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### The PA in 2019: Challenges and Sources of Threat

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# The PA in 2019: Challenges and Sources of Threat

Khalil Shikaki

It is increasingly becoming clear that the Palestinians will find themselves in 2019 simultaneously confronting several challenges, a situation unparalleled since the end of the second intifada at the end of 2004. At once, they might find themselves confronting an American peace plan they reject, a West Bank-Gaza Strip split intensifying into permanent separation, a financial and economic crisis that threatens to halt the work of many public institutions and reduces the ability of the Palestinian Authority (PA) to pay salaries to its public sector, and an internal political crisis that questions the legitimacy of the political system as a single political faction finds itself dominating the PA without electoral legitimacy.

The ability of the PA to survive under these conditions is possible, but not certain. The aim of this paper is to explore these challenges, to analyze the role played by various players, such as Israel, the US, Hamas, and the PA and its leadership, in destabilizing the PA, and to present various recommendations that seek to strengthen the ability of the Palestinians to successfully confront these challenges.

## Four Challenges

Needless to say, the failure, since the Oslo Agreement was signed, to end the occupation and build an independent Palestinian state has been the greatest challenge to the Palestinian national movement. This failure has deprived the Palestinians of freedom, self-determination and sovereignty over their own land and to exploit their resources and develop their economy. It has allowed the consolidation of the occupation by multiplying the size of the settler population by four times. The failure to reach a peace agreement captures the essence of this crisis as negotiations took place with Israeli political parties that represented the range of the political spectrum, from the left to the right, and under an American sponsorship representing Republicans and Democrats alike.

On top of these conditions, the chances for a successful American peace initiative seem slim to non-existent. The Trump Administration is the most pro-Israel since the creation of that state. Israeli negotiating positions today represent the most hardline Israeli stance since bilateral negotiations began. These positions deny the Palestinians their most minimal needs in a peace settlement. Moreover, the regional environment is not conducive to reaching an agreement, as the major Arab countries are preoccupied with the Iranian threat and the war against terror, and many of these countries, such as Egypt and Saudi Arabia, are willing to work with Israel, even if covertly, thereby giving it an incentive to marginalize the Palestinian issue and to exploit the opportunity to normalize its relations with these countries.

Moreover, the current PA boycott of the Trump Administration limits Palestinian ability to influence the American decision making and reduces PA input into the design of the US peace plan. The boycott makes it possible for president Donald Trump to punish the Palestinians in ways that affect their vital interests in various issues, such as UNRWA, refugees, PLO representation in Washington DC, American economic and security support, and others. It is likely that the Palestinian side will reject the American peace plan that might be presented to the two sides after the holding of the Israeli elections in April. It is almost certain that a negative Palestinian response to the plan will have consequences that might damage the PA's economy and its ability to deliver services to the public. The US reaction might also create conditions that could signal a green light to Israel to annex one or more of the settlement blocs or to greatly expand settlement construction thereby eliminating the option of a two-state solution.

The ability of the Palestinian side to confront this fast-approaching challenge is constrained by the PA failure to deal with a second challenge: the internal fragmentation and the repeated failure to achieve reconciliation and reunify the West Bank and the Gaza Strip. The PA decision, in December 2018, to dissolve the Palestinian Legislative Council (PLC) indicates that the PA has concluded that the road to reconciliation and reunification is now closed. That decision, and Hamas' response to it, also demonstrate that Fatah and the Islamist faction continue to contribute, intentionally and unintentionally, to the deepening of the split, ultimately making it permanent. Despite the fact that the PLC has not met since the split in 2007, it served as a symbol of the territorial unity of the PA in its two geographic areas, the West Bank (including East Jerusalem) and the Gaza Strip, just as the PLO's National Council (PNC) serves as a symbol of the unity of the Palestinian people and its representation despite the fact that the PNC has not met for 20 years before its last meeting in 2018 (with the exception of an emergency meeting in 2009). Similarly, the dissolution of the Reconciliation Government and the effort to form a new government serve a similar purpose in diminishing the chances for reunification. It is true that the reconciliation government has contributed to deepening the split through the implementation, without reservation, of the decisions of the PA leadership to impose sanctions on the Gaza Strip that included reducing Gazan access to electricity and other services and reducing the salary payment to PA employees from the Gaza Strip. Nonetheless, it is the only remaining public institution that was formed by a joint Fatah-Hamas consultation expressing the intention of the two sides to work together.

