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Arab Center for Research & Policy Studies

SITUATION ASSESSMENT

Hamas, Dahlan and the Palestinian Unity Government: What Next for the Gaza Strip?

Policy Analysis Unit | October 2017

What Next for the Gaza Strip?

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The October, 2017 Palestinian Unity Government: Factors and Repercussions

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Introduction

At a meeting in Cairo earlier this month, Fatah and Hamas, the two leading Palestinian political parties, agreed to revive the Palestinian unity government under the leadership of Rami Hamadallah. The reborn unity government will take control in both the Gaza Strip and the West Bank. This came after Hamas dissolved its Administrative Council through which it had governed the Gaza Strip late this September. The terms of the new agreement closely resemble a deal first announced in May 2011, also in the Egyptian capital. Specifically, it calls for general elections to be conducted throughout the Palestinian territories. It remains unclear as to whether this latest conciliation between the leading Palestinian movements will be successful. In the meantime, this paper will focus on regional and global context and the factors that drove Hamas to accept a series of preconditions it had previously declined. The move to reinstate the Palestinian Unity Government was also closely related to a deal between Hamas and former Fatah strongman, Mohammed Dahlan.

A Contentious Administrative Council

Hamas created the Administrative Council in March of this year to formalize its authority of the Gaza Strip, which it has controlled for the past 10 years. At the time, an existing unity government declared the move by Hamas to formalize its control of the Gaza Strip to be a violation of the agreement that the Palestinian political factions had agreed to at the Shatt area of Gaza. In the meantime, Hamas retorted that its hand had been forced by the Fatah-dominated Palestinian National Authority on the West Bank, which had sidelined the inhabitants of the Strip. The crescendo of this marginalization by the PNA was clear from a decision taken in February to postpone municipal elections in the Gaza Strip even as they were scheduled for West Bank municipalities in May of 2017. (Hamas was widely expected to win the votes in the Gaza Strip.)

A series of punitive measures taken by the PNA against the people of the Gaza Strip served only to intensify the geographic and political divisions across Palestinian society. These included the unwillingness of the West Bank-based PNA to subsidize an additional 120 MW of electric capacity, a significant portion of the Strip's electrical usage, which the Israeli power authority sold to the Gaza Strip as part of a standing agreement; massive cutbacks to the salaries of Palestinian public sector employees based in the Strip; forced early retirement for Palestinians working in

the Health and Education sectors within the Gaza Strip; the restriction of banking operations in the Gaza Strip; ending health insurance benefits for Palestinians in the Gaza Strip struck with terminal diseases; and ending maintenance payments to the families of Hamas-affiliated political prisoners who were based in the Gaza Strip. The Fatah-led PNA executed these measures at a time when the people of Gaza were already suffering under the strain of severe humanitarian crisis. The blockade had already left its mark on the health and sanitation infrastructures of the 365 km² region and led to unemployment levels of 41% (compared with 18% in the West Bank). Indeed, some reports indicate that the poverty level in the Gaza Strip has increased, to 65% of the population, under the national unity government.

A Regional Context

With an Israeli Egyptian-imposed blockade, compounded by the actions of the West Bank-based PNA, the Gaza Strip is expected to be “unfit for human habitation” by the year 2020. This desperate reality drove the Hamas leadership to reach out, through the Egyptian intelligence services, to Mohammed Dahlan, a disgraced and disbarred member of Fatah whose attempt to dislodge the elected Hamas government in 2007 first led to the rupture between the West Bank and the Gaza Strip. As part of the Egyptian-mediated deal agreed between Dahlan and Hamas politbureau Chief in Gaza Mohammed Sinwar, the Islamist faction would concede control of the Gaza Strip in exchange for Egyptian financial assistance and opening the border crossings that link the Strip to the Sinai Peninsula. The deal also calls for public sector postings to be split between Fatah and Hamas as well as a series of economic, social and security arrangements to cover the Sinai Peninsula.

The Dahlan deal gave Hamas a horizon to break out of its seclusion, increasingly tightened by moves undertaken by PNA President Mahmoud Abbas since 2014. For his part, Dahlan has secured backing from the United Arab Emirates—which in turn channeled the nominal sum of US\$ 15 million to the people of Gaza by way of Dahlan. He has now succeeded in presenting himself as a political player on the Palestinian stage. The Egyptian authorities saw the deal as a means of furthering their security aims in the Sinai Peninsula given that time and experience have convinced Cairo that Hamas cooperation would be invaluable in securing the Sinai from violent extremists.

Details of the agreement stipulate a great level of coordination and cooperation between Hamas and the Egyptian authorities. Specifically, this includes the establishment of a 12-km-long, 100-m-deep demilitarized zone along the frontier between the Gaza Strip and the Sinai Peninsula.

Hamas has shown itself both determined and capable in carrying out its obligations, but it has also paid a price: one Hamas official has already fallen victim to a suicide bomb attack during its mission to securing the border with Egypt.

The intra-Gulf c has provided the backdrop for Egyptian involvement in Gaza. Today, Cairo can be sure that all interested parties will seek its aid in negotiating terms over the Gaza Strip. Going forward, the Sisi regime will be sure of a say in any negotiations resulting from an initiative by US president Donald Trump to settle the Palestinian question. For now, Cairo has agreed to offer to facilitate better living conditions for the Gaza Strip in exchange for political concessions from Hamas, which include holding legislative and presidential elections and disbanding the Administrative Council.

The Palestinian National Authority Reacts

The Hamas-Dahlan agreement came at a time when the Mahmoud Abbas-led PNA was under increased pressure from a number of regional and global actors, particularly since Donald Trump came to the White House. Aside from abandoning its outward commitment to the two-state solution and its neglect of the Israeli settlement project in the West Bank, the US Senate has recently adopted the Taylor Force Act. This act puts an end to \$300 million of annual funding for the Palestinian Authority by Washington unless the PNA ends payments to the families of political prisoners detained by Israel. It marks the complete adoption of an Israeli government agenda. From within this context, Mahmoud Abbas saw the Hamas-Dahlan deal as a part of a renewed effort by the UAE and Egypt, with orchestration from Israel, to introduce the ousted Dahlan as an alternative PNA leader. He later took the initiative and decided to turn Hamas' decision to abandon the Administrative Council as a prelude to the return of PNA legitimacy to the Gaza Strip.

Conclusion

The decision by Hamas to disband the Administrative Council and to hand over power to the Hamadallah government in return for partially lifting the decade-old blockade may ease the burden which the group has previously felt in governing nearly 2 million people. Hamas' demand that it be able to keep its military wing as a strike force is seemingly unacceptable to Mahmoud Abbas. Hamas insistence that it be able to hold on to its role as a resistance movement even as it gives up political authority will itself be a difficult task, despite all of its military muscle and its deep influence within Gaza. In contrast to Lebanon's Hezbollah, Hamas has no geographically

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contiguous sponsor in the mould of Syria to provide it with backing and, with the group now committed to an agreement with Egypt, can find no replacement for Iranian backing either.

Another challenge to this current arrangement is the new agreement between Dahlan and Hamas. It remains to be seen how long this new pact will be able to survive given the irreconcilability between the agendas of Emirati-Egyptian-Israeli-backed Dahlan and that of Hamas. Now the PNA will have to fend for itself in cementing a new position on the Gazan landscape, while contending with the fact that its former arch-nemesis, Mohammed Dahlan has become a player in the territory too. Its previous punitive measures against the people of Gaza, including its complicity with the blockade, are at least partly to blame for giving Dahlan and his backers the ability to force Hamas into the negotiating room.