

# The Crisis of the Gaza Strip: A Way Out

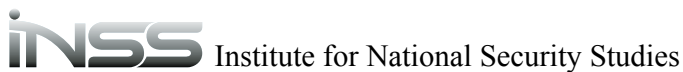
Anat Kurz, Udi Dekel, and Benedetta Berti, Editors





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The Institute for National Security Studies (INSS), incorporating the Jaffee Center for Strategic Studies, was founded in 2006.

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Anat Kurz, Udi Dekel, and Benedetta Berti, Editors

**משבר רצועת עזה –  
מענה לאתגר**

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# Preface

In the course of 2017, the Institute for National Security Studies (INSS) conducted a research study to examine the situation in the Gaza Strip, with a focus on the prevailing political, economic, infrastructural, and security conditions, including their cumulative manifestations and their short term and long term implications. The aim of the project was to provide a knowledge base for reevaluation of Israeli policy toward the region and for an international reconstruction project. Underlying this aim is the understanding that the Gaza Strip faces severe and intensifying infrastructure problems, a humanitarian crisis, and security threats.

The articles contained in this volume offer clear conclusions that when taken both individually and together establish that measures to rebuild the Gaza Strip are a critical and urgent imperative. This conclusion was also emphasized in discussions that were part of a workshop held at INSS in cooperation with the Heinrich Böll Foundation, attended by experts who are knowledgeable about the situation in Gaza and representatives of international organizations and NGOs operating in the Strip. Another assessment, shared by many of the authors represented in this volume as well as by the workshop participants, is that the impact of a reconstruction project will only be visible over time. This means that awareness regarding the hardship in the Strip, formal agreement regarding the need to improve the living conditions and infrastructure there, and even the initial mobilization of resources and initiation of processes in this direction will not be enough to prevent a collapse of the Strip's social and economic infrastructure or to completely prevent the recurrence of a violent clash between Israel and Hamas, which could escalate into an all-out confrontation.

Nonetheless, it is necessary to formulate the outline of a reconstruction project and to take measures, with the aim of increasing over time the chances of mitigating the risk factors originating in the Strip and establishing a period of social and security calm that presumably would enhance the

motivation to invest in infrastructure in the region. Notably, the reconciliation agreement between Hamas and Fatah reached in October 2017 may enable states, institutions, and organizations that professed willingness to be part of the reconstruction project to fulfill their participation. The reconstruction project must be carried out with the committed long term involvement of institutions and states in the Middle East and the international community. This will provide it with the broadest possible validity and legitimacy, as well as with the substantial resources that it requires.

The volume's opening chapter engages in an extensive discussion of the rationale behind the commencement of the Gaza Strip reconstruction project, launched at the initiative of Israel and executed in a coordinated manner with regional and international involvement that is as broad as possible. The chapter also provides details regarding the stages and components of the complex, comprehensive, and resource-intensive reconstruction project, which is necessary to improve the living conditions in the Strip and in turn, to reduce the humanitarian risks and security volatility that are inherent in the current reality.

The volume's editors are deeply grateful to the authors of the articles, to the Heinrich Böll Foundation, and to the participants in the workshop for their contributions to his project. Special thanks also go to Moshe Grundman, Director of Publications at INSS, and Judith Rosen, the Institute's editor, for their significant assistance in producing this volume.

Anat Kurz, Udi Dekel, and Benedetta Berti  
December 2017

# Strategic Overview – The Reconstruction of the Gaza Strip: A Critical Imperative

Udi Dekel and Anat Kurz

## **Situation Assessment**

The current situation in the Gaza Strip is marked by several primary phenomena, led by Gaza's severe economic plight and deteriorated infrastructure. These hardships aggravate humanitarian distress, which in turn motivates belligerent tendencies and heightens the danger of security escalation between Israel and Hamas and other terrorist forces operating in the Strip. Additional parameters include Hamas's comprehensive and stable control of the region; the organization's proven capacity for destructive activity, both in the Israeli-Palestinian conflict and vis-à-vis Israel's regional and international standing; and the limitations stemming from reconstruction of the Strip that hinges on concrete progress toward an Israeli-Palestinian settlement, including "reconstruction in exchange for demilitarization," which would strip Hamas and the other factions of their military capabilities, particularly the rocket arsenal and the capacity for high trajectory weapons fire.

## ***The Gaza Strip on the Verge of Humanitarian Disaster***

In the decade of Hamas rule in the Gaza Strip, the recurring distribution of resources relegated the welfare and economic future of the local population to a secondary position on the agenda, below military buildup. This has undermined the economic and social foundations of the region, which were already weak on the global scale and were well below those in the West Bank. Three rounds of military hostilities between Israel and Hamas (2008-9, 2012, and 2014) resulted in widespread destruction to the Gaza Strip

civil infrastructure, and since then the collapse has continued, bringing the region to the brink of a humanitarian catastrophe. In addition, the closure of the Strip effected by Israel and Egypt, the ensuing severe restrictions on the passage of goods and people to and from the Strip, and the Palestinian Authority's consistent resistance to cooperation on reconstruction continue to make it difficult to launch development plans that over time could halt the trend of collapse and perhaps even extricate the Strip from its current desperate situation.

### ***The Plight in Gaza and the Escalation between Hamas and Israel***

On the one hand, the severe conditions and the absence of hope for a better life, particularly a political settlement that would address (even if only partially) the Palestinian national yearnings for independence, have made it easier for Hamas to mobilize support for its political platform, which is based on the rejection of a political solution to the conflict with Israel. On the other hand, escalation in the struggle with Israel has been used by Hamas time and time again to try to force Israel and international parties to ease the pressure on the Strip, and to place blame on Israel for the Strip's current hardship.

In 2017, the projected date when life will no longer be possible in the Gaza Strip due to the total collapse of infrastructure in the region appeared increasingly imminent. Some in Israel's security community maintain that this breaking point will be reached in 2020, and predict that the distinct acceleration of the process of collapse will result in a humanitarian crisis. This in turn would likely prompt the Hamas leadership to initiate a renewed military confrontation with Israel.

### ***The Stability of Hamas's Rule in the Strip***

In 2007, Hamas seized control over the Gaza Strip through a military coup against local Fatah forces. In actuality, the Strip is a "natural" geographical stronghold for Hamas: it constituted the base of the organization's strength even before Hamas's expanding influence was proven in the 2006 elections for the Palestinian Legislative Council, and it is located in close geographical proximity to the parent movement – the Egyptian Muslim Brotherhood. The takeover followed Hamas's victory in the 2006 elections, and Fatah's subsequent refusal to join a unity government, due to Hamas's rejection of

the three demands stipulated by the international community as conditions for recognition of the organization: recognition of Israel; acceptance of the agreements that Israel had signed with the PLO and the Palestinian Authority; and a commitment to refrain from engaging in terrorism and violence. Attempts over the past decade to reach understandings regarding a division of power between the Hamas and Fatah camps have ended in failure due to the bitter organizational-political and ideological rivalry between them. The organizations/parties have not even been able to reach agreement regarding measures that could have slowed the collapse of Gaza's economy and infrastructure. Based on its policy of separation between the Gaza Strip and the West Bank, Israel has supported the demands of the Palestinian Authority, which sought to complicate the situation for Hamas and thereby accelerate the organization's weakening and loss of power.

The sole chance the Palestinian Authority has to regain control of the Strip is if the reconciliation agreement, signed between Fatah and Hamas on October 12, 2017, is fully implemented. Even then, however, its control of the Strip will not be complete, because Hamas will almost certainly not agree to give up its military capability. More generally, full implementation of the agreement is highly in doubt. Alternatively, toppling Hamas rule will only be possible if Israel implements a broad resource-intensive measure under the assumption that the PA would be willing to assume responsibility for the area.

In practice, Israel has faced three possible courses of action: toppling Hamas's rule in the Gaza Strip; engaging in ongoing activity to weaken Hamas's rule and facilitate the restoration of PA control in the Gaza Strip; and de facto recognition of Hamas's rule. Israel chose a combination of options two and three: striving to weaken Hamas in military terms, and at the same time, designating it as the party responsible for actions taken in the Gaza Strip, or in other words, recognizing its rule. This is reflected first and foremost in Israel's demand that Hamas maintain security calm in the Strip and implement a policy of restraint as to its own capabilities and forces and those of the other militant factions there. Presumably any attempt at a transition of power between Hamas and the Palestinian Authority in the Gaza Strip will be neither direct nor smooth, and also stands to involve a phase of violent chaos.

### ***Hamas as a “Spoiler”***

For years, Hamas was considered an element that would seek to disrupt every attempt to promote political dialogue between Israel and the Palestinian Authority aimed at reaching a settlement. This view of Hamas was borne out when negotiations were on the agenda, and the attacks perpetrated by Hamas played a key role in disrupting Israeli-Palestinian relations during the years following the signing of the Oslo Accords. However, against the background of ongoing political stagnation, and due to the deterioration of the economic and infrastructure situation in the Strip, the organization’s role as a “spoiler” expanded beyond the ability to thwart a political process, as the organization came to demonstrate the ability to pose a direct threat to the security of the State of Israel and its international and regional standing. The rounds of hostilities, which demonstrated Hamas’s military buildup, exacted a heavy price of Israel in terms of blood and treasure, and generated much political criticism of Israel in the international community, which accused Israel of responding in disproportionate fashion to Hamas’s military provocations. Hamas’s role as a “spoiler” in recent years, therefore, has been its proven ability to force Israel into an impossible situation, in which responding firmly to Hamas’s military provocations results in criticism due to the unavoidable injury to human life and infrastructure in the Strip, whereas restraint results in the public criticism of decision makers within Israel itself.

Additional destructive potential, beyond its being an essential part of the Israeli-Palestinian conflict, lies in Gaza’s remaining a bone of contention between Israel and various key parties in the Middle East. This has been particularly prominent during the rounds of military confrontation between Israel and Hamas, when Israel’s ability to inflict damage on a significant scale has been proven time and time again, yet at a cost of weakening Israel’s already fragile relations with countries such as Saudi Arabia, Qatar, the United Arab Emirates, and Turkey – that are willing to have relations of some kind with Israel – and inciting criticism of Israel on the Arab and Muslim street.

The issue of security tension and/or calm in the Gaza Strip holds particular relevance for Israel’s relations with Egypt. Egypt fears being held responsible for what transpires in the Strip. It also seeks to prevent escalation in the region that could spill over and spark unrest in the internal Egyptian arena, against the background of popular support for the Gaza population; this could easily be translated into pressure on the regime to scale back its security relations

with Israel. The prevailing hardship in the Strip likewise plays a role in facilitating relations between terrorist factions and radical Islamic elements in the Strip, and Islamic State elements operating in the Sinai Peninsula. At the same time, in light of its rivalry with Qatar and Turkey, Egypt has limited the investments of these countries in Gaza's reconstruction (and as a result, their ability to consolidate their status in the Palestinian arena and the region as a whole). In tandem, while leading the reconciliation process between Fatah and Hamas, Egypt strives to lay most of the responsibility for the region at Israel's doorstep and expects Israel to deal decisively with Hamas, which in essence is a wing of the Muslim Brotherhood. However, Hamas's ideological ties to the Muslim Brotherhood have not prevented the group's leadership and Iran from reestablishing ties. Relations between Tehran and Hamas, despite the fluctuations they have experienced over the years, are seen by the organization's leadership as an insurance policy and a foundation for continued military buildup, and by Tehran as an actual and potentially larger channel for exercising influence in the Palestinian arena, and therefore as an additional arena in which to challenge Israel.

### ***Limitations of the Systemic Approach***

In 2005, Israel withdrew its civilian settlements and its military forces from the Gaza Strip, and has no territorial claims there. In addition, Israel has no legal obligation to maintain civil and economic relations with an enemy entity (Hamas proclaims itself to be a bitter enemy of the State of Israel, although since its seizure of the Strip, its leadership has advanced a number of proposals for a *hudna*, a long term ceasefire, in exchange for a comprehensive Israeli withdrawal to 1967 borders). Nonetheless, ties exist between Israel and the Gaza Strip. Israel is held at least morally responsible for the situation in the Strip, not only because of the closure it imposed on the region but also in light of the Oslo Accords, which specified that the West Bank and the Gaza Strip are one territorial unit. The ties between the Gaza Strip and the West Bank are strong, despite Israel's policy of separation between the regions and the bitter rivalry between Hamas and Fatah/PA/ PLO.

Still, attempts to advance the "policy of separation," pursued by both Israel and the PA – i.e., to further understandings between Israel and the Palestinians while taking advantage of the internal Palestinian rift in the hopes that political progress will weaken Hamas – have been a dismal failure.

With the Annapolis process, for example, Hamas proved its ability to set the agenda when talks, which might have reached a dead end in any event, were cut off by a round of fighting between Israel and Hamas (Operation Cast Lead, 2008-2009). Against this background, from a principal Israeli perspective, it is appropriate not only to desist from active opposition to Fatah-Hamas accommodation, reached in October 2017 under Egyptian auspices – particularly as Israel continued to insist on the previous conditions for dialogue with Hamas. Rather, it is in Israel’s interest to encourage a thawing of the relations between Hamas and the PA, as a functioning Palestinian Authority with a broad foundation of national legitimacy is a distinct Israeli interest, primarily if Israel desires a political-territorial settlement with the Palestinians.

While the administrative agreement signed by Hamas and Fatah has been dubbed a “reconciliation agreement,” the rivalry between Hamas and Fatah is far from exhausted. Even a concrete political process, accompanied by measures demonstrating Israel’s intention to allow a Palestinian entity a reasonable independent existence and perhaps also to mitigate belligerent tendencies in the Palestinian arena, is not on the agenda. Indeed, the thawed relations between the parties, which enabled the understandings regarding management of the Strip, was not intended to facilitate the PA’s return to the negotiating table, although the PA retained its existing ability to engage in political contacts with Israel. The goal of the PA in accepting responsibility for the Kerem Shalom and Erez crossings and for the civilian security apparatuses, and in agreeing to lift some of the sanctions on the Strip, was to entrench itself in the region in the hope of ultimately regaining power there. For its part, Hamas, along with its resolute refusal to dismantle the military infrastructure it built over the years, accepted the agreement given its understanding that the humanitarian plight has eroded its stature in the Strip, and due to the pressure from Egypt.

Israel would do well to recognize the failure of the strategy that harms the population’s civil conditions based on the premise that they will then turn their anger and frustration against their leadership – in this case, Hamas – and exert pressure on it to accede to Israel’s demands, or to channel its activity into the realm of social services, thereby reducing the burden on and security threat to Israel. This strategy has thus far failed to achieve its goal. On the contrary, the opposite has proven to be true.



### **The Task: Reconstructing Gaza while Preventing Hamas Buildup**

Developing and launching a reconstruction project for the Gaza Strip necessitates several conditions, including: security calm in the Strip; the ability to prevent the military buildup of Hamas under the cover of reconstruction measures; mobilization of the international community for reconstruction; the cooperation of the Palestinian Authority; and Egypt's commitment to the plan. As the intended effort described below is an Israeli initiative, to be implemented in a coordinated manner under regional and international leadership, a change in Israeli policy regarding the Strip is necessary, as well as a shift regarding Hamas's rule in the region.

#### ***A Change in Israel's Approach to the Gaza Strip***

Changes in Israel's policy toward the Gaza Strip in recent years point to the closure that is weakened after each severe round of fighting. This suggests that Hamas's policy of escalating the conflict in order to cause Israel to take measures to ease the closure has proven effective, even if escalation took a heavy toll on the local population and relaxed conditions did not change the fundamentally dismal situation in the Strip. Moreover, from round to round, Israeli officials have come to recognize that the Hamas government is the sole responsible party in the Strip and has demonstrated a greater willingness to reach understandings and arrangements with it, albeit through the mediation of a third party, primarily Egypt.

It can be argued that Hamas will consider progress on reconstruction of the Gaza Strip as a prize for its provocation and violent activity over the years, and as encouragement of what it considers "resolute steadfastness" against Israel. This suggests that momentum in reconstruction will intensify aggressiveness in the ranks of the organization. However, a reconstruction drive that achieves concrete results will presumably restrain belligerent tendencies among the Hamas leadership, albeit over time. The welfare of the inhabitants of the Strip is not what guided the organization's leadership in recent years when it chose the route of escalation. Yet given the severe humanitarian distress in the region, and in the absence of hope regarding efforts to compel Israel and Egypt to make a fundamental policy change by military means, a shift in the considerations guiding the organization is possible.

In light of this assumption, which reflects measured and calculated optimism, Israel would do well to consider moderating its policy regarding the Strip, specifically in terms of measured reconstruction initiatives, to be implemented under conditions of (relative) security calm, while awaiting a political development that would allow dialogue with the Palestinian Authority on reconstruction. At the same time, the approach of making political progress with the Palestinians conditional upon continued calm in the Gaza Strip and the establishment of a unified Palestinian Authority should be abandoned. After all, this approach gives Hamas veto power over the political process and narrows the range of Israeli flexibility. Hamas must be denied this ability.

By providing assistance to the reconstruction of the Gaza Strip without receiving any political recompense or a commitment on the part of Hamas to stop its military buildup, Israel will be doing some harm to the standing of the PA. The reconstruction of the Gaza Strip, however, must be recognized as a critical and immediate imperative, in light of the threats and dangers – to Israel and to the inhabitants of the Strip itself – posed by the situation in the region, which are likely to intensify if mitigating action is not taken. The increasing hardship in the region stands to intensify belligerent tendencies, which will be manifested in high trajectory weapons fire into Israel and attempts to infiltrate Israeli territory via tunnels with the aim of carrying out attacks. It is also possible that spontaneous or Hamas-organized mass marches will be held with the aim of crossing the border into Israel. It is not inconceivable that some of those taking part in these marches will do so based on the belief that it is preferable to be under arrest in Israel than to live in the unbearable conditions prevailing in the Gaza Strip. Therefore, the restoration of civilian authority in the Gaza Strip to the Palestinian Authority is an opportunity to advance the reconstruction project and to bolster the PA and President Abbas. This will make it possible to demonstrate to the Palestinian public that political activity benefits it far more than violent resistance, and only the PA can mobilize the regional and international support necessary for reconstruction. Egypt, which brokered the reconciliation agreement, should be recruited to jumpstart the reconstruction process that was approved by the donor states in Cairo in 2014 after Operation Protective Edge and invite these same states to a follow-up conference, likewise in

Cairo. Egypt's involvement will add an important legitimacy component to the regional and international framework of the overall effort.

### ***Security Calm***

Any practical plan for rebuilding the Gaza Strip will be conditional on a commitment by Hamas to ongoing security calm and a halt to its military buildup. Stopping the smuggling and infiltration from the Sinai Peninsula into the Gaza Strip will require resolute Egyptian participation. Israel will need to give up its demand for immediate disarmament as a condition for beginning the reconstruction project for two reasons. The first is recognition of the slim prospects of persuading Hamas to relinquish its military apparatus, which for Hamas constitutes protection against Israeli attempts to strip it of power. The second is the set of difficulties that can be expected in establishing an effective international mechanism for stripping Hamas of the capabilities that are a threat to Israel.

### ***Broad Regional and International Involvement***

The reconstruction of the Gaza Strip will require immense resources that can only be acquired through long term international commitment (previous commitments, primarily by the Arab countries, were only partially fulfilled). To translate plans into action and ensure the coordination of specific initiatives and a correct distribution of resources, a multinational taskforce is necessary, comprising senior well-connected representatives of the countries and institutions that are officially committed to the project.

This taskforce will also need to include an inspection and supervision mechanism at the Gaza Strip's land and maritime border crossings that will be responsible for preventing the infiltration of weapons and dual-use materials used in Hamas's tunnels, fortifications, and weapons industry. A major component that will provide the foundation for international involvement in the reconstruction project will be an itemization of the sanctions to be imposed on Hamas in the event that it deviates from understandings regarding security calm, attempts to breach the security inspection wall, or takes advantage of dual-use building materials and products (for example, agricultural fertilizer) for the development of weapons.

A taskforce that includes parties from the Middle East and the international community will also be of added value in convincing Hamas to allow the

reconstruction project to proceed, given the restrictions that will be imposed on it and the increased price it will be required to pay if it violates the security calm. Without a doubt, the restraint that Hamas will be compelled to exercise will spark criticism in the ranks of the organization, as well as practical attempts to undermine the security calm itself, without which the project will not be able to move forward. However, presenting this restraint as a gesture to the international community that will benefit the local population will help the Hamas leadership contend with the anticipated charges of surrender to Israeli dictates.

The international involvement will necessarily reflect only part of Israel's responsibility for the situation in the Strip and the reconstruction. However, there are measures that can be taken by Israel – subject to the decision of the Israeli government and the recommendations of the Israeli security establishment – independent of the formation of the multinational taskforce and the definition of its mandate, even if the attempt to establish it bears no fruit. The relevance of these measures is explained below as part of the reconstruction actions that in principle can be implemented during the first phase.

### ***Incorporating the PA into the Reconstruction Project***

As the address for political arrangements between Israel and the Palestinians, the Palestinian Authority's involvement in the reconstruction effort is critical. Incorporating the PA will ease the entry of resources into the Strip – as a function of its international status and as a means of bypassing regulations barring direct relations with Hamas. In tandem, PA involvement will erode Hamas's image as the primary party benefiting from the reconstruction, will counterbalance the strengthening of the Hamas government as a result of the reconstruction, and will temper the PA's protest that reconstruction is tantamount to recognition of Hamas's control over the Strip. From Israel's perspective, a more comfortable political situation for promoting the reconstruction project would be internal Palestinian reconciliation and the establishment of an "agreement government" in the Palestinian arena, as long as it recognizes existing agreements between Israel and the PLO/Palestinian Authority and commits to preventing terrorism and violence. However, even if Hamas does not meet the demands made by Israel and the

Quartet as conditions for dialogue, the accommodation process launched by Hamas and Fatah in October 2017 should not be obstructed.

