place. Over the next two years, Hamas will either have to deliver on its promise of change and reform or face voters who will have reconsidered the wisdom of their choice in 2006. Fatah would be very well served as well by focusing on facing the voters in two years rather than ousting Hamas tomorrow. Such a restoration is a precondition for—not an obstacle to—viable Israeli–Palestinian diplomacy. Absent any agreement to restore constitutional rule, there will be no mechanism to implement—or even vote on—the outcome of any Israeli–Palestinian negotiations.
- Returning to something like the Mecca agreement. While the agreement between Hamas and Fatah brokered by Saudi Arabia in Mecca last year was more loophole than text, it did provide a basis for the Palestinian Authority to govern and for Abu Mazin to negotiate with Israel in his capacity as chairman of the PLO.
- Using, rather than undercutting, regional diplomacy. Hamas does not listen to the United States and Israel, but it does respond to Egypt and Saudi Arabia. There may even be circumstances in which Hamas's Syrian hosts might be brought into the effort to circumscribe Hamas's freedom of maneuver. Arab countries have their own reasons for deep concerns over Hamas's rise. For instance, Egypt has tossed Hamas's Islamist counterparts in prison and the Saudi government is allergic to destabilizing regional forces. But both have invested considerable

effort in bending Hamas rather than breaking it—sometimes with real effect.

The path advocated here is not one of “engaging” Hamas. Whether Israel, the United States, and European officials deal openly with Hamas members is not necessary for a restoration of the pre-June 2006 arrangements to work. Nor is “engagement” nearly as significant an issue as it is often made out to be. Direct diplomatic contact probably offers fewer benefits than its enthusiasts hope. (It would primarily lead to greater mutual familiarity and facilitate communication; it would be unlikely to lead to any significant changes in Hamas’s positions at least in the short term, especially since the movement boasts that it will not be like Fatah in seeking to please international interlocutors). Neither would such contact likely cause significant harm. Hamas draws its legitimacy from what it says and does domestically, not from its ability to hobnob internationally. Whether such contacts take place, it probably does make sense to communicate to Palestinians that the international community is likely to have a far easier time dealing with those who work toward the goal that Palestinians themselves continue to favor—a two-state solution.

The path advocated here would require a modicum of calm on the Israeli–Palestinian front. While Hamas has indicated a very strong interest in a bilateral cease-fire, Israelis are understandably quite concerned that any cease-fire would only be an opportunity for their mortal enemies to regroup. To be coaxed into such an arrangement, Israel would need to be convinced that the cease-fire offered both short-term and long-term benefits. While the Israeli leadership is extremely skeptical in this regard—as is Israeli public opinion—it is oddly likely to be far more open to the idea than the American leadership, for whom the idea of a *modus vivendi* with Hamas is summarily dismissed. The skeptical Israeli and dismissive American attitudes are based on a solidly-grounded fear: Hamas prides itself on taking a long-term view and on holding to fixed principles (including rejection of Israel’s legitimacy) and is likely to agree to a cease-fire only because it sees such a move as furthering its goals.

The risks of a strategy of ensnaring Hamas in traps laid by public opinion (expressed in part through elections), Arab diplomacy, and Palestinian political procedures are very real. But the path seems far more likely to pay off—both in security and diplomatic terms—than the current strategy of total isolation, abstract diplomacy, aid, and intermittent military operations.

Notes

1 United Nations Office of Coordination for Humanitarian Affairs, “The Closure of the Gaza Strip: The Economic and Humanitarian Consequences,” December 2006; available at www.ochaopt.org/documents/Gaza_Special_Focus_December_2007.pdf.

2 See, for instance, the economic data collected by the World Bank in its October 2007 “West Bank and Gaza Update,” www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2007/12/26/000020953_20071226115339/Rendered/PDF/419640GZ0ENGLISH0WBG0update0nov07.pdf.

3 I have explained the legal and constitutional situation in “What Can Abu Mazin Do?” Carnegie Web Commentary, June 2007, <http://www.carnegieendowment.org/files/AbuMazinUpdateJune1507.pdf>.

4 For a healthily skeptical analysis of the international strategy to focus on the West Bank emphasizing the economic situation (but also including the political), see Mohammed Samhuri, “The “West Bank First” Strategy: A Political-Economy Critical Assessment,” Working Paper Number 2, Brandeis University Crown Center for Middle East Studies, October 2007, <http://www.brandeis.edu/crown/publications1/wp/WP2.pdf>.

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