Imposing sanctions on the Gaza Strip, dissolving the PLC, and replacing the reconciliation government with one controlled entirely by Fatah will most likely consolidate the split and open the door to further isolation of the Gaza Strip thereby making it possible for Israel, Egypt, Qatar, and other players to work together to indirectly strengthen Hamas' control over the Strip in the hope of preventing the collapse of that Hamas-controlled area and to ease the severe humanitarian conditions prevailing there today in order to prevent the eruption of another Hamas-Israel war or the transformation of that area into a safe haven for terror against Egypt and Israel. A successful conclusion of a long-term deal in the Gaza Strip, facilitated by financial support from some of the Arab countries, such as Qatar or the United Arab Emirates, might force the PA to impose additional sanctions against the Strip which might include stopping all salary payments and reducing financial and administrative services in health, education, and others areas. Such escalation, while aiming at preventing the establishment of a Hamas mini-state in the Strip, could quickly lead to a permanent separation between the two geographic areas of the PA regardless of the good intentions of all those responsible.

A third challenge, the threat to the financial stability and economic growth of the PA, reduces the ability of the PA to address the first two challenges. The ability of the PA to deliver services to Palestinians in the West Bank and the Gaza Strip is linked directly to its economic conditions and financial stability, both linked to the level of financial and economic support from donor countries and the willingness of Israel to implement its commitment to transfer the custom revenues it collects on behalf of the PA. The suspension of the American civil and security assistance and the Israeli partial or full suspension of the transfer of PA funds will dramatically increase the PA financial deficit and will constraint its ability to pay salaries or provide critical social and security services it currently provides. There is no doubt that the PA can continue to shoulder its financial responsibilities for a year or more, as long as various Arab and international donors continue to provide critically needed budget assistance. However, this ability will gradually diminish and it is not certain that the PA will be able after that to enforce law and order or provide full educational, health or social services for most of the Palestinian areas, particularly those located outside the main cities. Moreover, any serious economic deterioration or financial instability will greatly impact conditions in the Gaza Strip leading to economic strangulation and possible armed conflict that can only dramatically worsen the current humanitarian conditions.

A fourth challenge, a growing public questioning of PA legitimacy, will further complicate the efforts of the Palestinian leadership to deal effectively with American and Israeli efforts to block the road to a quick end to the Israeli occupation and the establishment of a Palestinian state. In the absence of presidential and parliamentary elections, and given the one-party rule currently prevailing in the West Bank despite the fact that this party had in fact lost the last Palestinian elections in 2006, the PA cannot gain a significant measure

of public trust. Public questioning of PA legitimacy is currently accompanied by a total absence of formal accountability in the political system, a severe weakness in the independence of the judiciary, and constraints on free expression and on the independence and pluralism of civil society and non-governmental organizations. All these shortcomings are the product of policies pursued by the PA leadership during the past 12 years.

Needless to say, it was Hamas' 2007 resort to violence to resolve a domestic political conflict that provided the trigger to all these ills. But it is also true that it was the non-democratic, and sometimes the anti-democratic, nature of the PA ruling elite, particularly during the past six years, that closed the door to any meaningful accountability or to any opportunity to transition to any measure of democracy. Most members of this elite did not appreciate the meaning of democracy and viewed it as imposing unnecessary constraints on their pursuit of control. Moreover, the intra-Fatah conflict, particularly between president Abbas and Mohammad Dahlan, a PLC member from Fatah, left its destructive impact on the PA as it provided the impetus to release it from any serious commitment to the Basic Law or rule of law. In disregard to rule of law and the Basic Law, the PA leadership gave itself the power to annul the parliamentary immunity of Dahlan and some members of the PLC, to interfere in the functioning of the judiciary, and to constrain the work of Palestinian NGOs. Moreover, the absence of international scrutiny of PA's authoritarian tendencies, particularly from the EU and its member states, and particularly since the deterioration of the Arab Spring into civil wars and terror, contributed to removing any serious brakes on the way to one-man rule in the Palestinian political system.

A huge loss of public trust in the PA and its government was one of the severest consequences of this absence of legitimacy and the slide to authoritarianism. This loss of trust was demonstrated in the internal fight over the Social Security Law between the PA and the Palestinian civil society. Distrusting the PA manifested itself in other occasions such as when the PA could not mobilize a large public mass to protest against the American decisions regarding Jerusalem, such as the Trump Administration recognition of that city as the capital of Israel or when the US actually moved its embassy to Jerusalem. It is expected that this distrust in the PA will pose an additional impediment to PA efforts to mobilize public opposition to the US "Deal of the Century" or Israeli measures to expand or even annex settlements.