### ***The Egyptian Role***

Egypt must be incorporated into the reconstruction project. Cairo's sponsorship of the agreement reached between Fatah and Hamas in October 2017, and the willingness to demonstrate greater openness regarding the passage of people and goods from the Gaza Strip into Egyptian territory confirm its central role as a mediator vis-à-vis Hamas and as an element preventing the smuggling of weapons into the Strip. Beyond the level of direct practical effects, Israel will derive political and security benefits from coordination with Cairo, even in the specific context of contending with the acute distress in the Strip, and from the effort to restrain Hamas while attempting to moderate its behavior in the political and military arena.

### **The Components of the Initiative**

*Urgent humanitarian undertakings* pertain to improvement of the basic living conditions in the Strip. This requires financial investment, but even more, depends on willingness, an organizational framework, skilled human resources, and security preparations. Improvement in these humanitarian realms will provide the reconstruction project with a critical element of visibility, which will help convince skeptics that the actions underway are taken in genuine good faith. This will make it possible to mobilize the patience necessary to support the security calm, critical for completing the long term undertakings.

*Medium and long term undertakings* will require the construction of a resource-intensive physical and technological infrastructure that will take several years to complete. For this reason, implementation will have to begin as soon as possible following the achievement of regional and international agreements. Presumably the commencement of infrastructure work will involve at least partially visible measures, which will convey hope to the Gaza population and the promise of a better future.

### ***Urgent Undertakings: The Civil-Humanitarian Realm***

- a. Relaxation of the closure: allowing the regular passage of goods and people in and out of the Gaza Strip is a necessary condition for easing

the pressure that has built up in the region. It is also necessary for promoting specific projects as part of the overall reconstruction project. More specifically:

- i. The activity at the Erez and Kerem Shalom border crossings must be expanded. Supervision and security inspections will be conducted in cooperation with Israel, Egypt, the Palestinian Authority, and perhaps also the representatives of international parties. In exchange for this measure, Hamas will commit to close the tunnels and cease using them altogether.
  - ii. Israel will allow the export of goods from the Gaza Strip to the West Bank and elsewhere via the Ashdod Port.
  - iii. Israel will allow workers from the Gaza Strip to work in Israeli communities in the Gaza envelope, and work will begin on the construction of employment zones and light industry zones along the border of the Strip. This will improve the economic situation of the Gaza population, and at the same time, will serve to restrain attempts by Hamas and other terrorist factions to infiltrate Israel.
- b. Health services: The hospitals and clinics throughout Gaza will be repaired, supplied, and equipped, including with the assistance of medical teams from Israel's Arab sector. Until the completion of the electrical infrastructure, rebuilt to supply the civilian and industrial needs of the Strip, hospitals will be given preference among the institutions that are in need of electricity. The same goes for the supply of potable running water. Restrictions will be eased on the provision of entry permits into Israel for the purpose of receiving medical treatment, especially in the case of children and their parents.
- c. Energy: The supply of electricity from Israel to the Gaza Strip will be expanded, paid for by the Palestinian Authority and international parties.
- d. Water supply: First and foremost, action must be taken regarding sewage treatment and the provision of potable water. This situation will improve immediately with a resumption of regular electricity supply.
- e. Education: A regular supply of electricity and water will be guaranteed for schools and preschools. The international organizations that operate schools in the Gaza Strip, especially UNRWA, will be expected to delete inciting material from textbooks and replace them with educational content in the spirit of peace and coexistence with the State of Israel.

- f. Initial economic development:
  - i. Gaza's fishing zone in the Mediterranean Sea will be expanded.
  - ii. An international task force will be permitted to operate in the sea to prevent the smuggling of weapons and civilian products that bypass the ground inspection mechanisms.
  - iii. Activity to rehabilitate the agricultural realm in Gaza will be launched, possibly with the assistance of advisors from Israel. Agricultural experts from the Gaza envelope are promising candidates for such positions. Israel will share advanced technologies with the Gaza Strip farmers in order to accelerate development in this realm. Quotas will be set for the export of agricultural products from the Gaza Strip to the West Bank and to Israel, and perhaps also to other countries.
  - iv. Contractors from the Strip will be engaged to work on the repair and reconstruction of buildings. Their work will be closely supervised by a multinational taskforce with regard to the supply and use of materials, the proper use of funding, and progress in construction.
- g. Protected zones: Specified areas in the Gaza Strip and Israel next to the border will be defined as non-aggression areas in order to ensure the reasonable progress of the reconstruction project and the effective use of the international investment.

### ***Long Term Undertakings***

- a. Water and energy infrastructure: Water and electrical infrastructures must be constructed in the Gaza Strip with an eye toward current and future demand, in accordance with estimates for natural reproduction and economic development. As part of this endeavor, the natural gas supply infrastructure will be completed. A desalination plant should be constructed. Careful consideration should be given to the possibility of building the facility within Egyptian territory close to the border, so that the inhabitants of Rafah and the northeastern Sinai Peninsula, which are in Egyptian territory, can also benefit from its output.
- b. Green energy: Infrastructure for the provision of green energy will be constructed in the Strip and in Israeli territory, based on technology developed in Israel
- c. Sources of employment: An international loan and grant fund for small and medium size businesses will be established, and a tender will be

issued to international companies to build factories in the Gaza Strip and establish employee training tracks – hi-tech and low-tech (agriculture, small industry, textiles) alike. The drive will be to minimize unemployment and create a local basis for an economy that will develop ties to the West Bank economy, the Israeli economy, and markets in the Middle East and the international arena, yet still have the foundations necessary to encourage investment, development, and security calm.

- d. Maritime access: A railway will be constructed between the Ashdod Port and the Gaza Strip. This railway will be used to transport goods to and from the region. At the same time, a project will be launched for the construction of an island off the coast of the Gaza Strip, including a port (and perhaps also a landing strip), and then operated under the supervision of an international force that will engage in meticulous security inspections. This supervision, like the supervision exercised at the land border crossings, will be committed to prevent weapons and dual-use materials from entering the Strip.
- e. Natural gas field: British Gas will be authorized to develop a natural gas field off the Gaza Coast. This plan will be coordinated with the Palestinian Authority, which will be able to sell gas to Egypt and Jordan and profit from the sales.

## **Conclusion**

To make it possible to formulate and guarantee the principles, understandings, and commitments required for a broad resource-intensive reconstruction project in the Gaza Strip, it is necessary to strike a balance between various and at times contradictory interests. The tension between requirements and interests is evident in all areas of reconstruction:

- a. The urgent need to launch a project to extricate the Gaza Strip from its current hardship and its accelerated slide into humanitarian catastrophe, versus the need to prevent the strengthening of Hamas.
- b. The interest in preventing a stronger Hamas foothold in the Gaza Strip, and the interest in bolstering the PA in the Palestinian arena, both the West Bank and Gaza, and preserving its relevance as a future partner for negotiations with Israel for interim settlements, especially pertaining to dialogue regarding an overall settlement.



- c. The need to ease restrictions at the border crossings, versus the security needs of Israel (and Egypt) and the related need to implement close supervision of the Strip's land and maritime border crossings.
- d. The Israeli policy of formal non-recognition of Hamas, versus Israel's de facto recognition of the organization as the governing force in the Strip and therefore as the party responsible for action in the region, with whom coordination is essential for making progress in any reconstruction project.
- e. The need to include the PA in the reconstruction project, versus the policy of separation between the Gaza Strip and the West Bank that is embraced by both Israel and the Palestinian Authority.
- f. International awareness regarding the problematic situation in the Gaza Strip, versus the sense of futility regarding investment in the region due to the constant risk of security escalation and the lack of political hope regarding the Strip in particular and the Israeli-Palestinian conflict in general.

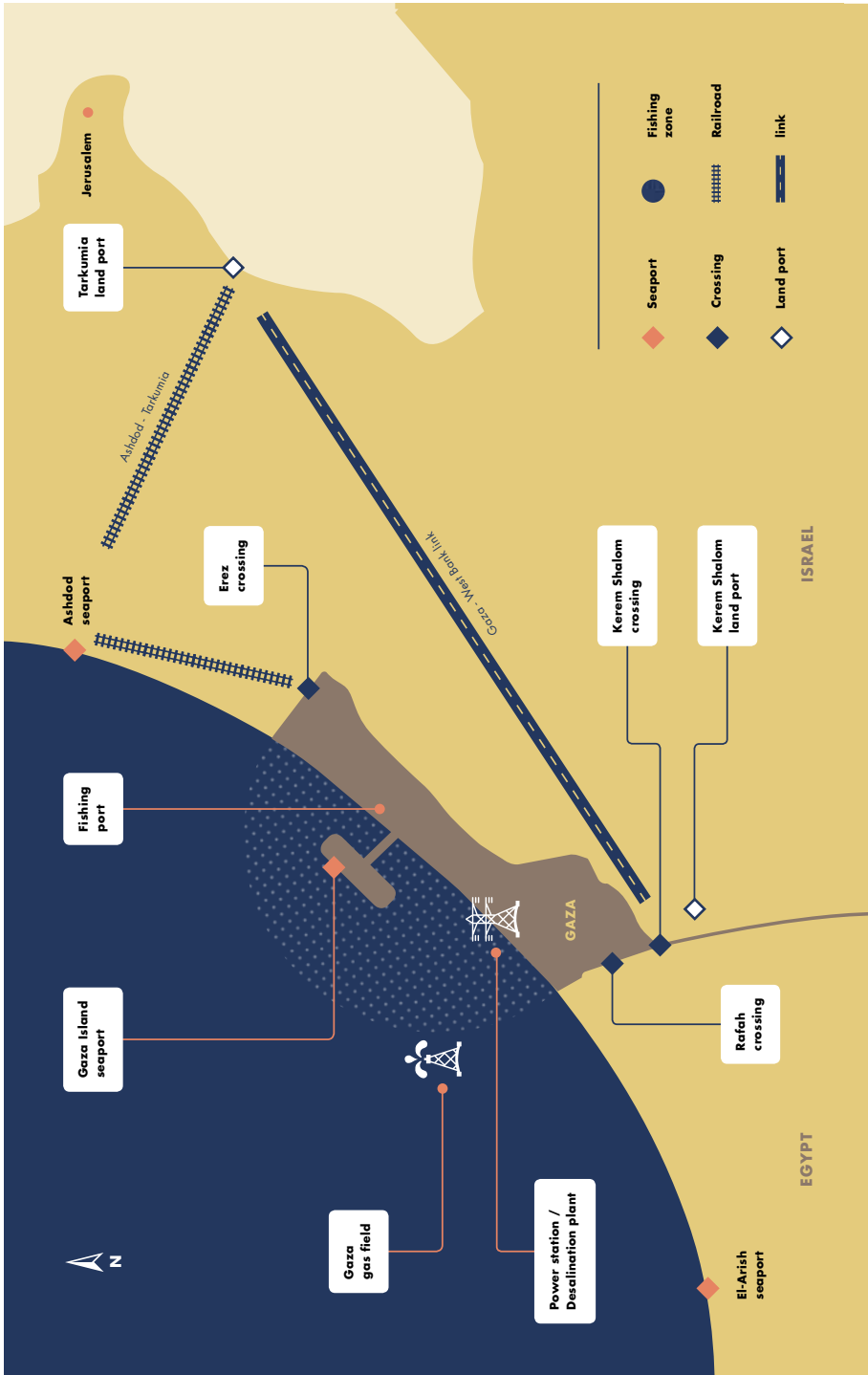
Prominent among these sources of tension and conflicts of interest is Israel's policy of formal non-recognition of Hamas. Israeli policy in this context emphasizes the separation between the Gaza Strip and the West Bank, and on this basis calls for opposition to Palestinian reconciliation out of fear that this could make it easier for Hamas to take control of the Palestinian Authority. Moreover, there is concern in Israel regarding an undermining of the Palestinian Authority as a result of the inevitable upgraded relations between Israel and Hamas during the advancement of the reconstruction project in the Gaza Strip. However, Hamas is already acceptable to Israel as a designated party for security dialogue, even if only indirectly through Egyptian mediation. The day-to-day administrative contact between Israel and officials in the Gaza Strip, who are necessarily linked to Hamas, constitutes a foundation for the expansion of dialogue on civilian matters. Reminding the public and decision makers in Israel that the closure of the Gaza Strip is not complete in any event would help sell the principle of coordination, and as such, help overcome the political, public, and emotional opposition that can be expected to emerge vis-à-vis a reconstruction initiative.

Another dilemma is the political volte-face that Israel will need to make in order to promote the initiative of a multinational reconstruction project for the Gaza Strip. After years of diplomatic, economic, and military effort aimed at limiting Hamas's activity and weakening its rule, and in light of the

ongoing stagnation in the political process with the Palestinians, Israel will need to raise awareness about the severe and still worsening situation in the Strip in order to mobilize assistance. This comes after years when regional and global attention has been focused on other places in the throes of crisis – the civil war in Syria, the spread of jihadist terrorism in the Middle East and the international arena, and the subsequent severe refugee problem that has swept over Europe. Israel and Hamas have not engaged in a large scale military altercation since 2014, and this has also played a role in removing the Gaza issue from the top of the regional and international agenda. If Israel wants to launch an international initiative for the reconstruction of the Gaza Strip, it will first need to breach the wall of relative apathy, and in so doing risk being blamed for the harsh conditions in the region. At the same time, a comprehensive reconstruction initiative would be an appropriate response to criticism in this spirit.

In conclusion, the Gaza Strip reconstruction project requires the fulfillment of four conditions, all of which are essential and none of which in itself is sufficient:

- a. Mutual commitment by both Hamas and Israel to ongoing security calm, which will provide a basis for building an atmosphere that supports reconstruction and prevents further destruction in the Strip. Also necessary will be a mutual commitment to establish protected areas containing water, energy, and economic infrastructure, and to prevent these areas from being attacked or used for an attack, even in the event of a breakdown of the security calm.
- b. The Palestinian Authority's incorporation into the reconstruction project. To this end, Israel will need to refrain from disrupting the reconciliation process between Fatah and Hamas and the establishment of a Palestinian unity government that will focus on the reconstruction project.
- c. Prominent Egyptian involvement in advancing reconstruction that takes the form of mediation vis-à-vis Hamas regarding all aspects of the project, as well as an effort to restrain Hamas and prevent the smuggling of weapons into the Gaza Strip. An Egyptian commitment to the regular opening of the Rafah border crossing for human and commercial transit, and participation in the international supervision and inspection mechanism, will also help further reconstruction. In exchange, Egypt can be offered



the opportunity to establish desalination facilities and employment infrastructure in its territory.

- d. Regional and international involvement in the establishment of a multinational taskforce to be responsible for the reconstruction project, including planning, management, implementation, and maintenance conditions that facilitate its continuation. This task force will also need to encompass an effective supervision mechanism to prevent resources designated for reconstruction from being used to further Hamas's military buildup.

An Israeli decision to initiate a reconstruction framework for the Gaza Strip and conduct a determined campaign to mobilize regional and international support and involvement in the project must be the product of a cost-benefit analysis. One cannot ignore the risks involved in the gradual success of the process in terms of the consolidation of Hamas's rule in the region, a decline in the status of the Palestinian Authority, the restrictions that will apply to Israel's use of force in the Strip in the event of escalation, and future difficulties in stimulating and concluding a political process toward an overall Israeli-Palestinian settlement. However, at the present time, the situation is as follows: Hamas's rule in the Gaza Strip is a fact; the Palestinian Authority contends with the ongoing erosion of its status; and Israel and the PA have not agreed on the conditions that would facilitate a return to the negotiating table, even if only to further interim settlements on the way to a comprehensive settlement. These political aspects of the Gaza issue must be considered in conjunction with the severe humanitarian situation currently prevailing in the Strip, the resulting danger of deterioration of the security realm, and the difficulty of remaining on the sidelines in view of the increasing hardships of the inhabitants of the region.

The conclusion is clear: a change in approach is required. This call is directed toward the Israeli government, the institutions and states in the international arena, the Palestinian Authority, the pragmatic Arab states, and the Hamas leadership itself.

# QUESTIONS OF GOVERNANCE

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# Hamas and Governance in Gaza

Benedetta Berti and Anat Kurz

One of the most significant changes in Gaza over the past decade is without a doubt Hamas's rise to power and the group's consolidation of political, social, and military control of the Strip. Although as of late 2017 Hamas's governance project remains in a precarious position, its authority over the Gaza Strip remains fundamentally unchallenged. Any long term policy proposal with respect to Gaza must take this reality into account and weigh the complex balance of power between Hamas and the other political factions and civilian forces in the Strip as well as in the Palestinian political sphere as a whole. Similarly, internal dynamics, including with respect to the balance between the movement's military and political wings, must be analyzed and understood when assessing Hamas's present and future role in Gaza.

## **The Road to Power: 2005-2007**

In the decades after its establishment as the military wing of the Gaza-branch of the Muslim Brotherhood at the outset of the first intifada, Hamas gradually evolved into a complex organization active at the military, social, and political levels.

The group decided to become directly involved in Palestinian institutional politics in 2004, following the death of Yasir Arafat. Recognizing that the death of the Palestinian national movement's historic leader and the overall disappointment with the political process initiated by the Oslo Accords – both in the general public and within Fatah's own ranks – might provide the organization with a chance to increase its political clout, Hamas's leadership decided to participate in local municipal elections in 2004 and 2005.<sup>1</sup> On the heels of a strong electoral performance, the movement's leadership abandoned the strategy of avoiding participation in the national electoral process and instead decided to compete in the Palestinian Legislative Council

(PLC) elections in January 2006. The electoral results rewarded Hamas's new political strategy, with the group's Change and Reform list winning 74 of the 132 available seats in the Legislative Council, which gave it a majority.<sup>2</sup> In contrast to the internal organizational tension within Fatah that accompanied the electoral campaign and the drafting of electoral lists, Hamas's campaign featured systematic preparations and party discipline. Indeed, strong and sophisticated organizational skills remain one of Hamas's core characteristics and one of the pillars behind the group's ongoing control of the Strip, despite multiple political and military challenges, economic hardships, and popular criticism.

After winning the PLC elections, Hamas initially reached out to Fatah, hoping to create a national unity government. Fatah rejected the overture, reluctant to relinquish the uncontested power it previously held. Specifically, Fatah refused to hand over control of the Palestinian Authority (PA) security agencies to the Interior Ministry in the Hamas-led new government. In addition, Fatah disagreed with Hamas's platform on a number of key foreign policy issues, including its ambivalence regarding preexisting agreements between Israel and the PLO, and more broadly, regarding compliance with the international demands placed by the Quartet.<sup>3</sup> Without Fatah on board, Hamas's elected representatives proceeded to elect Gaza leader Ismail Haniyeh as Prime Minister, who formed a Hamas-only cabinet in March 2006.<sup>4</sup>

The political feud between Hamas and Fatah was not resolved in the year that followed, leading the Palestinian political arena to develop into two opposing centers of power: the (officially recognized) Palestinian Authority (PA) / presidency, headed by Mahmoud Abbas and Fatah, and the Hamas-led government. This division was reflected geographically, with the presidency based in the West Bank and the Hamas leadership residing largely in Gaza. More significantly, the division resulted in both severe problems as to coordination and in fierce competition. Even at this early stage of Hamas's rise to power, it was clear that making good on its promise to advance "reform and change" would be a formidable challenge, given the internal as well as international opposition to its authority and strategic guidelines.<sup>5</sup> As Beverly Milton-Edwards noted:

The authority of Hamas in government was immediately undercut and the growing internal fragmentation of governance further destabilized a system of government that was already weak in



terms of liberal democratic impulses and the necessary institutions for stable governance. Increasingly, the Palestinian context, under Hamas rule, was becoming an example of transitional governance to further conflict (internal and external) rather than peace.<sup>6</sup>

Eventually, after failed attempts at reconciliation and ruling through a national unity government, the political rivalry between the two Palestinian political actors spiraled into violent conflict. The clashes erupted in June 2007, when Fatah-Hamas skirmishes escalated into a full fledged military confrontation between the two parties in the Gaza Strip. Hamas at that point relied on its military superiority to take control of the Strip and establish itself as the sole de facto ruler of Gaza.

### **Ruling Gaza: 2007-2013**

After taking control of Gaza, Hamas's strategic objective became very simple: to preserve its power and control of the Strip. To reach this objective, the group invested in taking control of all institutional aspects of life in Gaza, focusing especially on gaining the monopoly on the use of force, on dealing with the broken economy, and on keeping potential internal challengers at bay.

The Hamas government in Gaza evolved to mirror that of the West Bank: with a Gaza-based legislative body; a Hamas cabinet tasked with executive functions; and a reformed judiciary.<sup>7</sup> In parallel, the group gradually focused on consolidating bureaucratic control of Gaza by slowly ensuring that the main ministries and government institutions, from the agriculture to the finance ministries, would be run by Hamas loyalists. The same occurred at the local government level.<sup>8</sup>

In part Hamas was able to implement these changes rather swiftly because after the 2007 takeover, public employees on the PA payroll, including policemen, were initially told not to report for duty and not to cooperate with the new Hamas government, creating a vacuum in the public sector at large.<sup>9</sup> Over time, Hamas took advantage of the vacuum to recruit its own personnel and place Hamas loyalists in key positions of power. It successfully replaced the upper echelons of the public administration, while also managing to downsize the bureaucratic apparatus significantly.<sup>10</sup>

In tandem, Hamas developed its own parallel security sector, which was primarily composed of the civil police.<sup>11</sup> The new security sector was smaller and better integrated than the one in place in the West Bank, and

it was placed under direct civilian control, through the police commander, reporting directly to the Interior Minister.<sup>12</sup> With this reorganization also came an official separation between the security sector – tasked with security and law enforcement – and the Hamas militants of the Qassam Brigades, dealing mostly with external resistance.<sup>13</sup> Hamas could of course resort to its Qassam Brigades to support the Gaza security services, but officially the Hamas government preferred to separate between the Hamas military wing and the Gaza security sector.

Overall, Hamas created a public sector staffed with roughly 40,000 employees, with more than 15,000 part of the security sector.<sup>14</sup> This further consolidated the group's power over Gaza, making Hamas the second biggest employer in Gaza after the PA – which from Ramallah continued to pay the salaries of more than 70,000 public employees – and ahead of the international NGOs, led by UNRWA.<sup>15</sup>

In addition, international restrictions against Hamas and Gaza inadvertently strengthened Hamas's control. First, the average citizen of Gaza – impoverished by the restrictions and in need of assistance – became more dependent on Hamas, its government, and its welfare system. After the takeover, Hamas preserved its social services infrastructure,<sup>16</sup> and invested in consolidating its control of the other Gaza-based institutions devoted to social assistance.<sup>17</sup> While weakening the private sector, restrictions on Gaza contributed to the flourishing of the Hamas-controlled tunnel economy, further strengthening Hamas's grip on Gaza's economy. With over 1000 tunnels operating between Egypt and Gaza,<sup>18</sup> Hamas profited by regulating the construction and operation of the tunnels, by overseeing the transit of goods, and by collecting revenues.<sup>19</sup> The smuggling activity included all types of goods, from basic commodities to weapons, and by 2009 it was estimated that the majority of all imports into the Strip occurred via underground tunnels.<sup>20</sup> The tunnels likewise resulted in additional money and equipment for Hamas's military wing, heavily involved in the smuggling business.<sup>21</sup> Thus for the next several years and through a combination of economic, social, military, and political tools, Hamas de facto shifted the balance of power in Gaza and emerged as the sole, largely uncontested, ruler.

Following three major rounds of war with Israel (Operations Cast Lead, 2008-2009; Pillar of Defense, 2012; and Protective Edge, 2014) that devastated the civilian infrastructure in the Strip, and the tightening of restrictions

imposed by the Egyptian regime, it is important to assess how much of this system of government survives today.

### **Hamas in Control: 2013-2017**

The system of control and governance established by Hamas after 2007 has been under severe strain since mid-2013.

In the wake of the profound socio-political changes brought forth by the Arab awakening, Hamas was initially particularly hopeful with respect to the winds of change in neighboring Egypt. The rise of the Morsi government – associated with the Muslim Brotherhood movement – represented a welcome new chapter for Hamas from the attitude displayed by Egypt during the Mubarak years, characterized by suspicion if not outright hostility toward Hamas. However, with the ousting of the Morsi government in early July 2013 and with the subsequent rise of the army-backed new political authority, the relationship between Hamas and Egypt went from “excellent” to “disastrous” in a matter of weeks. After 2013, the new political authority in Egypt adopted a restrictive policy with respect to the flow of goods and people, with the Rafah crossing operating under severely limited conditions.<sup>22</sup> More importantly, the border restrictions have been accompanied by an ongoing military campaign to disrupt the tunnel economy between Gaza and Egypt. The impact of these policies on Hamas has been severe, with the organization finding it increasingly hard to meet its budgetary needs and provide badly needed goods and services to the Gaza population.

The rising political and financial pressure eventually pushed Hamas to attempt to mend its rift with Fatah by pursuing an agreement with the PLO in April 2014, leading to the creation of a unity government two months later.<sup>23</sup> The Hamas leadership agreed to the establishment of a unity government of individuals who were nominally technocrats that excluded any representative of the movement, agreeing that such a government would extend its control over Gaza while Hamas would retain security control of the Strip. Hamas hoped the unity deal would provide badly needed economic relief for the cash-strapped organization, including by paying the salaries of the public employees on its payroll. Instead, the lack of economic relief and political progress following the June 2014 unity deal further heightened political, military, and financial tensions within Hamas, eventually leading to yet another round of violent confrontation with Israel.

In the months following the 2014 ceasefire, the unity government continued to make little progress on issues such as extending the PA's effective control on Gaza, finding a compromise to reform the public sector in Gaza, and revising the security arrangements in the Strip. Furthermore, the lack of institutional cooperation between Hamas and Fatah, let alone collaboration, on issues related to the post-2014 reconstruction process and the failure to take serious steps toward preparing new legislative and presidential elections eventually led the unity government to collapse in June 2015. Since then, ongoing challenges in the framework of possible reconciliation, combined with the continued financial crisis within Hamas, have consolidated a state of crisis in terms of Hamas's government ability to govern the Strip effectively.

## **The Future**

Without a stable unity government and the implementation of true political reconciliation, Hamas will remain the effective ruler in Gaza. Yet given the multiple economic and political restrictions in place, Hamas will continue to struggle to deliver, thus increasing pressure on the group and on Gaza. This could well be a worst case scenario: one where there is neither stable nor effective governance in Gaza; no reconciliation; and at the same time, no real prospects of challenging Hamas's control. Hamas's government is both entrenched and in crisis, while the Palestinian political sphere remains split and the tension mounts within Hamas's ranks.

This in turn spells trouble because it increases the chances of conflict. It affects the possibility of reaching a comprehensive Israeli-Palestinian political agreement, while also negatively affecting Gaza's development and humanitarian landscape and lowering Hamas's prospect of being recognized, internally and externally, as an integral part in the Palestinian political system.

How likely is reconciliation? Fatah and Hamas have not officially or publicly revoked the reconciliation agreement that was reached in 2014, and by early 2017 the dialogue between the two political rivals had resumed. This last round of negotiations may very well have been motivated by the two sides' mutual weakness: in the case of Fatah due to protracted political deadlock and rising unpopularity, and in the case of Hamas due to its dire financial crisis and lack of feasible alternatives.

Legitimacy is a key issue of concern: Hamas and Fatah, especially when facing challenges to their rule, have over the past years relied on the idea

of reconciliation and national unity to rekindle their popularity, with each pointing a finger at its opponent as the responsible party for destroying prospects of unification for the Palestinian people. In October 2017, however, under the auspices (and pressure) of Egypt, the two rival parties agreed on administrative power sharing in the Strip. As in the two preceding attempts to reach political reconciliation, the sides were driven toward smoothing over at least part of their differences by their quest to preserve and broaden their respective legitimacy bases – necessarily at the expense of one another. The previous attempts failed because both sides refused to accept each other’s prerequisites for collaboration. This time, however, the humanitarian crisis in the Strip, in addition to the deep sense of hopelessness among the local population and increasing economic pressure inflicted on the Strip by the Palestinian Authority and Cairo, appeared to leave Hamas no choice but to concede to some of the demands presented to it in return for moves expected to halt, at least temporarily, the area’s evident slide towards chaos and even popular uprising. Although Hamas rejected any mention of dismantling its military power, the PA exploited Hamas’s weakness and agreed to take responsibility for the civilian management of the Strip and lift sanctions it had imposed on the area, hoping that this would eventually enable it to regain control full overall over the Gaza area.

It is too early to assess the effectiveness of this accommodation move, because it does not mean that Hamas and Fatah/the Palestinian Authority will be able to overcome their fundamental differences and cores of conflict: the ideological, strategic, and political gaps between them remain deep and difficult to bridge. Still, the Palestinian Authority’s involvement in the Strip’s daily civilian affairs appears to present an opportunity to facilitate initiation of rehabilitation projects there, at least by easing transfer of financial resources and goods to the area.

For its part, can Israel overcome its deeply rooted tendency to inflict restrictions on Hamas in an effort to weaken it? Can it desist from objecting to any Fatah-Hamas attempt (albeit half-hearted) to reach institutional collaboration? By encouraging Palestinian national unity and abandoning the policy of driving wedges between the two parties, Israel could well achieve two intertwined goals: facilitating the rise of one legitimate Palestinian partner, and over time, assisting in the reconstruction of the civilian infrastructure in the Strip, thereby reducing the potential for repeated cycles of war with

Hamas. Thus, good and effective Hamas-Fatah joint governance in the Strip should be regarded not only as means to improve the well-being of Gaza's residents, but also a means to encourage moderate tendencies among their political leaders and consequently in the Palestinian arena as a whole.

## Notes

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# The Palestinian Authority and the Gaza Strip

Shlomo Brom

The Palestinian Authority (PA) in Ramallah, controlled by Fatah and Mahmoud Abbas, perceives the situation in the Gaza Strip, as well as its involvement in any reconstruction projects there, through the lens of its own political gains. Fatah's main political interest remains to ensure its dominance, in terms of power and support, over the Hamas movement, which has ruled the Gaza Strip since the Palestinian legislative elections of 2006.

## **The PA and Gaza at a Glance: Motives and Interests**

Based on this political rationale, the PA's main consideration for supporting any particular measure in the context of Gaza is whether it strengthens Hamas and weakens Fatah, or vice versa. The perspective is consistently one of a zero-sum game. For these reasons, the PA's attitude toward reconstruction in the Gaza Strip corresponds largely to its attitude toward the many reconciliation agreements pursued between Hamas and Fatah over the past years. Overall, these attempts have not reflected sincere efforts at reconciliation and were exploited for political gain, in order to secure advantages over its political opponent and tilt Palestinian public opinion in its favor. Furthermore, when considering any intervention in Gaza, including reconstruction projects, the PA gauges the political effects such measures will have on its interests and relations with relevant regional and international players, including Egypt, Qatar, Turkey, and the United States. Similarly, the PA evaluates how such moves would affect interactions between these actors and Hamas.

Accordingly, when confronting the issue of the Gaza Strip, the Palestinian Authority faces multiple predicaments. The first dilemma is how to prevent the strengthening of Hamas without damaging the PA's image further among

the Palestinian public. Any measure aimed at improving the situation in the Gaza Strip is likely to be credited to Hamas, which in turn reduces public criticism of the movement, and ultimately improves Hamas's political position. If the PA thwarts such measures, however, it is likely to be perceived as itself responsible for the tragic state of the Gaza Strip, and to incur public criticism as a result.

The second dilemma confronting the PA is how to keep the reconstruction process in the Gaza Strip from becoming a tool for Hamas to forge relations with both Middle East states and states outside of the region, especially in the West, which would thereby lead them to regard Hamas as a legitimate organization. The PA presumes that reconstructing Gaza will require direct contacts between Hamas and the various regional and international players, creating a situation where Hamas is no longer boycotted and seen as a terrorist movement subject to international sanction, but rather as a legitimate partner of the main actors on the ground.

These considerations have led to a paradoxical situation. On the one hand, the PA wants to increase pressure on Hamas by worsening the socioeconomic situation in the Gaza Strip. On the other hand, the PA has an interest in maintaining the fiction that the Ramallah-based government is in charge of Gaza and is therefore both concerned and responsible for its tragic situation. Hamas too has a certain interest in maintaining this fiction, as it prompts the PA to pay a large portion of civilian expenses in the Gaza Strip, thereby relieving Hamas of the necessity to do so. It is very difficult to ascertain precisely the total sum of civilian expenditures in Gaza and the PA's share in them, in part because the official budgets and the actual expenditures tend to differ. However, between 2012 and 2016, the annual publicized Hamas budget was \$750-900 million. During these same years, the PA was supposed to spend more than \$750 million on Gaza expenses, toward salaries, electricity, water, health care, hospitals, and more. In the months before the PA steps to cut expenditure for Gaza in 2017, the average PA monthly expenditure was \$100-120 million.<sup>1</sup> Accordingly, the PA's share through the years would constitute 50-70 percent of Gaza's total expenditures.

Following a similar logic, a few months prior to Operation Protective Edge in 2014, Hamas announced that it was no longer the government of the Gaza Strip, and was responsible only for security matters and "resistance to Israel," not for civilian matters.<sup>2</sup> This position derived from Hamas's

inability to obtain the financial resources necessary for managing the Gaza Strip from its partners in the Middle East, mainly Iran. Indeed, when Hamas refused to support the Assad regime when the Syrian rebellion erupted in 2011, Iranian-Hamas relations deteriorated. In addition, Egypt's destruction of most of the smuggling tunnels denied Hamas another major source of income. Moreover, Hamas has had to accept a situation in which nearly all funding from international aid and taxes collected by Israel on products reaching the Palestinian territories goes exclusively to the PA. The PA is of course supposed to use this tax money in part for needs and projects in the Gaza Strip. To retain the fiction that the PA remains in control of Gaza, the government in Ramallah is strongly interested in making sure that the money transferred for use in Gaza reconstruction projects passes through its hands.

### **The Obstacles to Reconstruction without Reconciliation**

Following Israel's disengagement from the Gaza Strip in 2005, negotiations mediated by the US took place between Israel and the PA on the issue of movement of people and goods to and from the Gaza Strip. The negotiations culminated in the signing of an agreement entitled "Agreed Documents on Movement and Access from and to Gaza."<sup>3</sup> It included provisions for the operation of the Rafah crossings as well as the crossings between the Gaza Strip and Israel, such as Karni, Sufa, Erez, and Kerem Shalom. Yet the agreement, which was stalled after Hamas won the 2006 Palestinian Legislative Council elections and formed a government with which Israel was unwilling to cooperate, was never implemented. This situation was further exacerbated by the 2007 split between the Gaza Strip, which remained under Hamas rule, and the West Bank, ruled by Fatah.

Since the elections in 2006, all efforts at reconciliation between Fatah and Hamas have collapsed, including agreements on the formation of a national unity government. Future chances of success remain poor, barring significant political change in Ramallah, Gaza, or both. Fatah leader Marwan Barghouti, imprisoned in Israel, has presented an agenda that includes the implementation of a reconciliation agreement with Hamas. Despite numerous surveys<sup>4</sup> showing that the Palestinian public favors him as a replacement to PA President Mahmoud Abbas, it is questionable whether Barghouti would be able to assume that role. The political situation in Israel makes his release from prison unlikely, even if he were elected as the new PA president.

In the absence of a political situation that allows the movement and access agreement to be fully implemented, since 2007 repeated efforts have been made to reach a stage where the agreement is implemented at least partially, even if Hamas remains in power. The key to realizing these efforts is creating buffer zones at the Gaza border crossings, with a PA presence between Hamas and Israel, and between Egypt and Hamas at the Rafah border crossing into Egypt. This in turn requires an understanding between the PA government and the Hamas regime in the Gaza Strip on a PA buffer element at the crossings. For example, the deployment at the Rafah crossing of presidential guards loyal to Abbas has been discussed among the PA, Egypt, and Hamas numerous times – including most recently in late 2014 after Operation Protective Edge.<sup>5</sup> Yet the PA has never reached an agreement on this with Hamas, and it is difficult to determine who bears more responsibility for the failure, given that both sides have an interest in thwarting this type of agreement. Hamas wants to retain complete control of the border crossings as well as direct connections with any foreign party involved with movement through the border crossings. The PA, on the other hand, is unwilling to accept an arrangement that would allow free movement to and from the Gaza Strip, thereby enabling Hamas to succeed in facilitating normal life in Gaza. In addition, the PA, fearing for the safety of its security personnel, worries that its forces stationed at the border crossings would be at the mercy of Hamas. Hence, since Operation Protective Edge the PA has been unable to reach an agreement with Hamas on the issue of border crossings. This has hampered the transfer of material needed for reconstruction in the Gaza Strip, even though Israel has proven willing to be more permissive concerning the goods that can enter and leave the Strip, including the entry of building materials following special arrangements with international organizations. Following discussions between the government of Egypt and Hamas on security matters, a new idea was raised, namely, to use Muhammad Dahlan, who tries to lead opposition within Fatah against the current Fatah leadership, as a buffer between Hamas and the other parties. However there is strong opposition to this idea within Hamas and there is uncertainty as to the Egyptian commitment to the idea.

Reconstruction in the Gaza Strip also requires arrangements for reducing unemployment and for creating a system where employees receive regular salaries. One of the main related issues is the question of salary payment

to government employees in the Gaza Strip. There are two categories of government workers in Gaza: those employed by the Fatah government until 2007 (some 60,000<sup>6</sup>) and those subsequently hired by Hamas (some 51,000,<sup>7</sup> not including the military wing but including non-military security organs like the police).

The PA government in Ramallah receives most Palestinian revenues because it is the recipient of customs duties and taxes collected by Israel (more than \$1 billion annually)<sup>8</sup> for all the goods crossing into Palestinian territory (including Gaza), as well as the aid money from the donor countries (\$750-1.2 billion annually between 2007-2015<sup>9</sup>). The PA would presumably be expected to allocate a proportionate share of this money (around a third) to the Gaza Strip. The government in Ramallah, however, refuses to transfer salaries to employees hired by Hamas, and continues instead to provide a salary to its former employees, though they have not worked in Gaza for years. In previous rounds of reconciliation negotiations, the two sides succeeded in reaching agreement on payments to state employees who were not security personnel, even if they were hired by the Hamas government. However, the PA has refused to pay Hamas's security sector, because from its point of view, that would mean that it is funding the Hamas military wing.

This PA policy has led at least two donor countries, Qatar and Turkey, to transfer aid directly to the Gaza Strip, without any mediation from the PA – given their interest in assisting with the reconstruction of the Gaza Strip, and their politically friendly relations with Hamas. This detracts from the PA's status. At certain points Egypt and Israel too were willing, on the basis of their relations with Qatar and Turkey, to allow these two countries to transfer aid for reconstruction purposes directly to the Gaza Strip. For example, in October 2012, the emir of Qatar visited the Gaza Strip and pledged \$400 million in aid for construction projects in Gaza.<sup>10</sup> In the following years the Emirate was actively involved in building Gaza, through direct shipment of building materials from Egypt through the Rafah crossing.

Rebuilding of infrastructure, a key element in reconstruction beyond the rebuilding of residential buildings, has also been also a victim of the disputes between the PA and Hamas. For example, reconstruction of the Gaza Strip cannot take place without ensuring a steady supply of water and electricity. Gaza's electrical infrastructure is in a perilous state, with the existing electrical system providing civilians with a precarious and limited supply. The aquifer

from which the Gaza Strip pumps its water is running low, and suffers from seawater and sewage infiltration. Put simply, the water it supplies is not fit for drinking. These two crises are only expected to worsen.

The electricity produced by the power station in the Gaza Strip is supplemented by electricity supplied on power lines from Israel and Egypt on the basis of agreements with the PA. Water from Israel is provided in the same manner. Both, however, are dependent on the PA's good will. The PA is indeed responsible for paying Israel and Egypt for the electricity supplied, as well as for the supply of fuel used by the power station and water systems. From time to time the PA refuses to pay, partly due to actions taken by Hamas, such as undercharging consumers and providing large scale exemptions from payments for its institutions and cronies, or refusing to transfer payments and taxes collected on the fuel for the power station paid for by the PA back to Ramallah.

The January 2017 electricity crisis resulted from a delay in payments by the PA, increased consumption caused by the harsh winter, and malfunctions in the electricity cable from Egypt. This crisis highlighted the urgency of dealing with Gaza's infrastructure, and led to mass demonstrations against Hamas and the PA by Palestinian civilians. The energy crisis was temporarily solved when Qatar agreed to pay for the fuel needed to operate the power station in Gaza, and Hamas was later able to recruit enough financial resources to pay for the fuel from Egypt.<sup>11</sup> Israel has reportedly been willing to help solve the infrastructure crisis by building an additional electricity line to the Gaza Strip – though this plan is delayed by PA opposition – and by laying a gas line to facilitate gas-powered electricity production in the Gaza Strip.

The complicated triangle of relations between the Hamas government in the Gaza Strip, the PA in Ramallah, and Israel impedes the implementation of these solutions. While the immediate crisis was resolved with Qatar's contribution, this does not eliminate the need to develop a more complete long term solution, which depends to a large extent on the understandings between the three sides.

Over the course of 2017 progress was made toward reconciliation between Fatah and Hamas. Mahmoud Abbas, whose political standing within Fatah improved following the seventh Fatah conference, where he was able to exercise full control over the party's organs, convened a meeting of all the main Palestinian factions in Beirut. At the meeting, several agreements

were reached by Fatah, Hamas, and the other Palestinian factions, including on establishing a unity government, holding elections, and convening the Palestinian National Council – the main representative body of the Palestine Liberation Organization (PLO) – with the participation of all the factions (in other words, including Hamas and Islamic Jihad, which are not yet members of the PLO).<sup>12</sup> These understandings were ratified at another meeting of the two organizations a week later in Moscow.<sup>13</sup> However, there is skepticism regarding the future implementation of such agreements, due to the groups' past negotiation history. All previous attempts to implement agreements have failed because both sides acted on the basis of the zero-sum game concept. Each party tried to translate the agreements into a one-sided plan that would benefit only itself. The best indication that this is the most likely outcome is that Israel did not attack the understandings, condemn them, or try to exert pressure on the PA to prevent their implementation. In practice, since early 2017 the PA government has increased the pressure on the Hamas government by drastically cutting its expenditure on the Gaza Strip, hoping that it will bring Hamas to yield to PA demands and cede control over the Gaza Strip, a hope that does not seem realistic.

In October 2017 Fatah and Hamas signed a new reconciliation agreement; implementation began shortly thereafter. Several factors paved the way for this development: changes in the Hamas leadership, with Ismail Haniyeh replacing Khaled Mashal as head of the Hamas political bureau – the most senior position in Hamas's political leadership – and Yahya Sinwar chosen as head of Hamas in the Gaza Strip; the cumulative effect of the financial pressure by Abbas on the Strip; Egypt's desire for an agreement with Hamas, which would then cut its ties with the Muslim Brotherhood and jihadists groups active in Sinai; and Egypt's drive to regain its status as a leading actor in the Palestinian arena. According to the agreement, the Ramallah government will administer civilian affairs in Gaza, including financing for services and salary payments for civil servants. The transfer of control at the border crossings to the PA will also help the entry of goods necessary for reconstruction. The Egyptian auspices and the positive response by the Trump administration to the agreement lay in the background of Israel's decision not to torpedo the agreement. Similarly, Israel is not expected to harbor hopes of undermining the agreement by blocking reconstruction measures.