## **Six Sources of Threat**

Addressing the four challenges described above requires an understanding of the main sources of threat to PA stability. There are three external sources and three internal ones. The external sources of threat include Israel, the US and several regional powers. The three internal sources include Hamas, the PA leadership and ruling elite, and the absence of a constitutionally sanctioned process to select a successor to president Abbas. Israel plays the most important role: it is the occupying power and the most able to threaten PA stability and indeed survival. Israeli settlement expansion and confiscation of Palestinian land pose a threat to the integrity of Palestinian territories and could in the medium term permanently close the door to the two-state solution. Moreover, settlers' violence poses a threat to the security and safety of Palestinians in rural areas and expose the failure and incompetence of the PA to provide a minimum level of security to areas outside the main Palestinian cities. Israel controls the main sources of Palestinian wealth, such as land, oil, and water and collects custom duties that provide a lifeline for the PA and its institutions, as these funds constitute the lion share of PA salary payment to the public sector. Roadblocks and checkpoints erected by the Israeli army to protect settlers are able to paralyze movement on Palestinian roads, diminish growth, and weaken PA ability to enforce law and order. Israeli army incursions into Palestinian cities pose a severe moral threat and serve as a source of humiliation to the PA and its security services. Israeli control over Palestinian land in area C eliminates any possible expansion or reconstruction of PA infrastructure by blocking plans for new roads and highways, laying pipes for electricity, water or communication lines, or to build new cities or exploit these areas for tourism.

Current unconditional US support for Israel provides the occupying power with the capacity to maintain its occupation of Palestinian land. The US international stature poses a direct impediment to PA efforts to utilize

the international system as an effective tool in ending the occupation. Moreover, the US uses its economic support to the PA as a means of pressure to force it to change its policy and forgo available option (the case of joining the International Criminal Court was one such example) or to suspend financial support to force the PA to reengage the US peace team. The PA suspended contacts with the Trump Administration immediately after the US recognized Jerusalem, in December 2017, as the capital of Israel. The US can use its international political and financial status to impose further sanctions on the PA that could hinder the activities of the Palestinian banking system, prosecute members of the ruling elite in American courts as terrorists, suspend existing commercial agreements and other facilities provided by the US to the Palestinian private sector, impose restrictions on Palestinian travel to the US or even withdraw American recognition of the PA passport. The US can use its monopoly over Palestinian-Israeli peace making in order to destroy the two-state option. Indeed, it can do so directly by encouraging Israeli settlement expansion and confiscation of Palestinian land or by submitting plans that aim at creating a Palestinian entity, or a protectorate, under Israel's security control, one without sovereignty over parts of East Jerusalem or over Muslim and Christian holy places in its Old City, and without a just solution to the refugee problem. Submitting such ideas is tantamount to closing the door for a peaceful Palestinian-Israeli settlement for a long time to come.

The third source of threat comes from regional actors. For example, Iran arms one Palestinian faction against another and promotes policies that contradict those of the PA. If successful, Iran has the potential of significantly destabilizing the PA and threatening its security. Different regional powers, with good intentions, can contribute to the consolidation of the split. For example, Qatar's, and even Egypt's, support for Hamas, while aiming at ending the split and preventing the deterioration of the humanitarian conditions in the Gaza Strip, can strengthen its control over that area and weaken PA leverage over the Islamist group. Finally, it goes without saying that a close Arab-Israeli coordination with Israel, while aiming at containing Iran, might create conditions in which Arab players, such as Saudi Arabia, might lend support to the American peace plan despite a Palestinian assessment that the plan neither fully ends the Israeli occupation nor insures the creation of a truly independent and sovereign Palestinian state.

Internal sources of threat to PA stability start with Hamas. Hamas' resort to arms to settle intra-Palestinian quarrels created a state of animosity and fear in the political system leading to greater willingness on the part of its rival, Fatah, and the PA leadership to exclude that group. Hamas has essentially made itself enemy number one to the PA and the Palestinian president and the perceived threat it poses has been one of the main reasons for the continued and sustained security coordination with Israel even after the Oslo process was announced dead by the PA. Moreover, Hamas' exclusive control over the Gaza Strip is detrimental to Palestinian national unity, greatly harming the prospects for rule of law and eliminating any chance for a transition to democracy. Hamas' own example of authoritarianism, in the model it crafted in the Gaza Strip, damages public confidence in democracy and raises question marks in some quarters regarding that system's appropriateness to Palestinians.