Resolution of primary disputes between Fatah and Hamas – including the future of Hamas’s military wing, PA elections, and Hamas’s joining the PLO – was postponed. At the same time, the prospects of Hamas and Fatah reaching agreement on these issues are slim, and therefore two scenarios may unfold. One, the agreement may collapse, and there will be a renewed split between the Gaza Strip and the West Bank, and the inter-organization hostility will obstruct reconstruction of the Strip. Two, the agreement will be partially implemented under Egyptian auspices. In other words, the PA government will continue to administer civilian affairs in the Strip and control the crossings, but Hamas’s military wing will retain its independence. This scenario would accelerate reconstruction of Gaza, provided that the international elements subsidizing the project agree to operate under these circumstances. One primary weakness of this scenario, however, lies in the possibility that violence between Israel and Hamas will recur. Any intensive confrontation is liable to annul anything achieved in the reconstruction and exacerbate the situation in the Strip. Still, Hamas’s strong interest in reconstruction will almost certainly prompt the organization, at least in the near future, to make every effort to avoid such violent confrontations.

## Notes

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# The Hamas Military Buildup

Kobi Michael and Omer Dostri

Notwithstanding the existing tension between Hamas's political wing and the organization's military wing, Izz ad-Din al-Qassam Brigades, over strategic priorities, and in tandem with the ongoing and concentrated effort invested by the military wing in military buildup, there is general agreement throughout the organization on the question of a direct conflict with Israel at the present time. The consensus is that under current conditions, particularly in view of the scale of the casualties and destruction in the Gaza Strip during Operation Protective Edge, another round of fighting now is not in the organization's interest. Hamas's military infrastructure was severely damaged in the 2014 conflict, and the Gaza population is in dire straits due to the damage caused to residential buildings and infrastructure. The overall economic situation is extremely difficult, and public criticism is directed at Hamas for inciting a conflict with Israel. Added to these constraints are the restrictions imposed by Egypt on the movement of residents to and from the Gaza Strip in the framework of its struggle against Hamas itself, and as part of its conflict with jihadists active in the Sinai Peninsula, particularly Wilayat Sinai, identified with the Islamic State. The region's economy has also been affected by the obstruction of the smuggling tunnels on the border between Egypt and the Gaza Strip.

In order to avoid another conflict with Israel, Hamas has taken action to prevent attacks against Israel by the jihad factions operating in the Gaza Strip, and the organization has even established a restraining force that prevents shooting incidents from the border area with Israel or makes arrests if shooting incidents occur. Under these conditions, along with the strengthening of the terrorist infrastructure in East Jerusalem and the West Bank,<sup>1</sup> and the permission granted for controlled popular demonstrations in the proximity of the border fence between the Gaza Strip and Israel for

the purpose of letting off steam,<sup>2</sup> Hamas is devoting its efforts to a military buildup and rebuilding its infrastructure of tunnels in the Gaza Strip. This infrastructure is intended for use if and when another round of conflict develops between the organization and Israel.

### **Principles of Force Buildup**

The buildup of force relies on an understanding of the asymmetry between Hamas and Israel and the organization's effort to compensate for its military inferiority. Hamas seeks to develop capabilities that will attack Israel's weak points and shape rules of the game that will keep Israel from taking advantage of its military edge as the organization targets Israel's technological superiority, modern economy, and the desire of its citizens for a high quality of life. Consequently, Hamas has invested efforts to develop high trajectory weaponry and an air and naval force. It seeks to expand its underground range by digging attack tunnels under the Gaza Strip border with Israel and command and control tunnels that will enable it to disrupt ordinary life in Israel, damage essential infrastructure, lengthen the conflict, and drag Israel into a military response that will expose it to international pressure and domestic criticism.

The logic in Hamas's force buildup is the same as that guiding Hezbollah in its force buildup in Lebanon, which advocates positioning of military infrastructure in population centers; the use of civilians, including children and teenagers, as human shields for terrorist operatives; combat against the IDF from residential buildings and public institutions; the use of civilian ambulances to evacuate operatives; rocket and mortar fire directed against Israeli population centers; and training, exercises, and military demonstrations to improve the operational fitness of the organization's members and raise morale. In many cases, these actions are conducted in population centers in order to prevent an Israeli attack.<sup>3</sup>

### **The Buildup following Operation Protective Edge**

It is estimated that Hamas's military forces include 16,000 soldiers, in addition to 16,000 members of the security organs, some of whom are attached to the military forces in times of need.<sup>4</sup> In Operation Protective Edge, Hamas's military forces contained six territorial divisions. Elite units, airborne forces (small UAVs, larger UAVs, and drones), and a naval force were established.

The military forces also included special units specializing in high trajectory weapons, air defense, and smuggling.

In Operation Protective Edge, Hamas concealed its rocket launchers and command and control capabilities in tunnels. As such, it was able to maintain functional continuity during all 50 days of fighting and use the attack tunnels infrastructure to penetrate Israeli territory to carry out attacks and set ambushes for forces. In the meantime, defensive tunnels in the Gaza Strip were used in order to surprise IDF ground forces with the use of explosive devices, anti-tank fire, and kidnapping soldiers.<sup>5</sup> In addition, during the fighting, Hamas launched continuous rocket barrages at diverse targets in Israel in an attempt to penetrate the Iron Dome defensive layer; tried to launch rockets at strategic targets, such as Ben Gurion Airport, and to a limited extent at the nuclear reactor in Dimona; and fired mortar shells at Israeli communities bordering the Gaza Strip and the entry points for the IDF (after it became clear that long range rocket fire was not having the expected effect).<sup>6</sup>

*The ground forces:* In order to prepare its combat force, Hamas conducts intensive maneuvers, with an emphasis on penetrating Israel, attacking Israeli targets, and kidnapping soldiers. Together with rebuilding its regular force, there are efforts to improve the military fitness of the security organs and train popular militias and youth frameworks as an auxiliary force for the regular army.<sup>7</sup>

One of the significant attack capabilities being developed by Hamas is an elite unit – the Nakba Force. The purpose of this unit is to carry out attacks in Israeli territory through the attack tunnels. The force, which numbers 5,000 soldiers, also practices defensive operations in the Gaza Strip. The troops train intensively, and are equipped with more advanced and precise weapons.<sup>8</sup> The maneuvers focus on penetration of Israeli territory, assaults on IDF positions or patrols, killing of soldiers and destruction of weapons, and retreats through the tunnels with captured IDF soldiers or soldiers' bodies for use as bargaining chips in order to obtain the release of Palestinian prisoners.<sup>9</sup>

*Repairing the tunnel system:* Hamas has two tunnel systems. One, located within the Gaza Strip, is used to ensure command and control if the IDF is in the area and threatens infrastructure above ground. It is used to attack IDF forces, to transport combatants from place to place and conceal combatants, and to store equipment and weapons. The second is a system of attack tunnels

crossing the border into Israeli territory. These tunnels are designed to allow soldiers to move into Israeli territory, while bypassing the border fence and IDF activity along the border, with the aim of gaining control over IDF positions or patrols and carrying out terrorist attacks in Israel with attacks that will make a major public impact.<sup>10</sup>

During Operation Protective Edge, the IDF uncovered 100 kilometers of tunnels in the Gaza Strip and neutralized 32 attack tunnels, a third of which extended into Israeli territory.<sup>11</sup> It was also reported that Hamas had put to death dozens of tunnel diggers, fearing that they would disclose the location of the tunnels.<sup>12</sup> Following Operation Protective Edge, Hamas assigned hundreds of members to dig new tunnels and repair those that had been destroyed. The digging took place seven days a week, at all hours of the day and night. Hamas reportedly invests about \$40 million a year in the tunnels project and employs some 1,500 operatives from its various area divisions in digging tunnels. The average wage for a digger varies between \$250 and \$400 a month, which is considered a relatively high wage in the Gaza Strip. The diggers also receive bonuses and incentives for meeting the timetables set by the military leadership in the Gaza Strip, and their pay increases according to seniority.<sup>13</sup> It is estimated that Hamas has already invested hundreds of millions of dollars in the tunnels project, and it has been claimed that this constitutes most of the organization's budget.<sup>14</sup>

In April 2016, the IDF uncovered a Hamas attack tunnel in Israeli territory, and neutralized it in a controlled manner.<sup>15</sup> A month later, in May 2016, the IDF discovered another attack tunnel in Israeli territory. IDF sources asserted that they did not know whether the tunnel was dug before or after Operation Protective Edge, but the tunnel was discovered to be usable.<sup>16</sup>

The tunnel-digging project is based on the realization that the pace of digging should be stepped up as long as Israel has no comprehensive technological solution to the challenge of locating the tunnels.<sup>17</sup> At the same time, the effort to move ahead with it is encountering another obstacle: between early 2016 and mid 2017, some 20 tunnels collapsed in the Gaza Strip, killing approximately twenty members of Hamas and Islamic Jihad. It is believed that the tunnels' collapse was caused by natural factors, rain, or unknown actions by Israel. Speculation about Israel's involvement in the collapse of the tunnels was supported when tunnels continued to collapse at a higher rate during the summer, when there was no rain. On March 22,

2017, in a hearing of the Knesset State Control Committee, the IDF Chief of Staff confirmed that the IDF had attacked tunnels on the Gaza Strip border after Operation Protective Edge, using a new method.<sup>18</sup>

*Military infrastructure along the border with Israel:* Following Operation Protective Edge, Hamas built a series of positions several hundred meters from Israel's security fence. Lookout towers were built near them and manned by members of Hamas's military wing, and a road was paved next to the fence. The line of outposts improves Hamas's ability to enforce its policy on the jihad factions active in the Gaza Strip, which seek to incite escalation. Enforcement is carried out in part by a special military and security force called the "Restraining Force." At the same time, the new line enables Hamas to monitor IDF actions along the border relatively effectively, improve regular security, and initiate offensive operations from close to the border with Israel when deemed necessary.<sup>19</sup>

*The naval arm:* According to IDF naval intelligence, a Hamas commando unit has been equipped with dozens of diving kits, among the most advanced in the world, giving its frogmen the ability to dive to various depths for up to four hours. Hamas's commandos are also equipped with advanced computerized diving watches, and even scooters (miniature tools for moving about underwater) that increase their diving distance and enable them to reach the Israeli coast more quickly, leaving the diver with enough strength to fight later on the land.<sup>20</sup> During Operation Protective Edge, divers from the Hamas commando unit succeeded in penetrating Israeli territory from the sea when five divers emerged near the Zikim beach. They were spotted immediately by IDF lookouts and killed by combat soldiers who arrived at the scene,<sup>21</sup> but only after being on the beach for 40 minutes. One of them managed to attach an explosive device to a tank. The device exploded, but caused no casualties.<sup>22</sup>

The unit has multiplied its forces since Operation Protective Edge, and now has many dozens of trained combat soldiers, who are young and highly motivated to take advantage of the underwater dimension to deliver a strategic blow against Israel in the next war in the Gaza Strip. It is believed that Hamas is planning to have its commandos launch weapons at close range, possibly advanced anti-tank missiles aimed at the power plant in southern Ashkelon, with the objective of causing damage that will be photographed, thereby giving Hamas a victory photo shot. Another possibility is diving to reach

the area between Ashkelon and Ashdod, quietly coming up on the beach, and launching missiles from the land at a trading ship coming to anchor at Ashdod Port, with the aim of paralyzing Israel marine trade during the fighting.<sup>23</sup> In August 2016, the IDF revealed an aerial photo of a marina built for the naval unit of Hamas's military wing, including a supervision and lookout tower. A senior Israeli navy source explained that Hamas's naval commando unit was liable to use this infrastructure in future operational missions and training.<sup>24</sup>

*The air arm:* Hamas's array of unmanned aerial vehicles (UAVs) was established a decade ago on the basis of knowledge acquired in Iran and Syria.<sup>25</sup> The architect of the plan was Hamas leader Adnan al-Ghoul, who was killed by Israel in 2004. The array includes UAVs that probably cannot carry standard weaponry; it may be possible, however, to load explosives on them in improved fashion, and they are capable of photography missions. The miniature UAVs can fly a distance of dozens of kilometers from the Gaza Strip, and can cover the greater Tel Aviv region, and even areas further north.<sup>26</sup> A senior IDF source said that if Hamas uses these UAVs as miniature suicide UAVs, the potential damage would be less than the damage from a rocket.<sup>27</sup>

On November 16, 2012, during Operation Pillar of Defense, the Israel Air Force attacked and destroyed a warehouse storing Hamas's miniature UAVs. The UAVs were in the advanced stages of development, with precise attack capabilities and the ability to collect high quality intelligence.<sup>28</sup> On July 14, 2014, during Operation Protective Edge, a Hamas UAV penetrated into Israel and was intercepted by the air force. The IDF claimed that it was unclear whether the UAV was booby-trapped or sent for photography purposes.<sup>29</sup> Since Operation Protective Edge, Hamas has been trying to rebuild its array of miniature UAVs.<sup>30</sup> On June 25, 2015, a UAV from the Gaza Strip penetrated Israeli territory, but disintegrated near the border fence.<sup>31</sup> On September 20, 2016, the Israel Air Force detection system spotted a Hamas UAV taking off from the Gaza Strip that flew along the Gaza Strip coastline for several minutes. The UAV was monitored by Israel as soon as it took off, until it was intercepted with the help of an F-16, although it never entered Israeli territory.<sup>32</sup>

In addition to the miniature UAVs, Hamas is training its soldiers to use other airborne weapons. A Hamas soldier with the rank of squad commander told the Israel Security Agency in his interrogation that he had been selected in



2010 for a special force that was sent to Malaysia for training on paragliders in preparation for terrorist attacks penetrating Israel. Ten other soldiers from various battalions who had trained there for a week in flying paragliders were with him. In 2014, the soldier, together with the others who had been trained with him, were summoned for additional paraglider training, this time in the Gaza Strip.<sup>33</sup>

On February 15, 2016, it was reported that Mohamed al-Zawari had been killed in Tunisia. Al-Zawari was an engineer and flight expert who was a member of Hamas and Hezbollah, and had helped both organizations improve their array of UAVs, and had even infiltrated the Gaza Strip through a tunnel in order to train Hamas terrorists in the use of UAVs against Israeli targets. Sources in Hamas accused Israel of the killing.<sup>34</sup>

*Rockets:* On the eve of Operation Protective Edge, Hamas had approximately 11,000 rockets, mostly short range and a few long range (up to 160 kilometers). At the end of the fighting, as a result of massive firing at Israel (about 4,000 rockets) and attacks by Israel, Hamas was left with a third of that number. Hamas therefore assigned top priority to increasing its stock of rockets and mortar shells and improving its technical capabilities. In view of the lessons from Operation Protective Edge, and following difficulties in smuggling standard long range rockets from the Sinai Peninsula into the Gaza Strip, Hamas emphasized the procurement of high trajectory short range weapons.<sup>35</sup> About 18 months after Operation Protective Edge, Israel believes that Hamas has managed to refurbish its stock of rockets that it had before that conflict, although most of them are short range, while most locally produced rockets are less accurate than the standard rockets.<sup>36</sup>

*Smuggling production equipment:* Since Operation Protective Edge, Hamas has devoted most of its resources to an extensive campaign to procure and smuggle goods, including dual purpose materials that are liable to be used in weapons manufacturing. These materials are brought into the Gaza Strip in cooperation with dealers from Judea and Samaria and elsewhere in Israeli territory. Most of the goods, including electronic and electrical equipment, communications equipment, and raw materials for industry are used to rebuild and improve the system of attack tunnels; produce weapons, with an emphasis on rockets; and create technological support systems for warfare.<sup>37</sup>

Together with the procurement campaign, which has consumed many financial resources, Hamas is taking action, including through violent means,

to gain control over raw materials, among them cement, iron, and wood, that have been approved for entry into the Gaza Strip in order to support reconstruction of civilian infrastructure in the area. Few of these materials are sent to the population; the bulk is confiscated and sent directly to those engaged in rebuilding and expanding military infrastructure.<sup>38</sup> In 2016, the IDF and the Israel Security Agency thwarted 1,226 attempts at smuggling forbidden materials into the Gaza Strip, 165 percent more than in 2015. Items seized included drones, model airplanes, security cameras, communications equipment, military equipment, military uniforms, auto trailers and engines, iron and aluminum pipes, metal balls, diving equipment, and snapping ropes. It is believed that these were sent for Hamas's military wing and the terrorist organization's attempts at military buildup.<sup>39</sup>

The Hamas military buildup, which necessarily comes at the expense of reconstructing civilian infrastructure in the Gaza Strip, is also reflected in the exploitation of international aid organizations operating in the Gaza Strip. For example, in August 2016 the Israel Security Agency exposed a senior figure in the World Vision international aid organization, who served for years as a senior agent of Hamas's military wing. This man covertly diverted \$7.2 million a year designated for Gaza's civilian population to the Hamas military wing.<sup>40</sup> Likewise, Hamas took control of 2,500 food packages with a value of \$100 per package sent to needy people in the Gaza Strip, and sent them to its members. Similar interceptions occurred with 3,000 cases of cleaning and personal care materials worth \$80 per package intended for Gaza Strip residents and diverted to members of Hamas's military wing. Families of Hamas members falsely listed their children as injured in order to get money that was designated for needy children.<sup>41</sup>

On February 12, 2017, Israel arrested Muhammad Murtaja, head of TIKA, the Turkish government's humanitarian aid organization, on suspicion of acting in the service of Hamas's military wing over the past decade. Murtaja transferred millions of shekels for Hamas military personnel in the course of the fighting during Operation Protective Edge and afterwards, in addition to food packages contributed by TIKA for the needy population in the Gaza Strip. At the end of Operation Protective Edge, TIKA financed a public event in which Hamas's military personnel were given grants and benefits.<sup>42</sup>

## Conclusion

The tension in Hamas between the political leadership and the military wing mainly concerns the organization's priorities in allocating resources and investing efforts. While the political leadership is pushing to speed up the reconstruction efforts in the Gaza Strip and rebuild Hamas's relations with Egypt and Saudi Arabia, the military leadership is setting its sights on the organization's military buildup, including the extension of cooperation with jihad groups operating in the Sinai Peninsula. At the same time, despite the differences between the two wings, they agree that a large scale military conflict with Israel is inconsistent with the organization's interest at the present time.

Hamas continues to rule in the Gaza Strip. Its authority is indisputable, and it is succeeding in controlling the pressure resulting from the distress of the population there, although it is sometimes challenged by the resistance organizations operating within the Gaza Strip. At the same time, it is possible that the population's distress and the provocative activity by recalcitrant factions against Israel will cause escalation that will drag Israel and Hamas into another conflict. Under the current conditions, Hamas does not want a conflict, but it is preparing for the possibility that one will take place with strenuous efforts to build up its military force. These efforts include renewing its system of offensive and defensive tunnels, improving its ability to manufacture arms, and establishing trained special forces.

In order to reduce the likelihood that the distress in the Gaza Strip will reinforce belligerent tendencies in Hamas's ranks, and perhaps also in order to embarrass the Palestinian Authority, undermine its status, and pave the way for a Hamas takeover in the West Bank, an effort should be made to rebuild civilian infrastructure in the Gaza Strip, under the assumption that a heightened reconstruction effort will constitute a restraining factor against any outbreak of violence. An effort should be made toward external parties in the reconstruction project, including Egypt, Saudi Arabia, the United Arab Emirates, and the international community, although creative diplomacy will be required in order to assemble a broad coalition of this nature, in which the member countries have different, and sometimes contradictory, interests.

## Notes

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# Salafi Jihadism in Gaza as Opposition to Hamas Rule

Yoram Schweitzer

Contemporary Salafi jihadist organizations and groups first emerged in the Gaza Strip in 2005. Their current number is unknown, but according to various estimates, there are only a few thousand members. As such, they are a marginal phenomenon in Hamas-ruled Gaza and do not pose a significant threat to Israel.

After Hamas's takeover of Gaza in 2007, Salafi jihadist leaders initially hoped the Hamas victory would help them in their ideological objectives, including when it came to attacking Israel. Yet when Hamas's conduct and what they saw as "political and religious compromises" blocked their ambitions, Hamas too became a legitimate target of their belligerent opposition. Indeed, positioned against both Israel and Hamas, the groups and organizations from this stream challenge and object to anything that contradicts their belief in violence. Israel is seen as the eternal enemy of Islam, while Hamas is targeted for being too "pragmatic" vis-à-vis Israel; for its incomplete enforcement of *sharia* law in the Gaza Strip; and for compromising on the values of Islam and accepting non-divine laws.

## Salafi Jihadist Groups in Gaza: Background

The emergence of the Salafi movement in the Gaza Strip, which dates back to the 1970s, occurred when a number of Palestinian students, upon their return from Saudi Arabia, worked to support Saudi efforts to propagate Wahhabism and counter Khomeini's Iranian Shiite doctrine. Early Salafi supporters intentionally set themselves apart from Palestinian politics and the struggle with Israel, and assumed a fixed yet marginal role within the Gaza Strip. The movement's development was far from linear and difficult

to map in terms of both outreach and activities, overlapping at times with nationalist organizations, while at times characterized by isolation and seclusion, due to the deep suspicion toward them by many Palestinians.<sup>1</sup>

The first organization documented in the Gaza Strip was Dar al-Kitab wa-al-Sunna, a non-violent Salafi *dawa* organization focused on preaching and education. The group was established in 1975 in Khan Yunis by Sheikh Yasin al-Astal, who was then a senior Salafi figure.<sup>2</sup>

After a long period of stagnation, the years 2005-2010 were generally a favorable time for the growth of the Salafi jihadist stream in the Gaza Strip, particularly in the wake of Israel's unilateral withdrawal in 2005 and Hamas's takeover in 2007. Indeed, in the months preceding Israel's withdrawal from the Gaza Strip in August-September 2005, a number of groups identified with the Salafi jihadist stream were established, taking advantage of the growing tensions between Fatah and Hamas and aiming at challenging the internal Palestinian balance of power. These groups also sought to institutionalize the connection between the centralized Palestinian national vision and the global jihad network.<sup>3</sup> In their outlook, they stressed the importance of the Palestinian issue to Salafi jihadist ideologues, from Sayyid Qutb to Abdullah Azzam and even Osama bin Laden.<sup>4</sup>

The newly formed Salafi jihadist groups first began "moral policing" activities, for example by instigating violent attacks against internet cafes, video stores, hair salons, and all those they perceived as engaged in "non-Islamic" behavior. Some of the groups behind these attacks included the Saif al-Haq groups based in Beit Hanoun, in the northern Gaza Strip; Kataib Jund Allah; and Takfir wal-Hijra, led by Sheikh Mahmoud Joudeh, who lived in an isolated area between Khan Yunis and Rafah. Another prominent group was Jaysh al-Islam, which took responsibility for a number of violent attacks, including the kidnapping of the BBC reporter Alan Johnston in March 2007. Jaysh al-Islam publicized a number of declarations in which it criticized the Hamas movement for purportedly abandoning jihad in favor of political gains, while also expressing support for al-Qaeda, and declaring itself as al-Qaeda's branch in Palestine. The group was led by the Gaza arms dealer Mumtaz Dughmush.<sup>5</sup>

For al-Qaeda, the main Salafi jihadist organization at that time, the call to fight for the Palestinians was a central platform, with the group urging its supporters to end the Israeli occupation of the Palestinian people and



return the Muslim land to its rightful owners. Indeed, one of the slogans of the mujahidin in Afghanistan in the 1980s, which were al-Qaeda's roots, was that the road to Kabul runs through Jerusalem. Later in its history, al-Qaeda would repeat these calls, with Osama Bin Laden's deputy and eventual successor, Dr. Ayman al-Zawahiri, asserting that the Palestinian issue is uniquely capable of unifying the Muslim world.<sup>6</sup> Nonetheless, in the wake of Hamas's participation in the 2006 elections and its subsequent takeover of the Gaza Strip, al-Qaeda's embrace of the Palestinian issue was replaced with starkly more hostile declarations, culminating in bin Laden's declaration that the Hamas movement had "lost its faith," due to its participation in democratic elections and because of its cooperation with Fatah. Joining forces with Palestinian organizations such as Fatah in order to achieve local aims before teaming up with the overall Islamic community was seen as a violation of the principle of *al-wala' wa-l-bara'*, which demands loyalty to Muslims and renouncement of all other affiliations or partnerships. Finally, Hamas's signing of international conventions and agreements, such as the Mecca Agreement of 2007, was interpreted as abandoning the goal of Palestinian jihad.<sup>7</sup>

In the Strip, these pronouncements were read as a call for organizations identified with al-Qaeda to oppose Hamas, leading to a number of violent conflicts, especially when Salafi jihadist organizations attempted to challenge Hamas's exclusive role and hegemony over Gaza. The most prominent incident occurred in 2009, when Hamas security raided the Ibn Taymiyah mosque in Deir al-Balah and killed 24 Salafi activists from the organization Jund Ansar Allah, including their leader Abdel Latif Moussa, who was seen by Hamas as dangerous due to his declaration with respect to establishing an "emirate" in Gaza.<sup>8</sup>

In the past decade, organizations belonging to the Salafi jihadist stream in the Gaza Strip evolved into a decentralized network inspired by the global jihadist camp, and sought to frame the Palestinian struggle as a pan-Islamic, rather than nationalist, cause. Alongside established groups or organizational networks, Salafi jihadist supporters also operate in loosely affiliated cells, adopting a variety of front names with clear Islamist connotations when taking responsibility for their activities, in a way that makes it difficult to clearly identify the groups or individuals behind them.<sup>9</sup> An example of this ambiguity was the Jaljalat group, sporadic cells composed of activists who

used to belong to the military wing of Hamas and who occasionally joined forces to launch attacks against foreign and Israeli targets.

The emergence and strengthening of ISIS since the summer of 2014 breathed new life into Salafi jihadist activists in Gaza, and led a series of organizations from this camp to declare their support for the Islamic State and to establish new Salafi jihadist groups in the Gaza Strip, such as the Sheikh Omar Hadid Brigade Bayt al-Maqdis and the Group of Supporters of Islamic State in Jerusalem (Jamaat Ansar al-Dawla al-Islamiya fi Bayt al-Maqdis). These groups expressed their unqualified support for the Caliphate and took an oath of loyalty to the leader, Abu Bakr al-Baghdadi. Yet to their disappointment, this oath was rejected and did not lead to their official acceptance into Islamic State ranks as an independent Palestinian province.<sup>10</sup>

### **Salafi-Jihadist Groups in Gaza and Hamas**

Despite the periodic confrontations between local Salafi jihadist organizations and Hamas, during times of war against Israel these actors also discover shared interests, leading to unity of ad hoc interests against a common enemy between Hamas and the rest of the Islamist streams in Gaza, including the Salafi jihadist groups. Yet in the absence of direct conflict, Hamas cracks down on Salafi jihadist groups and arrests their leaders and activists if they violate the temporary ceasefire that exists between Hamas and Israel.

At times, rocket fire toward Israel by Salafi jihadist groups has served as a form of protest. In response to Hamas arrests, these groups have fired rockets toward Israel, hoping that Israel in turn will escalate the situation and target Hamas, which Israel sees as the entity responsible for preventing all attacks from Gaza on its citizens. The Salafi jihadist organizations thus create a dilemma for Hamas – if the latter refrains from responding to Israel’s attacks, it will be seen as weak by the population of Gaza, and this will strengthen the Salafi jihadist camp’s claim to be the only representative of the “resistance” (*muqawama*) fighting against Israel. Alongside the Salafi jihadist groups in Gaza, there is another significant player that has entered the balance of power in the Strip: Wilayat Sinai, the Sinai-based “province” of the Islamic State that joined the subordinate provinces network in November 2014. There has been cooperation between the Sinai Province and the Salafi jihadist groups in Gaza, and at times between these actors and Hamas; but there is also considerable friction resulting from the clear ideological

differences between the Salafi jihadist camp and Hamas. Thus, Hamas's relations with the Islamic State and its branch in Sinai have fluctuated in recent years. While there has been cooperation on smuggling of weapons and people and medical treatment for Sinai Province members in Gaza, as well as some logistical and operational cooperation,<sup>11</sup> there has also been tension and friction, especially in the past year due to the pressure placed by Egypt on the Hamas leadership to end all assistance to the Sinai Province, which is in an all-out war with Egypt.<sup>12</sup> The harshest criticism expressed by the Sinai Province toward Hamas was made by the organization's new commander Abu Hajar al-Hashemi, who in a speech on December 22, 2016 accused Hamas of apostasy and treasonous collaboration with Israel and Egypt.<sup>13</sup> A few months before, in April 2016, a Sinai Province militant even gave a masked interview to *al-Jazeera* and made clear that the fire directed toward Israel would come in response to the IDF's strikes in Sinai using F16 warplanes and drones.<sup>14</sup>

In this context, it is clear that any attempts to reach a broad agreement between Israel and the Gaza Strip under Hamas rule, whether via Arab or Western mediation, are likely to encounter fierce and active opposition from Salafi jihadist groups in both Gaza and Sinai. In such a situation, the Sinai Province, with the backing and support of the Islamic State, could increase its attempt to act as a spoiler. It seems that the firing of rockets from the Sinai Province toward Eilat in February 2017, which was accompanied by rocket fire from jihadists in Gaza,<sup>15</sup> is only one tool that these groups could rely upon to challenge Hamas in response to the latter's attempt to strike a political bargain with Egypt, Israel, or the PA.

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# THE INFRASTRUCTURE CRISIS

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# Human Security and Humanitarian Trends in Gaza: Looking at the Past Decade

Benedetta Berti and Elizabeth Tsurkov

Between 2005 and 2017 the Gaza Strip underwent a series of major upheavals and crises, including the unilateral Israeli disengagement in 2005; the post-Hamas electoral victory in-fighting between Fatah and Hamas, culminating with the latter's takeover of Gaza in 2007; and three rounds of active hostilities with Israel. Moreover, in the decade since 2007, the Gaza Strip has been largely closed off from the external world, with the entry and exit of both goods and people restricted or prevented entirely. Taken together, these circumstances resulted in a worsening of humanitarian and economic indicators in the Strip, and took a severe toll on both the civilian population and civilian infrastructure. This essay provides a brief account of the humanitarian situation in Gaza, highlighting some of the most relevant trends and contextualizing them within the broader framework of the Israeli-Palestinian conflict in general, and Israel-Hamas hostilities in particular.

While commonly thought of as a means by Israel to combat legitimate security threats, the closure of Gaza was in fact also implemented as a means of imposing pressure on the civilian population and the de facto ruler of Gaza – Hamas. While some changes were made on access to the Strip, remaining restrictions, ongoing hostilities, and successive military operations as well as the Palestinian political divide have resulted in continued intense suffering. Ten years since the Hamas takeover, civilians continue to pay the price for the current predicament – while Gaza's isolation and separation grows steadily.

## **Gaza: Between Isolation and Restricted Access**

The current humanitarian landscape in the Gaza Strip has been profoundly shaped by the Strip's isolation – from Israel, the West Bank, and the rest of the world. While in the first two decades of the Israeli occupation of the Gaza Strip movement of people to Israel and the West Bank was largely unrestricted, subsequent years witnessed a gradual imposition of restrictions on the movement of people and goods. Gaza's current predicament is the culmination of restrictions that began in the early 1990s and intensified at various intervals including, but not limited to, the outbreak of the second intifada in 2000, the aftermath of the 2006 Palestinian Legislative Council elections, in which Hamas won a majority of parliamentary seats, and the 2007 Hamas takeover of the Strip.

After the 2006 elections, both Israel and the international community implemented a policy of isolation and economic pressure against Hamas. Israel placed greater restrictions on movement of goods and people, and international aid was diverted away from the Hamas-majority government. Israel also stopped the transfer of tax and customs revenues collected on behalf of the PA.<sup>1</sup> The policy was expanded in the aftermath of Hamas's takeover of the Strip in 2007, with Israel pursuing a policy of "economic warfare," banning the marketing and export of any goods from Gaza and severely restricting the type and quantity of civilian goods that could be imported into the Strip. While described by an Israeli senior official as having the goals of "no prosperity, no development, no humanitarian crisis,"<sup>2</sup> the policy aimed at placing the maximum extent of pressure on Gaza to weaken and isolate Hamas, with Israel going as far as using mathematical formulas to calculate the amount of food products it allowed into Gaza.<sup>3</sup>

The policy of economic warfare was implemented in full force between 2007 and 2010, failing, however, to lead to a weakening of Hamas, politically or militarily. On the contrary, Gaza's isolation further entrenched Hamas's role and influence over Gaza's economy, while crippling the private sector and making the civilian population more dependent on governmental and international aid to survive. In tandem, the sealing of Gaza favored the development of a parallel, tunnel-based economy on the Gaza-Egypt border, which allowed Hamas to generate revenue, both for its government and for its military wing.



Failure to deliver and in the wake of international pressure, the policy was ostensibly abandoned following the *Mavi Marmara* flotilla affair in 2010, when a Turkish civilian-led attempt to break the naval blockade of Gaza led to both a violent confrontation with the Israeli naval forces and a diplomatic crisis between Turkey and Israel. In the aftermath of 2010, Israel partially eased the restrictions in place, lifting the limitations on the entry of foodstuffs and instead regulating the inflow of a wide array of goods designated as “dual-use,” so defined because in addition to their civilian use, they can be used for military purposes as well.<sup>4</sup> These items include cement, x-ray machines, wood planks, and many types of pipes and other items required for industry and the reconstruction and maintenance of Gaza’s water, sewage, and electricity infrastructure.<sup>5</sup>

Since 2010, discussions over further revisions to the policy and easing Gaza’s isolation have taken place repeatedly, especially in the aftermath of the 2012 and 2014 rounds of conflict between Hamas and Israel. In both escalations, the ceasefire negotiations were reported to include discussions of various elements of Gaza’s isolation, with senior Israeli officials citing the need to pursue an alternative course of action. For example, the 2012 ceasefire stipulated that “opening the crossings and facilitating the movement of people and transfer of goods” needed to be addressed.<sup>6</sup> While some restrictions were indeed lifted, these changes were not extensive enough to reverse Gaza’s isolation and hardship.<sup>7</sup>

After the summer of 2013, Gaza’s predicament took a sharp turn for the worse, when the ousting of the Mohamed Morsi government in Egypt resulted in dire restrictions on the Rafah border crossing and, consequently, the severe crackdown on the tunnel economy. Eventually, the combination of isolation and pressure resulted in yet another round of hostilities, in the summer of 2014.

During the 2014 military operation in Gaza, Israel began discussing yet again the possibility of another “relaxation” of the Gaza policy. Inter alia, this led, for the first time since 2007, to the lifting of some restrictions on marketing Gaza-grown and Gaza-manufactured goods in the West Bank and Israel. However, remaining restrictions continue to undermine growth and contribute to the high unemployment rate in the Strip. Moreover, Israel has continued to regulate tightly the movement of people from and into Gaza,

restricting movement primarily to commercial dealers, medical patients, and “exceptional humanitarian cases.”

Following the 2014 conflict, at Israel’s insistence, the Palestinian Authority agreed to establish the Gaza Reconstruction Mechanism (GRM), which was to be supervised by the United Nations. The GRM allows Israel to control the pace of entry of construction materials into Gaza and to have oversight and veto power over each individual construction project and all its components. As of July 2017, over 10,000 types of items were submitted for Israel’s approval under the GRM.<sup>8</sup> In parallel, Israel has continued to restrict the fishing zone in Gaza’s waters to six nautical miles and maintain a buffer zone along the fence with Gaza. The zone is at least 100 meters deep and includes a large share of Gaza’s agricultural land. The Israeli army deters the entry into this buffer zone with live fire.

Finally, in 2016, after an initial trend from late 2014 that seemed to point toward an easing of the closure, Israel switched course and reverted to tighter restrictions, particularly as regards movement of people.<sup>9</sup> In late 2015, Israel also expanded the dual-use list to include 61 additional line items, including wood planks and heavy lifting equipment.<sup>10</sup> In September 2016, COGAT issued a new regulation penalizing attempts to import dual-use items into Gaza without prior approval. The regulation levies a fine of over NIS 1 million (more than \$280,000) on suppliers of such goods.<sup>11</sup> Due to the murkiness surrounding the list and items that are actually broad categories, such as “communications equipment,” Gaza traders often struggle to understand which items require prior approval as a dual-use item and which do not. This produces a chilling effect across Gaza’s economy, as traders and businesspeople hesitate or altogether forgo attempts to order items that could expand their businesses.

## **The Humanitarian Impact**

Although Gaza’s dire humanitarian predicament has been studied and documented in the past decade, it is worth reviewing some of the consequences of a decade of isolation and restrictions.

At the economic level, the past decade saw a drop in the annual GDP per capita from \$1,096 to \$970 in 2014;<sup>12</sup> and a rise in unemployment from 29.7 percent in 2007 to 41.7 percent in 2016, along with a drop in daily wages.<sup>13</sup> As discussed in the following chapters, this data is especially striking when

compared to economic indicators in the West Bank. For example, according to the latest data, the share of food insecure households in the Gaza Strip is 2.5 times that in the West Bank, with 47 percent of households suffering from food insecurity.<sup>14</sup>

Gaza's civilian infrastructure and public services have also deteriorated over the past decade. The recurring rounds of hostilities have devastated Gaza's infrastructure, including essential energy facilities, and contributed to the crippling of Gaza's economy. Electricity supply falls far short of demand. On the best days, when the three sources of Gaza's electricity supply are functioning at maximum capacity, Gaza residents receive eight hours of electricity followed by eight hours of power outages in rolling blackouts. In 2017, even this meager supply was undermined by a political dispute over payment of services between the Palestinian Authority and Hamas, the de facto ruler of Gaza. This was exacerbated by a decision of the Israeli cabinet to abide by the request of the Palestinian Authority to reduce the power supply to Gaza.

For over a decade, critical civilian infrastructure has come under attack, whether deliberately or through some measure of concerted negligence. In 2006, following the capture of Israeli soldier Gilad Shalit, Israel targeted six of the transformers of the Gaza power plant and its fuel reservoirs.<sup>15</sup> The damage has not been fully repaired since, due to the ban on entry of certain parts required for repairs, which Israel labels as dual-use. After only partial repairs, the plant is capable of producing 80 to 90 megawatts at most. During the 2014 conflict, Israeli shelling damaged fuel tanks at the power plant once again, and also hit the al-Montar water reservoir in the Shujaiya neighborhood. The water reservoir was constructed as part of a project aimed at incorporating water purchased from Israel into Gaza wells to increase the supply of potable water available in the Strip. Power lines, roads, and water and sewage networks were also destroyed in each of the rounds of fighting. Repairs of much of this civilian infrastructure were severely delayed by restrictions on the entry of the necessary equipment and insufficient funding.<sup>16</sup>

The frequency of military operations and the extent of the damage to civilian infrastructure have contributed to the international community's reluctance to initiate and support the building of infrastructure facilities in the Gaza Strip. Lacking guarantees for the protection of such facilities, it

is difficult to secure willingness or funding to build them – in addition to the uncertainty surrounding permits to bring in the materials and equipment necessary for construction. These recurring conflagrations and the destruction they engender, in addition to the system of restrictions on the entry and exit of goods from Gaza, also discourage private sector investment in the Strip.

The pace of Gaza's reconstruction since the 2014 round of fighting has been lethargic due to a combination of limited funding, intra-Palestinian tensions between Hamas and the PA, and Israel's insistence on approving every reconstruction project and the individual items and materials required for it. Insufficient funding by donors and the poor state of Gaza's economy prevent many residents of Gaza from purchasing construction materials and rebuilding their homes. As of May 2017, more than 30,000 Gazans were still living in temporary dwellings after their homes were destroyed or severely damaged in the 2014 conflict.

## Looking Ahead

A brief review of the culmination of recurrent conflict, continued economic restrictions, and international isolation explain why the past decade has seen the deterioration of virtually all human security indicators in the Gaza Strip: from access to health and education to availability of drinkable water, and from food security to employment. Gaza's predicament has declined steadily from an environmental, economic, infrastructural, and governance point of view. The current state of affairs is likely to have a prolonged and pervasive long term impact on both Gaza's future trajectory as well as that of the region as a whole.

## Notes

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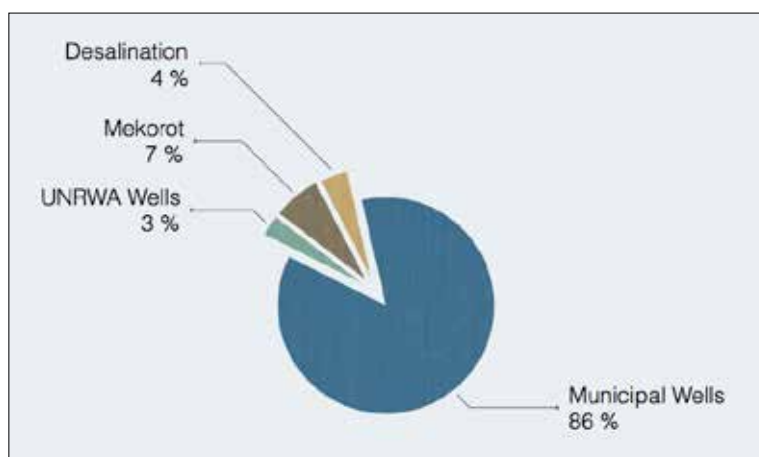
# The Water and Energy Crisis in Gaza: Snapshot 2017

Gidon Bromberg, Giulia Giordano, Oded Eran, and Omri Elad

The Gaza Strip is currently facing a dire humanitarian crisis with potentially devastating implications. Lack of clean water for domestic use and unsafe sanitary conditions pose a serious public health threat to the two million people living in the Gaza Strip. By now, large amounts of untreated wastewater have already crossed Gaza's borders and created additional repercussions for several neighboring communities in Egypt and Israel, with Israel at one point forced to close two of its beaches.

The Israeli discourse on Gaza traditionally revolves around conventional security threats emanating from the Strip, such as the construction of tunnels connecting Gaza to Israel, or the periodic rocket launches and incursions by Hamas and other militant groups. However, a consensus is growing that the collapse of Gaza's civilian infrastructure and the impending humanitarian and environmental crisis could equally jeopardize Israel and the region's security.

According to a 2016 report by the Palestinian Water Authority (PWA),<sup>1</sup> the total water supply for domestic use in the Gaza Strip amounts to 95 mcm/y, of which 86 percent comes from municipal groundwater wells; 3 percent from UNRWA wells; 4 percent from desalination; and 7 percent from Mekorot, the Israel National Water company (figure 1). As of 2015, 96.4 percent of the natural water extracted from the costal aquifer – the main source of water in the Strip – is unfit for human consumption by WHO standard (figure 2).