Furthermore, Hamas' insistence on maintaining its armed wing and militia and its use of these forces in internal conflicts, as demonstrated in 2007, place a huge impediment to reconciliation and make it impossible to create a system that enjoys monopoly over coercive force. In the West Bank, Hamas' resort to armed attacks against the Israelis destabilizes the PA and places it in constant fear of a Hamas use of force to achieve political ends, including the possibility of violently taking over control over PA institutions, if and when the Islamist faction manages to rebuild an effective armed wing. It is becoming clear that the internal Palestinian power struggle has acquired a military dimension, one that will be impossible to neutralize unless all rival political factions are disarmed. Yet, it is evident today that such a goal is not realistic, at least in the short term. Such a conclusion points to the unpleasant realization that it is highly unlikely that the Palestinians can, in the short term, create an inclusive political system.

The second internal source of threat to PA stability comes in fact from within it, from its own leadership and ruling elite. As indicated above, governance during the past years has witnessed serious corrosion in rule of law as the PA leadership abandoned the constitutional legitimacy that brought it to power. This development has been detrimental to public confidence in the leadership and the elite. The anti-democratic policies

pursued by both, the PA president and the reconciliation government, deepen public distrust and make it impossible for the PA to stretch its hand to Hamas in reconciliation, or even containment, and strengthens the PA's one-man rule and the authoritarian tendencies of its elite. Greater authoritarianism reduces any hope for any short-term transition to democracy and weakens the ability of the PA to mobilize the masses to protest against American and Israeli anti-Palestinian policies.

The third source of internal threat comes from the absence of any constitutional process to fill the vacuum that will be created after Abbas. The dissolution of the PLC directed a strong blow not only to the prospect of reconciliation, but also to the ability of the Palestinians to agree on a succession process acceptable to most factions in the West Bank and the Gaza Strip. The Basic Law gives the PLC speaker the job of an interim president when the position of president is vacant for any reason. Without such a constitutional process, the PA will continue to slide toward authoritarianism and the chances for fragmentation within Fatah and perhaps an internal armed conflict will increase. Such a development will make it easier for external actors to intervene in an attempt to impose their agenda on the two parts of the Palestinian territories. It is true that this is a worst-case scenario, but ignoring this source of threat to PA stability, or turning to non-constitutional means to address it, can weaken the ability of the Palestinians to confront any of the four challenges mentioned above.

## Recommendations

To avoid the bleakest expectations and to improve the ability of the PA to confront the challenges identified above, the Palestinian leadership and the ruling elite need to change the current path. In the first place, the change should start by embarking on a reconciliation process that aims at gradually reunifying the West Bank and the Gaza Strip. Such reconciliation can gradually restore legitimacy to the political system by allowing the holding of presidential and parliamentary elections and by committing the parties to the Basic Law and rule of law. Slowing down and gradually reversing the slide to authoritarianism will help restore the credibility of the Palestinian leadership thereby restoring public trust in the PA and its government and positioning the PA to be more effective in confronting the remaining two challenges: confronting US efforts in peacemaking and reengaging the US administration with confidence and confronting the approaching economic crisis that will begin to worsen in the second half of 2019 without finding itself facing potential intra-Palestinian confrontations that can only weaken the Palestinians' ability to confront any of the challenges to their future.

Secondly, an urgent need exists to restore public trust in the PA. This cannot be achieved by holding parliamentary elections alone. Insistence on holding parliamentary, but not presidential, elections, as the PA leadership does today, can only trigger a wide scale boycott from most factions and will make it impossible to hold elections in the Gaza Strip. Restricting the elections to the West Bank, as the PA leadership is currently contemplating, will deal a severe blow to the prospects for reunification. Only the holding of parliamentary and presidential elections in both, the West Bank and the Gaza Strip, can bring about a wider public and factional participation in both areas.

Thirdly, in the next few weeks, the PA should focus its efforts on neutralizing a potential regional threat by strengthening its relations with Egypt, Saudi Arabia and Jordan with the aim of forming a Palestinian-Arab coalition whose mandate should be to jointly examine the US peace plan and jointly respond to it. If successful, the PA should then seek to work with its Arab partners to develop a joint plan that can provide the PA with the means to maintain its financial stability.

Finally, the PA should take advantage of the great media attention that will accompany the release of the Trump plan by offering its own joint Palestinian-Arab peace plan. This counter proposal should build on progress made in previous Palestinian-Israeli negotiations (two states, 1967 borders with equal swaps, two capitals in Jerusalem, and a multilateral military presence in the Jordan Valley) and on the Arab Peace Initiative. Such joint Palestinian-Arab peace plan will most likely find support in many countries of the world including those of the EU.

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