**Figure 1.** Sources of water supply in the Gaza Strip

Over-extraction from the aquifer has led to the infiltration of sea water, raising the levels of salinity far beyond WHO health regulations. Findings show that water extracted from more than 80 percent of the existing wells – namely 201 out of 249 – contains concentrations of chloride, Cl (indicator of salinity), higher than the WHO limit of 250 mg/l. High levels of salinity in the groundwater may decrease crop production and may also have a direct impact on human health, including increased blood pressure and frequent diarrhea. In addition, research indicates that the cholera pathogen shows higher resistance in saline water, thereby increasing the risk of cholera infections and possible epidemics.<sup>2</sup>

The discharge of untreated sewage generated by the population has caused alarming levels of nitrate (NO<sub>3</sub>) in Gaza's aquifer. The PWA report reveals that large parts of the Gaza Strip exhibit nitrate levels ranging from 100-200 mg/l – up to four times higher than the 50 mg/l limit recommended by the WHO. The presence of nitrates can trigger water-borne diseases such as methemoglobinemia, a severe blood disease, as well as a related disease also known as the blue baby syndrome, which has already spread among Gaza's population.

A UN report<sup>3</sup> deemed the issues of water and sanitation in Gaza as problems of primary concern, and concluded that by 2020 the Gaza Strip will be uninhabitable. This has dire implications not only for the Palestinian population of Gaza but also for the region as a whole, as echoed by Israeli



Prime Minister Benjamin Netanyahu in a June 2016 statement: “When there is not enough water in Gaza, and Gaza is in the process of gradually drying up, the aquifers become polluted, and when the aquifers become polluted, this is not limited to the Gaza side of the aquifer. Therefore, it is in Israel’s clear interest to deal with the water problem in the Gaza Strip. When there is not enough electricity, various problems arise, including those having to do with sanitation, and when there are outbreaks [of pandemic disease], the outbreaks do not stop at the fences. This is both a humanitarian interest and an outstanding Israeli interest.”<sup>24</sup>



Figure 2. PWA Report on Gaza Water

The current humanitarian crisis in Gaza is a product of a number of interconnected factors, including failed governance of the Hamas leadership and its lack of cooperation with the Palestinian Authority (PA), the severe restrictions imposed by the Israeli blockade, and Gaza’s over-dependence on the donor community.

Israel and the PA agreed on the sale of 10 additional mcm of water to alleviate the situation – a deal that was struck as part of a revised version of the Red-Dead Canal project.<sup>5</sup> Once the agreement comes into effect, Gaza will purchase a total amount of 20 mcm from Israel, which is said to double once combined with the water from the aquifer, ultimately providing the Strip with 40 mcm of potable water annually. Although this gives some ephemeral relief to the people of Gaza, it should be considered an emergency solution only, as the measures themselves do not provide adequate answers to the core problems of water scarcity and water contamination in the Gaza

Strip. Rather, to address Gaza's water problem at its roots, the PA and Israel must think about viable long term solutions. Plans for the construction of desalination and wastewater treatment plants are underway. The main obstacle for the implementation of these projects is currently the lack of electricity to power such facilities – including a desalination plant recently built with the support of EU and UNICEF, which relies on generators working with imported fuel; and the Northern Gaza Emergency Sewage Treatment (NGEST) plant, led by the World Bank, due to operate by the end of 2017. Although formerly agreed upon by Israeli and Palestinian officials, the proposed sale of additional electricity through the construction of a 161K power line, which will further connect Gaza's grid to Israel's electricity provider, seems to be held hostage to PA requests to reduce the existing sale of electricity to Gaza.

Israel's willingness to respond to the Gaza water and sanitation crisis followed the release of details obtained from a Freedom of Information request by EcoPeace Middle East, which attracted substantial media attention. During the first quarter of 2016, the Ashkelon Desalination Plant, which supplies 15-20 percent of Israel's drinking water, was forced to shut down twice due to sewage discharged into the Mediterranean Sea from Gaza. Moreover, the same period saw a complete collapse of Gaza's sewage system, which caused raw sewage from Beit Lahiya, about 200 meters from the border with Israel, to flow into the water reservoir of the Hof Ashkelon Regional Council.

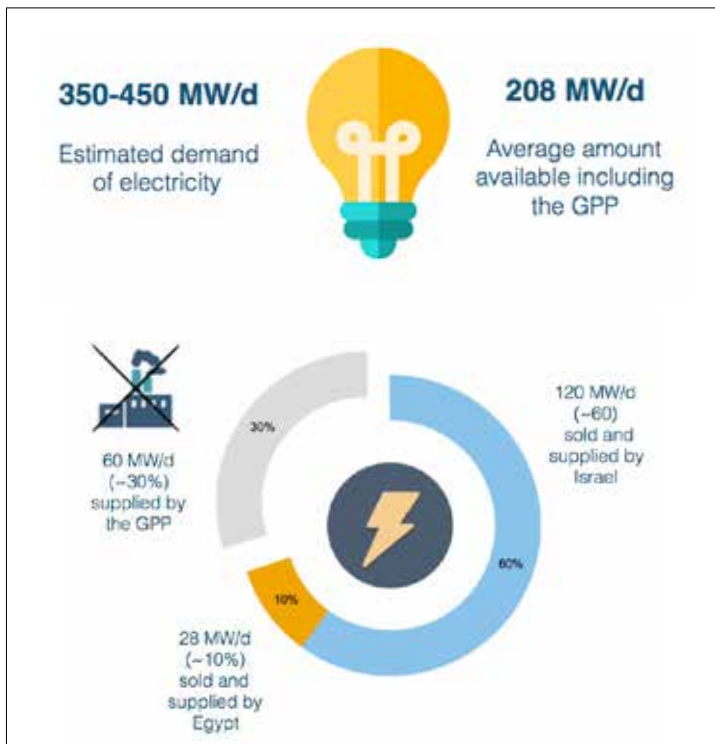
The incident encouraged 14 members of the US Congress, Democrats and Republicans, to send a letter (July 13, 2016) to Israeli Minister of Defense Avigdor Liberman and Israeli Minister of National Infrastructure, Energy and Water Resources Yuval Steinitz urging them to take due measures to guarantee additional supply of electricity to the new Gaza waste water treatment plant. As a result, Israel approved the construction of either a new dedicated power line from Israel to NGEST specifically, or the larger 161K line to Gaza.

Despite such progress, at the time of this writing, negotiations related to the power line are still underway and seem to be impeded by the general electricity cuts. In April 2017, following a first letter in January 2017, the Coordinator of Government Activities in the Territories (COGAT) sent a second letter to international representatives in Israel, warning of the consequences

of the water and energy crisis in Gaza, and asking for immediate action to be taken by the donor community to alleviate the situation.

### Electricity Shutdown

In April 2017, the Gaza Power Plant (GPP), which had been operating since 2002, shut down due to a lack of fuel, depriving Gaza's population of roughly 30 percent of the energy usually available. Prior to this cut, the available electricity in Gaza was already less than half of the estimated requirement. Against an estimated demand of 350 to 450 MW daily, Gaza's electrical grid normally provides 208 MW/d (figure 3), of which 120 MW are sold and supplied by Israel, 60 MW are produced by the GPP (with fuel imported through Israel), and 28 MW are sold by Egypt.<sup>6</sup>



**Figure 3.** Electricity Supply and Demand in Gaza

In response to a previous energy crisis in January 2017, which prompted a wave of social unrest against Hamas, Turkey and Qatar intervened to

mitigate the crisis. Turkey offered 15,000 tons of diesel fuel to operate Gaza's power station, while Qatar transferred \$12 million to the Palestinian Energy Authority in Ramallah to purchase the large quantities of diesel fuel needed to run the Gaza power station. However, three months later, Gaza's funds allocated by Turkey and Qatar were already depleted, leaving the Strip in a critical situation. Gaza's humanitarian crisis became entangled with a political dispute between the PA and the de facto Hamas authorities over fuel taxation, which led the PA to announce that it will no longer pay the costs of Israel's electricity import unless Hamas returns the tax revenues collected from the Palestinians in the Gaza Strip.

To make matters worse, Egypt's contribution of electricity – around 10 percent of Gaza's total supply – was also temporarily compromised after all of Egypt's electricity lines feeding the southern Gaza Strip broke down in late April.

The humanitarian impact that followed continues to be extremely worrisome and has many effects on a wide range of sectors:

- a. Hospitals are running at minimal capacity with sterilization and cleaning services reduced, resulting in higher infection rates and an increasing number of patients referred to Israel.
- b. Wastewater plants are not fully operating, resulting in more than 100,000 cubic meters of raw or poorly treated sewage being discharged into the sea on a daily basis. In addition, numerous wastewater pumping stations are now at risk of flooding, overflow, and contamination.
- c. Small scale desalination plants are not operating at full capacity with the result that water supply has been reduced. This has increased Gaza's reliance on private and uncontrolled water suppliers with lower hygiene standards.

In order to maintain the operational reliability of critical health, water, and sanitation facilities, the main donors – UNRWA, OCHA, UNICEF, and WHO – are coordinating the entry and distribution of fuel with which to operate back-up generators.

However, even at full capacity, Israeli and Egyptian electricity supply, together with Gaza's only power plant, fails to cover the Strip's energy need. This underlines the need to look at long term solutions instead of emergency measures, and to undergo a complete revision of the strategies that have so far been adopted toward Gaza.

## Recommendations

Israelis and Palestinians have committed to advance numerous practical solutions, such as the sale of additional water, the construction of a new high voltage line (line 161 supplying Gaza with an additional 100 MW within a few years), and the connection of the Gaza Strip to a natural gas infrastructure. The latter would allow for the production of cheap and efficient electricity within the Gaza Strip – a move that would ultimately strengthen Gaza’s civilian infrastructure.

However, the devil is always in the details: the payment for electricity remains an issue of dispute, and the PA-Hamas rivalry continues to pose an obstacle to any of the on-the-ground solutions. Without a full commitment of all parties under the auspices of the international community, devising a comprehensive agreement on water and energy to be implemented in a timely manner remains unlikely.

Therefore, there is an urgent need to appoint a third party to assist the round of stakeholders involved, so that the agreements on Gaza’s water and electricity can be reached as soon as possible. Only once an agreement is implemented, can the coordinated efforts among donors, Israelis, and Palestinians move forward.

## Notes

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# Gaza's Water and Sanitation Crisis: The Implications for Public Health

Shira Efron, Jordan R. Fischbach, and Giulia Giordano

In July 2017, a five-year-old boy died in the Gaza Strip after swimming in seawater polluted with sewage. Dozens of others have reportedly been treated after swimming in Gaza's seawater over the summer months of July and August.<sup>1</sup> Receiving international media coverage, this story has put the spotlight on a problem long in the making: Gaza's chronic water and sanitation problems pose immediate serious risks to public health.

Gaza's water issue is twofold: a shortage of potable water combined with a lack of wastewater sanitation. The first part of this problem is the lack of access to plentiful safe water for drinking, cooking, and bathing, which puts Gaza's population in peril. In addition, over 108,000 cubic meters of untreated sewage flow daily from Gaza into the Mediterranean Sea,<sup>2</sup> creating extreme health security risks in Gaza as well neighboring Israel and Egypt. While these problems are not new, rapidly deteriorating infrastructure, strict limitations on the import of construction materials and water pumps, and a diminished, declining, and unreliable energy supply have in recent years expedited the water crisis and exacerbated the water-related health risks.

This article examines the implications of Gaza's water crisis for public health. The Strip's water problems are inseparable from its energy woes; this linkage is addressed in greater detail elsewhere in this collection. The article first reviews the general factors that have worsened Gaza's water crisis recently; this is followed by an overview of the current domestic water supply and state of water sanitation in Gaza. It then describes water-related risks to public health, particularly chemical and biological contamination, and explores the health risks that Gaza's water problems could pose for Israel and Egypt. Finally, the article suggests immediate steps that can be taken,

even under current political constraints, to mitigate the water and sanitation crisis and reduce the likelihood of a significant public health disaster.

### **Factors Exacerbating the Water and Sanitation Crisis**

Even though the water and sanitation crisis in not a new phenomenon in Gaza – the Strip could be described as in a chronic state of water emergency – a confluence of negative developments has exacerbated the situation and raised the associated health risks. First is the continued depletion of the coastal aquifer, Gaza’s only source of freshwater, which is not sufficient to meet the needs of the 2 million Palestinians living there. Decades of over-pumping, combined with intrusion of wastewater, agrochemicals, and saline water, have brought the aquifer to a state of possibly irreparable damage.<sup>3</sup> Over 96 percent of the aquifer is already unfit for human consumption.<sup>4</sup>

Moreover, recurring conflict with Israel has severely damaged the water, sanitation, and hygiene (WASH) infrastructure in Gaza. A Palestinian official report assessed the damage of Operation Protective Edge (2014) to WASH infrastructure at \$34 million. This includes damage to groundwater wells, the water reservoir, wastewater treatment plants, collection networks and pumping stations, desalination plants, and more.<sup>5</sup>

In addition, severe limits on access and movement imposed by Israel and Egypt have hindered post-conflict repair and reconstruction. Israel has strong restrictions on a list of dual-use items that could be used for both civilian and military purposes. This list includes 23 essential items needed for the WASH sector, such as pumps, drilling equipment, and chemicals for water purification.<sup>6</sup> Egypt has kept the Rafah crossing into Gaza closed most of the time; in 2015 it was open only 32 days, in 2016, 44 days, and in the first nine months of 2017, it was open 28 days total.<sup>7</sup> After Operation Protective Edge the donor community gathered at the Cairo Conference on Palestine: Reconstructing Gaza, and pledged aid to rebuild Gaza. Although criticized,<sup>8</sup> the establishment of the Gaza Reconstruction Mechanism enabled the designation of massive investments for reconstruction of the civilian infrastructure. This mechanism has facilitated the entry of materials that otherwise would not have not been allowed in, and now most of the reconstruction of the water and sanitation facilities damaged in the conflict has been completed.<sup>9</sup>

At the same time, because of the inter-Palestinian rivalry between the Fatah-led Palestinian Authority (PA) and Hamas, the de facto government



in Gaza, the chronic electricity deficit in the Strip worsened in 2017. In the summer the PA announced that it would cut back its purchase of power for Gaza by \$12 million per month, leaving the Strip with less than four hours of electricity per day.<sup>10</sup> Hamas and Egypt have agreed to import fuel from Egypt at a lower price than from Israel, but this piecemeal solution was unable to resolve the 18-20 hours of power outages experienced daily in Gaza. As a result, electricity for 186 facilities providing health, water and sanitation, and solid waste collection services has been generated with emergency fuel reserves delivered by the UN, which are not expected to last through the end of 2017.<sup>11</sup> The shortage of power and fuel to operate water and wastewater treatment facilities has further reduced Gaza's already limited access to clean water, exacerbating the health risks.

On October 12, 2017, the PA and Hamas signed a reconciliation agreement brokered by Egypt, and on November 1, Hamas began ceding control over the border crossings to PA hands.<sup>12</sup> As of the time of this writing, it is too early to estimate the impact of this change on Gaza's water and energy situation, but significant ease of access and movement in and out of Gaza is expected.

### **Limited Quantity and Quality**

Access to safe drinking water in Gaza is extremely limited. In 2014, less than 11 percent of Gaza's population had access to safe drinking water through the public network, compared with almost 97 percent in the West Bank.<sup>13</sup> Access in Gaza has likely worsened since then, given the trends discussed below. As a result, 90 percent of the population depends on water tanks, bottles, and containers.<sup>14</sup> According to a 2016 report by the Palestinian Water Authority (PWA), the total water supply in Gaza for domestic use – including drinking, cooking, and bathing – amounted to 95.3 mcm in 2015, in comparison with 119.6 mcm in the West Bank.<sup>15</sup> Approximately half of Gaza's population receives water for domestic use for only 8 hours every 4 days; another third receives water for 8 hours every 2 days.<sup>16</sup> Limited water has led to a decline in both water consumption and hygiene standards.<sup>17</sup>

Gaza's readily accessible water supply has always been limited, but unsustainable demand and use has strongly affected water availability and quality. The coastal aquifer, located under the coastal plain of Israel and the Gaza Strip, is the only locally accessible source of freshwater in Gaza. Due to rapid population growth over the last decade, from nearly 1.5 million in

2007<sup>18</sup> to more than 2 million today,<sup>19</sup> water demand in the Gaza Strip has also rapidly increased. Given the lack of alternative water sources, this increase in demand has led to a rapid depletion of the aquifer, with water extraction rates more than three times the renewable supply.<sup>20</sup> This unsustainable rate represents a serious threat to the long term availability of the source, and according to UN reporting, it is expected to be irreversibly depleted by 2020.

Unsustainable depletion has also caused the groundwater table to fall below sea level, which in turn has degraded water quality. Seawater now infiltrates into the aquifer, and over the last decade salinity levels have risen well above World Health Organization (WHO) guidelines for safe drinking water (250 mg/l of chloride). In 2015, nearly all areas of the aquifer in Gaza were above this threshold, with many wells showing concentrations upwards of 1,000 mg/l.<sup>21</sup>

Aquifer water quality has also been degraded by nitrate contamination from untreated sewage. Recent data show that some 90 percent of the water extracted from the aquifer contains nitrate concentrations (NO<sub>3</sub>) that exceed the 50 mg/l WHO limit.<sup>22</sup> Elevated chloride and nitrate levels in the Gaza Strip are particularly concentrated around population centers, including Gaza City, Deir al-Balah, and Rafah. A 2015 study found that only 3.6 percent of wells met WHO standards for both contaminants.<sup>23</sup>

As Gaza's limited water supply is not a new problem, purchased water has been a part of the supply mix for several decades. Israel's National Water Company, Mekorot, began selling water to Gaza in 1980, but this water has always represented only a small fraction of Gaza's total water use and need. In March 2015, faced with increasing risks connected to Gaza's water crisis, Israel committed to double the amount of water sold, from 5 to 10 mcm/year. However, due to limited storage capacity, Israel provided only 8 mcm until early 2017, when the German Development Bank (KfW) completed the refurbishment of the al-Muntar reservoir in Gaza City.<sup>24</sup>

In July 2017, the PA and Israel reached a new sales agreement whereby the PA would be able to buy 33 mcm of water per year from Israel, of which 10 mcm would be delivered to the Gaza Strip.<sup>25</sup> Based on the capacity of the existing pipelines, Israel could provide the first 5 mcm of water immediately. Further investments, however, are needed to build a new pipeline connecting Israel to Gaza to supply the remaining 5 mcm. Once the agreement will be fully implemented, Gaza will purchase a total amount of 20 mcm/year.

The imported water could be blended with groundwater, making 40 mcm of potable water available. Though an increase over previous agreements, this amount would still not meet water demand in Gaza.

The chronic shortage of safe water has led Gaza's residents to be increasingly dependent on small-scale desalination of brackish water by private vendors. Per a recent report, nine in ten people in Gaza drink desalinated water produced by 154 public and private desalination plants, only 48 of which are licensed and monitored.<sup>26</sup> Even if these small desalination plants reduce salinity, they do not necessarily remove pollutants effectively. In addition, the small desalination plants currently function at 15 percent of their capacity due to insufficient power supply.<sup>27</sup>

Scarcity has made water very expensive in the Gaza Strip, despite its low quality and inconsistent supply. According to UN standards for affordable water, the cost should not exceed 3 percent of household income.<sup>28</sup> However, according to a survey from 2010, some residents of Gaza spend as much as one third of their income on water, and 83 percent of households report they rely mainly on private vendors.<sup>29</sup> Moreover, households without the ability to pay must rely instead on unregulated wells.<sup>30</sup>

In the long run, solving Gaza's water woes will require large scale desalination. Plans for the construction of necessary desalination plants are under development, but such facilities cannot work without consistent power supply, which is now unavailable.<sup>31</sup>

### **Sewage Treatment: Only Partly Operational**

Sewage infrastructure in Gaza is deficient.<sup>32</sup> In 2011, the sewage network covered only two thirds of Gaza's population and was then in a state of disrepair. The remaining third use cesspits and open drains to dispose of their wastewater. Since 2012 only 25 percent of wastewater collected has been treated and reused for irrigation.<sup>33</sup> The lack of adequate water sanitation stems from two main causes: delays in completion of three wastewater treatment facilities, and the lack of a reliable energy supply to operate such plants.

This problem too is not new. In the past, periodic cuts to the energy supply, often following direct Israel-Hamas confrontations, led to outages or malfunctions in the sanitation systems. In 2006, cuts to the fuel supply affected the operations of water pumping stations, as well as sewage treatment. Following Operation Cast Lead (2008-2009), the Gaza Coastal Municipal

Water Utility (CMWU) warned of the risks of an impending water and sanitation crisis in the Strip, including a growing danger of infectious disease outbreaks among the population.<sup>34</sup>

Today, the CMWU has only limited available power, which it uses to operate 55 sewage pumping stations and five partially operational wastewater treatment plants.<sup>35</sup> When the plants cannot treat incoming wastewater, the water is discharged into the Mediterranean instead. Currently, some 108,000 cubic meters of untreated or poorly treated sewage are discharged into the sea every day.<sup>36</sup> This pollution, according to reports, was the reason for the death of the five-year-old in July 2017 and for closure of the Ashkelon desalination plant in 2016. If present trends continue, the amount of sewage dumped into Gaza's sea might increase to 120,000 cubic meters per day.<sup>37</sup>

### **Grave Risks for Public Health**

Poor water supply and quality, combined with insufficient wastewater treatment, have dangerous implications for public health in Gaza. The possible risk of disease transmission through waterborne pathogens is exacerbated by poor infrastructure and limited access to improved or clean water sources. Further, 51 percent of Gaza's population are children (age 0-17);<sup>38</sup> and research in other contexts has shown that young children are particularly vulnerable to waterborne disease.<sup>39</sup> Poor water quality and access contribute to an estimated 26 percent of all reported disease in Gaza.<sup>40</sup> Waterborne diseases are the primary cause of illness in children, particularly diarrheal diseases. These diseases have a further indirect effect on a child's ability to absorb nutritional content, leading to a higher incidence of childhood malnutrition.

As described below, water-related risks to public health stem primarily from two types of contamination – chemical and biological.

#### ***Chemical Contamination***

Chemical contamination comes primarily from two sources: untreated or undertreated sewage, and run-off from fertilizer in agricultural areas. Because the water used by Gaza residents is largely untreated, chemical contaminants such as chloride and nitrate are often present in drinking water. These contaminants present risks to children, infants, and pregnant women, who are more susceptible to long term harm from greater exposure.<sup>41</sup> A secondary concern from an elevated presence of chloride in water is its

corrosive effects on metal pipes. In large enough concentrations, chloride will react with the metal ions to create soluble salts, which increase the levels of metals in drinking water.<sup>42</sup> Lead pipes can be similarly corroded with high levels of chloride to yield a higher concentration of lead in drinking water.<sup>43</sup> If current extraction and saltwater intrusion trends continue, the presence of chloride is expected to increase.

Nitrate contamination generally comes from wastewater or non-organic fertilizer infiltration into the groundwater supply.<sup>44</sup> Like chloride, nitrate poses the most significant health risks to infants under six months old. Consistent exposure by infants to high levels of nitrate can result in methemoglobinemia (blue baby syndrome), or an impaired ability to carry oxygen through the blood. Blue baby syndrome can lead to temporary digestive and respiratory problems, or in extreme instances to brain damage or death.<sup>45</sup> According to a 2000 Israeli study, elevated nitrate levels may also increase risk of hypertension in children.<sup>46</sup> In a 2008 study, samples of Gaza's drinking water showed that 90 percent contained nitrate in levels 2-8 times higher than the maximum for safe drinking water as determined by the WHO.<sup>47</sup> Half of the infants tested in this study showed signs of the disease, as well as diarrhea and high blood acid levels.<sup>48</sup>

One solution previously pursued to filter chloride and nitrate out of household water supplies along with other contaminants is the distribution and use of point-of-use (POU) reverse osmosis (RO) filtering units in Gaza. However, a 2011 UNICEF report found that 20,000 household RO units distributed to institutions and facilities that served children were not effectively filtering chemical and microbiological contaminants.<sup>49</sup> To operate at their rated capacity, these units need to be cleaned and disinfected, and some parts need to be replaced regularly. Without access to replacement parts or education on the importance of cleaning and disinfecting the units, the efficacy rate can decline significantly. This highlights the need for both better public health education and improved education about appropriate POU filter use alongside the general need for more filtration or other means of removing chemical contaminants from water.

### ***Biological Contamination***

Outbreaks of waterborne disease may affect large numbers of persons; they can spread particularly quickly in densely populated areas, especially in

individuals with compromised immune systems and inadequate sanitation infrastructure. Gaza is one of the most densely populated areas in the world and is particularly vulnerable to an outbreak of this type.<sup>50</sup> Due to a lack of wastewater treatment, Gaza is at imminent risk from an outbreak of waterborne disease.<sup>51</sup>

The most acute risks in Gaza are associated with ingestion of waterborne pathogens via water contaminated with feces from humans or animals. Fecal contamination can be a source of pathogenic bacteria (e.g., cholera, salmonella, shigella), viruses (e.g., enteroviruses including polio), and protozoa (e.g., giardia). Fecal contamination is most likely in areas where wastewater systems are poorly designed or maintained, and as a result, sewage can seep into drinking water from different points in the collection system.<sup>52</sup> Chances of microbiological contamination of water from the aquifer, particularly by fecal coliforms and fecal streptococcus, increase at each point in the water handling cycle.<sup>53</sup> Private vendors usually supply water through tanker cars at distribution points in non-hygienic conditions. Resulting contaminations lead to significant diarrheal and other water-related disease, not only in Gaza's infants (children under five) but also in the general population.<sup>54</sup>

In 2014 the Palestinian Ministry of Health published a report on communicable diseases in Gaza that identified several diseases transmitted through poor personal hygiene and insufficient public infrastructure, among them, acute hepatitis A, typhus, and acute diarrhea.<sup>55</sup> In the case of acute hepatitis A, the uneven geographic spread of the disease could possibly be explained by the variation of bad infrastructure in some governorates (districts) and varying levels of personal hygiene practices.<sup>56</sup>

### ***Bacterial and Viral Pathogens***

The risk of contamination in drinking water increases with each additional transfer point before reaching the user. For individuals in Gaza who are dependent on water tanks to deliver large quantities of drinking water, this means higher exposure rates to numerous coliform strains, fecal and otherwise, that can cause varying symptoms, including bloody diarrhea, stomach cramps, vomiting, fevers, and urinary tract infections. Children may risk greater exposure to bacterial contamination through water delivery and storage in schools.<sup>57</sup> Studies have found that total and fecal coliform strains

were present in higher numbers in samples from distribution networks as opposed to samples from wells or home-filtered water.<sup>58</sup>

The prevalence of bacterial contaminants in drinking water is of particular concern for children, given that UNICEF reported that water-associated diseases made up 26 percent of all childhood disease in Gaza and were the leading cause of childhood morbidity. Of these, 12 percent of deaths among young children and infants in 2009 were caused by diarrhea, an eminently treatable and preventable disease.<sup>59</sup>

Transmission of enteroviruses in populations with poor personal hygiene or untreated and polluted water can cause a variety of infections, some of which are mild or even symptomless. However, some strains of human enterovirus A and B species can have more serious effects, such as the spread of hand-foot-mouth disease or meningitis, respectively. Polio is perhaps the most well-known disease spread by enterovirus, both because of the severity of the symptoms associated with the disease and also its ability to spread quickly through large populations given the right conditions for transmission. While polio has largely been eradicated in the Gaza Strip thanks to proactive vaccination campaigns, meningitis is still one of the most common infectious diseases observed in children there.<sup>60</sup> Outbreaks are common and recently occurred in 1997, 2004, and 2013, dramatically raising the rate of infection among children and infants for brief periods in each instance.<sup>61</sup>

### ***Giardia and Other Intestinal Parasites***

As with coliform bacteria, water is more likely to be contaminated with parasites as it is transferred from the water distribution center to its eventual destination. Various intestinal parasitic agents (cryptosporidium, entamoeba histolytica, and giardia lamblia) are known to cause diarrhea in children, which is in turn associated with clinical diseases and higher mortality rates, as well as higher rates of malnutrition and possible developmental impairments in children.<sup>62</sup> In one study in Gaza, some 60 percent of kindergarten age children were found to suffer from at least one parasitic infection.<sup>63</sup>

Rates of intestinal parasites among Gaza's children may peak in agricultural areas and in neighborhoods with open sewage ponds.<sup>64</sup> A 2011 study found that children in Gaza were infected at high rates with both worms (helminths) and protozoa, and the younger children most vulnerable to worms were

not receiving deworming treatment typically administered to school-age children in classrooms.<sup>65</sup>

### **Public Health Risks in Israel and Egypt**

These multiple, overlapping water and public health challenges may not remain contained within the Gaza Strip. The combination of poor water hygiene practices and insufficient sewage and water treatment in Gaza could lead to a disease outbreak that spreads outside of Gaza's borders. Viral pathogens like polio have the potential to travel through sewage and waterways outside of the Gaza Strip. Forms of both bacterial and viral pathogens can present a significant health risk not only to people living in the Gaza Strip, but also to Israeli and Egyptian populations, depending on how the pathogens enter communal water sources and whether outbreaks are caught early or allowed to spread. Indeed, polio has already been found in Israeli sewage systems, attributed to the sewage runoff from the Gaza Strip into Israeli waterways.<sup>66</sup>

The risk of a cholera outbreak has also been highlighted in recent years.<sup>67</sup> Cholera is an acute infection caused by ingestion of food or water contaminated with the bacterium *Vibrio cholerae*. Causative factors that contribute to cholera outbreaks are population density, mass gatherings, limited access to safe water, and poor sanitation – all conditions that exist in Gaza. Preventive measures, according to the WHO, include the development of piped water systems with water treatment facilities, water filtration, and disinfection of water, safe water storage, and construction of systems for safe sewage disposal.<sup>68</sup> All require long term investment and continued maintenance that are hampered due to reasons mentioned above.

Cholera affects both children and adults and can kill within hours if untreated. While health clinics in Gaza might be well-equipped for early detection of cholera, mitigation capacity is limited. Addressing a cholera epidemic in real time requires both a rapid response and treatment plan, which includes access to clean water, safe food, and hygiene practices in households, public places, refugee camps, and hospitals; neither of these is now viable in Gaza. To cope with the current electricity and water crises, hospitals have recently reduced cleaning and sterilization of medical facilities.<sup>69</sup> Gaza's hospitals operate on generators and any failure could jeopardize the ability of intensive care units to respond to an epidemic. An estimated 36



per cent of essential medicines – including antibiotics needed to reduce the duration of diarrhea associated with cholera – and 32 per cent of medical supplies are currently missing in Gaza.<sup>70</sup> In addition, the complex political situation and the lack of direct communication between all the parties involved could hinder any effective communication needed to deliver emergency aid, medicine, and electricity.

Although limited, movement of people and goods between Gaza and Israel, Egypt, and the rest of the world means that if cholera were to spread in Gaza, it would not remain confined to the Strip. Cholera outbreaks in Yemen in 2017 and in Iraq in 2015 demonstrate that given the circumstances, such a scenario is possible in the Middle East. To illustrate how easily viral and bacterial pathogens can spread in the right environment, one need only look at the example of the cholera epidemic in Haiti in 2010. Later found to have been spread by Nepalese peacekeepers living outside Port-au-Prince, cholera spread rapidly through the country and killed over 4,500 people in less than five months and eventually infected almost 300,000 others. The epidemic spread easily because the Haitian water and sewage infrastructure was devastated not long before by an earthquake, limiting access to clean drinking water and leaving Haitians to drink, wash, and bathe in river water contaminated by a strain of cholera from sewage flowing from the upstream peacekeepers' camp. Several critical lessons were learned from the Haitian experience, but chief among them was that the UN and the government of Haiti needed to prioritize long term investments in piped, treated drinking water and overall improvements in sanitation throughout the country. In addition, in the short to mid-term, the UN concluded that more emphasis was needed on community and household health programs teaching proper handwashing and hygiene practices, safe disposal of fecal waste, and low cost water purification techniques.

The risks that Gaza's water problem pose to Israel were first mentioned in the Israeli media in 2016 after the Ashkelon desalination plant, which supplies approximately 15-20 percent of Israel's water, was shut down for several days due to pollution from Gaza. More recently, however, in May 2017, the Israeli state comptroller issued a report that for the first time took on this issue and described water pollution as Israel's most serious cross-border environmental hazard. State Comptroller Joseph Shapira wrote that such widespread pollution not only damages the groundwater of Israel and

its neighbors, but also harms public health and quality of life. Noting that the government of Israel has yet to formulate a policy for transboundary environmental management with its neighbors, the report called upon the different authorities to join forces to reduce the contamination of resources shared by Israel and the Palestinians, mostly Gaza. The Environmental Protection Ministry welcomed the state comptroller's findings, stressing that "environmental issues do not consider boundaries created by man."<sup>71</sup>

## Conclusion

Gaza's dire water, sanitation, and electricity challenges are complex and deeply intertwined. Even so, they could be addressed in the long term through greater investment in water and wastewater treatment infrastructure and new power infrastructure, along with greater water or electricity purchases from outside Gaza. These are all achievable with existing technologies.

Instead, the current barriers to a policy solution are largely political. The complex political dynamic in the region between Israel and Hamas, the intra-Palestinian rivalry between Hamas and the PA, and tension with Egypt make the situation extremely difficult. Reconciliation between the PA and Hamas may help alleviate some of the WASH (and energy) challenges, but effects of the process are too early to assess. While only long term political solutions could adequately address the core problems of water and sanitation in Gaza, it is important to take immediate actions within the existing political environment and constraints that will help ease the crisis and reduce the likelihood of a significant public health disaster. Among these are several ongoing efforts or possible expanded efforts by regional stakeholders or international donors:

- a. *Purchased water*: The agreement that Israel and the Palestinians signed in 2017 on selling an additional 10 mcm of water to Gaza should be implemented quickly. The imported water could be blended with groundwater, making almost 40 mcm of potable water available. While 5 mcm of water could be provided immediately, a new pipeline from Israel to Gaza should be constructed to convey the additional supply.
- b. *Clean water storage and pipeline system*: One of the limiting factors of the amount of water that can be sold to Gaza from Israel is the lack of storage capacity and the poor conditions of the existing pipeline system. Additional storage capacity and urgent investment in network losses

are necessary. Following the completed refurbishment of the al-Muntar reservoir by KFW, donors could be further encouraged to build an additional reservoir to accommodate water imported from Israel.

- c. *Household disinfection or water treatment*: Chemicals for water treatment, spare parts for existing POU filters, and/or hygiene kits should be distributed to vulnerable households in Gaza. Even though these materials may be on Israel's dual-use list, this may be a necessary step to prevent outbreaks of waterborne disease in advance of a long term solution.
- d. *Power supply for wastewater treatment*: In June 2016, Israel approved the supply of an additional 6 megawatts (MW) of electricity to Gaza, in order to power a new World Bank-led wastewater treatment plant in northern Gaza (the NGEST project). However, considering the state of the existing grid connection between Israel and Gaza and the inability to control the allocation of this additional electricity once it has crossed the border, without the construction of a dedicated power line that would connect the Israeli provider to the wastewater plant, this additional supply may be dispersed and not reach its final destination. The construction of this power line as an interim measure would allow for the efficient operation of the plant.
- e. *Backup power and spare parts*: Donors could also secure fuel to operate backup electricity generators in hospitals and/or water and sanitation installations. Spare parts essential for maintenance of critical facilities would also be a key near term step.
- f. *Regional taskforce*: Despite the political challenges, all relevant stakeholders, especially the PA, Israel, Egypt, and the international community should form a special taskforce that would prepare an action plan to implement immediate and mid-term responses to prevent a disease outbreak and contain it if such an outbreak occurs.

## Notes

This paper is adapted from a RAND Corporation research report: Shira Efron and Jordan R. Fischbach et al., "Gaza's Water and Sanitation Crisis and its Implications for Public Health," forthcoming.

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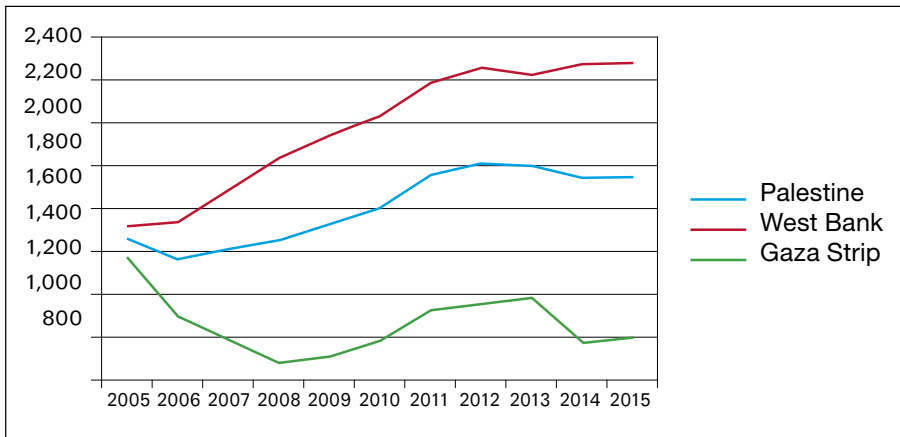
# The Gaza Economy

Alon Rieger and Eran Yashiv

With a link between Gaza's economic situation and the repeated armed clashes between Israel and Hamas, a sustainable solution to the conflict must address this economic dimension. The solution, which needs to be facilitated by international support, should be at the top of the Israeli government's agenda before a new war erupts. This article describes briefly the key indicators of the Gaza economy and possible future developments.

## **Main Economic Indicators**

Figure 1 compares GDP per capita in Gaza and in the West Bank since the Israeli disengagement from the Gaza Strip in 2005. In real terms, while GDP per capita in the West Bank rose over this period, GDP per capita in Gaza fluctuated: it declined substantially after the disengagement up to the military campaign of 2008-2009 (Operation Cast Lead); it then rose from 2009 to 2014 (with Operation Protective Edge), with an increase that can be attributed to Gaza's "tunnel economy." Since the 2014 conflict, the Strip's GDP per capita plunged again, to about \$1,000 at 2004 prices. At current prices, GDP per capita in Gaza and the West Bank in 2015 was \$1,700 and \$3,700, respectively; with these figures Gaza's economy ranked 174th and the West Bank economy 150th out of 223 economies worldwide. In 2005, GDP per capita in the West Bank was 10 percent higher than GDP per capita in Gaza; by 2015 it was 128 percent higher. The average hourly wage in Gaza and in the West Bank is 62 NIS and 94 NIS, respectively.



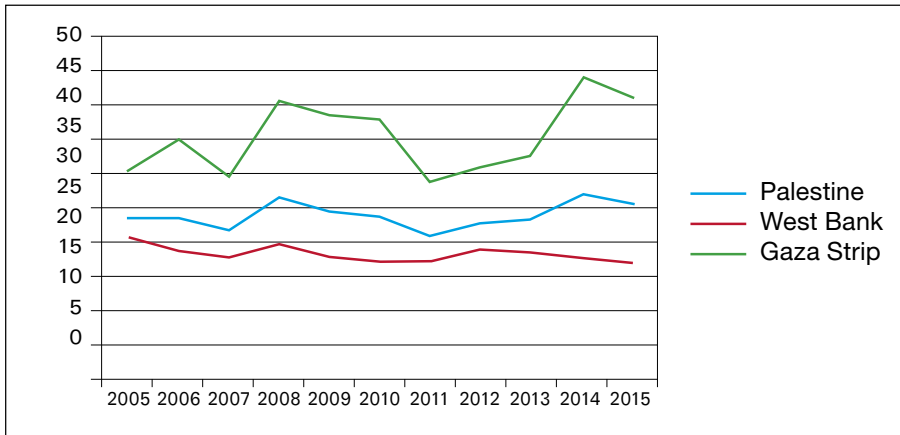
**Figure 1.** GDP Per Capita, 2005-2015 (in constant prices, 2004 base year)

Source: Palestinian Central Bureau of Statistics<sup>1</sup>

A 2015 World Bank report attributed the growing gaps between the two Palestinian economies to the conflicts between Israel and Hamas, including the blockade, and stated that had there been no repeated hostilities and closure of Gaza, Gaza's GDP growth would likely have been equal to or greater than that of the West Bank.<sup>2</sup> These gaps have important repercussions for any attempt to facilitate a unified economy in Palestine.

Unemployment in Gaza has gone through sharp changes. After the Israeli disengagement in 2005 there was a rise in unemployment, followed by a short period of decline until 2007, when Hamas began to rule. The first two years of the Hamas regime led to a rise of 10 percentage points in unemployment, followed by a general decline until 2014. The 2014 Gaza war led to a second rise in the unemployment rate to 44 percent in 2014, dropping slightly to 41 percent in 2015. A 40 percent unemployment rate is higher than the unemployment rate of almost every other country in the world. Three reasons account for this high unemployment rate: (a) the fall in external trade after 2005 and the imposition of restriction on Gaza's exports; (b) the severe damage to capital and to infrastructure in the wars between Gaza and Israel; and (c) the high level of population growth in Gaza, resulting in a high growth rate of the labor force but no concurrent rise in the export of labor services. In the early 2000s, 15 percent of Gazan workers were employed in Israel. Since the Israeli disengagement from Gaza, no Gazan workers have been employed in Israel. As a point of comparison,

the unemployment rate in the West Bank followed a less volatile path, and in the same period ranged between 17-21 percent. This indicator further strengthens the notion of a serious gap between these two economies. Figure 2 provides a comparison of the rate of unemployment in Gaza and in the West Bank since the Israeli disengagement from Gaza.



**Figure 2.** Unemployment Rate in the Palestinian Territories, 2005-2015

Source: Palestinian Central Bureau of Statistics<sup>3</sup>

Gaza also suffers from a major problem of high population density. It has 1.88 million inhabitants, with a density of 5,100 people per square kilometer, placing the Strip in the fifth place worldwide.

Other indicators that help assess the economic situation in Gaza include poverty and food security. In 2014, the poverty rate in Gaza was 39 percent, as compared to 16 percent in the West Bank, which translates to 25 percent in the Palestinian territories as a whole.<sup>4</sup> In 2011, the “deep poverty” rate in Gaza was 21 percent, as compared to 8 percent in the West Bank, which is 13 percent in the Palestinian territories.<sup>5</sup> The relative poverty line and the deep poverty line were calculated using consumption data. In 2011 the annual consumption expenditures for the average household of 2 adults and 3 children were 2,293 NIS and 1,832 NIS in the West Bank and Gaza, respectively.<sup>6</sup> In 2013, the food insecurity rate in Gaza, the West Bank, and the Palestinian territories was 57, 19, and 33 percent, respectively.<sup>7</sup> As a reflection of the extent of poverty, the major share of cash expenditure was

spent on food; it was 35 percent of total expenditures in the territories, with 33 percent in the West Bank and 40 percent in Gaza.<sup>8</sup>

## **Future Scenarios**

The economic situation in Gaza has deteriorated substantially in the past decade as a result of the sanctions imposed by Israel and Egypt. In addition, since 2014 there has been a decrease in financial support for Gaza from Iran and Syria. As a result of such strains, Hamas has faced difficulties in paying public sector employees. This is the reason why ceasefire negotiations with Israel and reconciliation talks with the Fatah regime in the West Bank dealt with the possibility of easing the blockade and allowing the economy of Gaza to be opened to external trade. The network of tunnels to Sinai was the natural reaction to economic isolation.

According to a 2015 World Bank report,<sup>9</sup> the “status quo in Gaza is unsustainable, and could have further incalculable socioeconomic and ultimately human consequences... The combination of armed and political conflict and the blockade imposed by Israel in 2007 have had a huge toll on Gaza’s economy.” The current status quo is likely to lead to another violent confrontation between Israel and Hamas, thus prolonging the cycle of a conflict that has defined the past decade.

Though Gaza has encountered a host of setbacks, it still has economic potential. Gaza’s economic opportunities include developing tourism along its seashore, developing a services sector, reestablishing agricultural exports, and even establishing a hi-tech industry, as Israel’s Arab citizens in the north of Israel have done. Gaza’s human capital has economic potential, since illiteracy is almost nonexistent and higher education is widespread due to Gaza’s five universities.

Natural gas, discovered in the sea near the shores of Gaza in 2000, is estimated at 32 million cubic meters, a supply that could last for 20 years. This project would grant economic and ecological benefits, and generate an estimated income of \$2.4 billion in royalties and taxes.<sup>10</sup> Moreover, it could lead to savings of \$550 million, because Gaza would no longer have to import electricity services from Israel. By using natural gas instead of diesel, Gaza’s power station’s production costs would decrease.<sup>11</sup> The current plans for the Gaza Marine field are to construct well-heads on the sea-bed, lay pipes to a collection unit, and a sub-sea

pipeline from the collection unit to the shore. It will take three years from the decision to go ahead with exploitation until gas flows ashore. The capital investment required would be \$1 billion.<sup>12</sup> The Palestinian Authority has blamed Israel for inhibiting the launch of the project, but in October 2013, an unnamed Israeli official said that the Israeli government was “very supportive” of the project.<sup>13</sup>

In the short and medium run, investments could be undertaken to develop physical infrastructure and public services. Such investment would also lead to a rise in employment, jumpstart a stable Gaza economy, and prevent another conflict between Israel and Hamas.

In order to see substantive growth in Gaza’s economy, there must be substantial change, and not merely an ease of the blockade or the partial opening of crossings. Small gestures will not achieve the desired goals, and in the long run will lead to further deterioration. The magnitude of the problems is such that big investments are needed. Small steps can create the illusion of progress but fall short of the minimal expenditures needed. The change should not be implemented by Israel or Hamas, but rather by foreign governments and international organizations. The involvement of international agencies, preferably professional rather than political, is necessary in order to provide the conditions for real economic change. Relying on local agents and bodies, with all the political complications, is likely to lead to continued failure. It is therefore necessary to make use of professional organizations and outline explicitly the necessary steps and required targets. The following issues are particularly important:

*Reconstruction and building of infrastructure.* Following the destruction engendered by the 2014 conflict, reconstruction of infrastructure should be the top priority. An economic task force should be formed under the auspices of an international organization, such as a new development bank, and set the project’s priorities on a defined schedule. Gaza could plausibly be expected to reach a reasonable state in four years, and a much improved one in eight years. Those recruited for rebuilding infrastructure would be local unemployed workers. It is crucial that this mechanism be under international control, use foreign experts, and be transparent regarding its work. Making its actions known could lead to the desired change in public perception, which is necessary for Gaza’s economic development.

In addition to the cost of housing reconstruction, investment of \$1 billion annually over four years (32 percent of 2015 GDP each year) and \$600 million investment annually for the subsequent 3-4 years are required for the reconstruction of the capital stock. However, it is difficult for a poor and small economy to absorb larger amounts of investment.

One possibility is to invest in the rebuilding of houses and commercial buildings that were destroyed in the conflicts, such that a substantially higher housing stock would be attained relative to pre-conflict levels. Such a step could have big effects on public support for the economic development program.

*Funding.* The funding for the program would come from Arab governments and Western governments. It is crucial that a number of governments participate in funding the program, in order to diversify risk. The initial funding could be managed and monitored by an emergency fund of the World Bank. In the mid and long terms it is preferable to establish a new bank that would be designated specifically for the development of Gaza. Similar undertakings took place in the 1990s in Eastern Europe, following the collapse of the Soviet Union.

*Supervision of import of production inputs.* A central concern in framing Israel's policy toward Gaza is the fear that production inputs would be utilized for military purposes. This fear has materialized in the use of construction materials for the creation of dozens of "terror tunnels." However, this occurred under the Israeli blockade. Moreover, similar issues of resource diversion have been resolved in other cases. Institutions such as the World Bank often discovered that financial aid ends up in the hands of corrupt rulers or small interest groups instead of its original destinations. Consequently, those institutions developed mechanisms for the transfer of funds, usually in the form of direct transfers to the recipients, and conditioned further deliveries on the attainment of goals. Such mechanisms could be activated in the case of Gaza.

*Security.* The above steps cannot be implemented if violent confrontations recur. An international military or police force that works in collaboration with an economic task force could be helpful in the first few years.

*Reintegration.* An obvious point is the need for the West Bank and Gaza to re-integrate. A recent (2017) Aix group paper notes that the combined economies would enlarge the market significantly, thus leading to a better

division of labor, with the potential advantages of specialization. The paper notes that “Historically, Gaza had a strong agricultural base and supplied agricultural products to the West Bank. Other sectors, such as furniture, were also developed in Gaza. The diversification of climate, with what can be described as ‘seasonal complementarity,’ provides another advantage to the combined, integrated economy.”<sup>14</sup> Moreover, the fact that Gaza has access to international waters could hold important advantages for reunification of the economies of Gaza and the West Bank, if the blockade were to be significantly loosened. However, there is also a downside to a possible union of the two economies. The economic disparities between Gaza and the West Bank could cause major stagnation for the Palestinian economy in the short run. As the West Bank economy itself is a very poor economy, absorbing the economy of Gaza, which is more than twice as poor, might be destructive in the short term. To prevent such negative impact, reintegration should follow an economic reconstruction plan for the Gazan economy, such as the program presented above. A program to reconstruct Gaza’s housing sector and physical capital, and later, an attempt to reintegrate the two economies, could hold promising prospects for the long run. In addition, and importantly, it can also help reduce the frequency of violent confrontations between Israel and Hamas.

## Notes

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# Israeli Policy toward the Gaza Strip

Udi Dekel

## **The Strategic Dimension**

### *The Policy of Separation*

With the disengagement in the summer of 2005, Israel hoped to be freed of the burden of the Gaza Strip, which today has a population of almost two million. The disengagement also sought to confront the Palestinians with the challenge of state-building and establishing a functional, responsible political entity, and to bring about a fundamental change in the nature of the ongoing conflict between the Palestinians and Israel. The effects of the disengagement, however, did not meet these expectations. Approximately half a year after the withdrawal, Hamas emerged victorious in the Palestinian parliamentary elections. The following year, the organization seized control of the Gaza Strip; economic and civil projects that were planned as part of building a Palestinian state failed; and violence and terrorism against Israel from within the Gaza Strip continued. Since then, Hamas has also grown significantly stronger in the military realm.

In light of the negative outcome of the disengagement and Hamas's seizure of the Gaza Strip, Israel pursued a policy of differentiation and separation between Gaza and the West Bank. This approach had two elements: first, the creation of a clear and discernible gap in economic growth and governance between the Gaza Strip and the West Bank, which is controlled by the Palestinian Authority; the PA endorses a political process and rejects terrorism. Second, the policy aimed to minimize the negative influences of Hamas and other terrorist organizations on events in the West Bank in order to prevent the export of extremist ideas, knowledge, and terrorist capabilities from the Gaza Strip to the West Bank. In addition to differentiation, Israel implemented a policy of closure (which intensified after the abduction of

the Israeli soldier Gilad Shalit on the Gaza Strip border in 2006) to prevent the smuggling of arms and other means of warfare into the Gaza Strip, and of halting the entry of Gaza residents into Israel, with the exception of humanitarian cases. As Egypt also adopted a policy of closing the border crossing at Rafah for long periods of time, in order to reduce its responsibility for the Gaza Strip and later because of Egyptian hostility to Hamas rule, the closure of the Gaza Strip was tightened. Today, the entry of goods into the Strip to sustain the local population is almost completely dependent on the Israeli government's border-crossing policy.

As the closure tightened, the distress in the Strip increased, at times reaching a level of humanitarian crisis, in part as a result of the high rate of unemployment in the region. But Hamas did not change its basic approach toward Israel; in fact, as the hardship increased, it chose terrorism and rounds of escalation as means of having the closure lifted or at least reducing its scope. Israel, as a result, failed to find a way to relieve itself of responsibility for the Gaza Strip, both on a practical level and in terms of the international perspective regarding Israel's role in this context.

As the years passed, and as it became evident that there was no solution to the problem of the Gaza Strip and no ready alternative to Hamas's dominance in the region, achieving ongoing calm – based on isolated specific measures, as opposed to an overall policy aimed at leading the way to a definitive resolution of the conflict – became the short term Israeli interest. In practice, Israel came to terms with Hamas's rule in the Gaza Strip, without formally recognizing it as a legitimate governing element, but rather designating it as the responsible actor for actions in the Strip. At the same time, Israel chose to continue exerting military, political, and economic pressure on Hamas in order to weaken the organization and slow its buildup. The strategic goal of this approach focused on postponing the next round of violence as long as possible by strengthening elements of Israeli deterrence and, at the same time, creating the conditions to improve the Gaza population's living and human security conditions. This was based on the understanding that as long as hardship in the Gaza Strip continued to increase and as long as Hamas, the sovereign on the ground, found it difficult to address the situation, the chances of a violent conflagration increased. Under these conditions, Hamas was liable to allow members of the group's military wing and other violent

elements to carry out attacks against Israel. This, it was clear, would inevitably increase the potential for deterioration into another round of clashes.

The undermining of stability and the loss of control of events resulted in three rounds of confrontations between Israel and Hamas and three Israeli military operations: Cast Lead in 2008-2009; Pillar of Defense in 2012; and Protective Edge in 2014. The destructive results of these rounds of fighting and the consequent loss of human life encouraged Hamas to continue to arm itself, developing a long range rocket array and a capacity for production of weapons and ammunition, and digging a network of tunnels for self-defense, smuggling (across the Egyptian border), and entry into Israeli for terrorist attacks. The fact that each round concluded without an agreed settlement constituted the foundation for another round, renewed armament, and hope within Hamas and other terrorist groups for better results in the next confrontation, particularly due to the increasingly powerful blows sustained by Israel from campaign to campaign. Moreover, after each military clash, Israel was forced to contend with criticism sounded in the international arena regarding the devastation and the deaths in the Strip, resulting in increased damage to Israel's status and legitimacy from round to round. Twelve years after Israel's disengagement from the Gaza Strip, the international community still regards Israel as responsible for Gaza due to the absence of a political solution and the security closure, which it views as unjustified.

The attempt to reach understandings regarding a long term ceasefire with Hamas at the end of Operation Protective Edge through indirect negotiations mediated by Egypt was halted due to the increasing frequency and scope of terrorist attacks in the northern Sinai Peninsula. Moreover, the escalation in incidents between the Egyptian security forces and jihadist elements in Sinai and, most importantly, evidence of operational ties between these elements and Hamas's military wing in the Gaza Strip increased Egypt's existing antagonism toward Hamas (stemming from the group's ties with the Muslim Brotherhood). Another factor that frustrated efforts to reach a settlement involved the difficulties in coordinating with the Palestinian Authority, which opposed measures that would enable Hamas to consolidate its status. For its part, Hamas firmly opposed the transfer of control over the Gaza Strip to the Palestinian Authority, which Western donor countries set as a condition for the transfer of funds to the Strip. Nonetheless, an understanding evolved in Israel that it was necessary to increase the scope of approvals and

authorizations for the entry of goods and building materials into the Strip in order to prevent aggravation of the already severe humanitarian crisis. A mechanism emerged for cooperation between Israel and the UN representative in the region, which authorized the controlled entry of building materials and heavy engineering equipment for the rebuilding of thousands of residential units. These agreements reflected a change on Israel's part regarding the transfer of building materials into the Gaza Strip, in view of the condition of the population and the threats by Hamas and other organizations to escalate the security situation if they did not see signs that the reconstruction process would begin soon.

### **Hamas's Current Policy**

Early 2017 saw many changes in the Hamas leadership, including the election of Yahya Sinwar as the organization's leader in the Gaza Strip. This development was perceived in Israel as additional proof of Hamas's fundamental hostility toward Israel and the fact that Hamas is not a potential partner for future political settlements. In parallel, the political and geographical separation between the Gaza Strip and the West Bank has reinforced the Israeli government's position that neither a partner nor necessary conditions for a comprehensive political settlement with the Palestinians exist.

Yahya Sinwar, who in practice also controls the organization's political bureau in Gaza, relayed a number of key messages in a media briefing in August 2017. Most prominent was a declaration that Hamas was not interested in a military confrontation with Israel. "Hamas has absolutely no interest in war, and if it is delayed for an hour, a day, or a year or two, it will be to everyone's benefit. We will delay the war for as long as we are able to, but in the event that the occupation dares to initiate military aggression, our strength has increased. The resistance has recovered what it lost during the last confrontation." Sinwar also expressed opposition to "Gaza's disengagement from the West Bank," explaining that this "would be suicide for the national project" and that "Hamas has no such intention." In the same breath, however, he clarified: "We will not allow any element to incite the public against us, and if we understand that this is what is occurring, we will be the first to turn the tables on the occupier."<sup>1</sup>

In early 2017, Hamas made efforts to normalize its relations with Egypt in an effort to encourage Egyptian openness to the Gaza Strip and ensure an

economic and political umbrella for its continued rule in the Strip. This was also a means of bypassing the difficulties imposed by the Palestinian Authority in the Gaza Strip in an effort to weaken Hamas, including salary cuts to PA employees and restricted payments for the supply of electricity. To further this goal, Hamas obtained Egypt's agreement to involve Muhammad Dahlan (who is supported by the United Arab Emirates and leads the opposition to President Mahmoud Abbas within the Fatah party) in the affairs of the Strip. Sinwar himself acknowledged "that the crises of the Gaza Strip, including poverty, electricity, the salary cuts, unemployment and the danger to the health system are what pushed Hamas to reach understandings with Muhammad Dahlan." Israel, for its part, took advantage of Qatar's involvement in the Strip as a mediating force vis-à-vis Hamas in order to advance economic and civil projects that are perceived as means to ease pressure in the region.

The change in the Hamas leadership in Gaza brought with it a new approach to the idea of reconciliation with the Palestinian Authority (PA). In the second half of 2017, Sinwar launched a process with Egypt to restore civilian control of the Strip to the PA. This initiative bespeaks Hamas's acknowledgment of its failure to provide for the welfare of the Gaza population. Egypt's President el-Sisi identified herein an opportunity to create conditions that would facilitate a resumption of the political process between Israel and the Palestinians; deny any pretext that the Palestinian rift is the obstacle to progress in the political process; and obviate skepticism regarding the feasibility of the political process as long as Hamas rules in Gaza. This allowed for the formulation of a staged process, beginning with the transfer of authority over the crossings from Hamas to the PA, including the Rafah crossing.

For Israel as well as for the PA, Hamas's refusal to dismantle its military wing and integrate its capability in the PA security apparatus is a highly problematic issue. Israel reacted fairly neutrally to the reconciliation and avoided any measures that would block transfer of authority to the PA. At the same time, Israel continues to insist on the three conditions stipulated by the Quartet for the recognition of a Fatah-Hamas unity government: renunciation of violence and terrorism; acceptance of existing agreements between Israel and the PA; and recognition of the State of Israel. Hamas, while not prepared to recognize Israel or existing agreements between Israel and the PA, seems amenable to a long ceasefire, in order to enable a

reconstruction process in the Strip. As such, there are advantages to Israel in a process where Israel does not have to supply benefits, while the PA gains additional responsibility and there is an extended ceasefire. This is also an opportunity for the situation in Gaza to improve – and for the PA, not Hamas, to receive the credit.

### **Israel's Objectives vis-à-vis the Gaza Strip**

Israel's objectives in the Gaza Strip encompass multiple areas:

- a. Calm and stability in the realm of security.
- b. An improved and stable humanitarian situation, which prevents the internal political-economic-social crisis from impacting negatively and prompting an outburst that would ultimately lead to a security escalation.
- c. Removal of Israeli responsibility for the Gaza Strip and deletion of the term "Israeli occupation" from Gaza's lexicon.
- d. Egyptian commitment to security calm in the Strip, to a halt to the flow of weapons via its territory, and to restraint of Hamas and other terrorist forces.
- e. Integration of Western, international, and Arab parties into the circle of those contributing to prevent a humanitarian crisis in the Gaza Strip and for achieving calm and stability.

The implementation of Israeli policy regarding the Gaza Strip and Hamas forges a number of tensions:

- a. Israel's formal policy of the non-recognition of Hamas clashes with Israel's recognition of Hamas as the force controlling the Strip in practice, and therefore as the party that is responsible for what occurs there. Calming tensions and allowing the provision of humanitarian aid requires coordination with Hamas.
- b. The urgent need to launch a project to extricate the Gaza Strip from its humanitarian and economic suffering must be balanced against the need to prevent the strengthening of Hamas.
- c. The need to ease restrictions on passage in and out of the Strip to improve the situation challenges Israel's (and Egypt's) security needs, which dictate tight controls to define and prevent the entry of dual-use materials into the Strip that can be diverted toward weapons and tunnels production.



- d. The need to involve the PA in the rebuilding of the Strip while not opposing a Palestinian national unity government contradicts the policy of separation between the Gaza Strip and the West Bank.
- e. International awareness of the problematic situation in the Gaza Strip must be cultivated, despite the sense of futility in the international arena regarding investments in the region due to the constant danger of security escalation and the absence of political horizon.

Israel has thus far refrained from formulating a comprehensive strategy regarding the Gaza Strip and Hamas's rule. Israel until recently came to terms with Hamas's rule in the Gaza Strip due to the lack of any better alternative and the need for a party that is responsible for what occurs there. At the same time, however, Israel seeks ways of weakening Hamas and, in the future, of bringing about the establishment of a stable regime that is less hostile toward Israel.

In the current situation, Israel has three primary alternative courses of action. The first is to continue and expand the present framework. With the assistance of UN/Quartet representatives, construction materials and other goods and necessities required for basic life and the gradual rebuilding of homes can be transferred to the Gaza Strip in a controlled and measured manner. The return of civilian authority to the PA will enable the acceleration of the reconstruction project and ease the transformations that Israel can provide for Gazans in exchange for security calm, without a need to involve security apparatuses against Hamas. Operation of the border crossings and the movement of goods in and out of the Strip must be improved, including more goods approved for entry at the Erez Crossing. There must be assistance in the rebuilding of infrastructure, such as water, sewage, and the provision of energy and electricity on a regular basis, and the fishing zones must be expanded. Nonetheless, it is clear that such activity will not serve to delay the inevitable, as it lacks stabilizing factors and elements to deal with the fundamental problems of the Gaza Strip.

The second option is to involve the PA in the management in the Gaza Strip, in coordination with Egypt, the Arab Quartet, and the international community. Prospects for this option have grown with the transfer of civilian authority to the PA, and this should encourage a comprehensive regional and international project toward reconstruction of the Strip. To increase this option's viability, Israel will need to refrain from opposing internal

Palestinian reconciliation. Israeli openness to initiatives aimed at resuming the political process and expanding the PA's authority in the West Bank on the path to the establishment of an independent Palestinian state would go a long way toward promoting the implementation of this option.

The third option is to realize the idea of full disengagement from the Gaza Strip. Based on the understanding that in the near future there is no alternative to Hamas dominance in the Gaza Strip (even if Hamas continues its military buildup, along the lines of the Hezbollah model), Israel should launch a process of reconstruction in the Gaza Strip, to be led by the international community and supported by the Arab states. The aim of this initiative would be to open up the Gaza Strip to the world and reduce (to the point of altogether ending) the Strip's dependence on Israel for the provision of goods, materials, and equipment. This will require building a seaport near the Gaza shore with security measures that meet Israel's security demands. A critical element in this option is close coordination with Egypt in order to ensure that the measure is not perceived by Cairo as an Israeli action aimed at placing responsibility for the Strip on Egypt's doorstep.

Several premises underlie implementation of any of these options, including:

- a. Hamas will remain the only significant military entity in the Gaza Strip, and the economic and humanitarian plight will intensify.
- b. The chances for success of the reconciliation agreement between Fatah and Hamas are extremely slim. Still, the formation of a Palestinian unity government focused on the reconstruction of the Gaza Strip remains a possibility.
- c. The Palestinian Authority and its president currently lack the direction, desire, and ability to reestablish its rule over the Gaza Strip given the slim possibility of effecting a material change in the region and the inability to disarm Hamas. This situation precludes realization of President Abbas's vision – "one authority, one law, and one gun." The PA will be at a disadvantage if it attempts to initiate a violent confrontation with Hamas, that is, unless it receives substantial military support from Israel and/or Egypt.
- d. The Gaza Strip is of little interest to the Arab world, or at least to its major actors. The international community is also less interested in the

Strip than it was in the past given the regional and global crises that are diverting attention and resources.

- e. Integrating the Arab world and the international community into the reconstruction and administration of the Gaza Strip will reduce legitimacy for Israeli military action and responses to terrorist attacks emanating from the Strip – even if such action stems from Israel’s right to self defense.

Realizing the advantages in the different options will require Israel to present an initiative aimed at breaking the political stagnation in the Israeli-Palestinian arena. However, in light of these premises, none of the three options is optimal from Israel’s perspective. None ensure ongoing security calm, and all three are dependent on the mobilization of Egypt, the Arab world, and the international community – or an essential change in the balance of power between the Palestinian Authority and Hamas. Moreover, each option would result in reduced Israeli influence on the events in the Gaza Strip and a curbed ability to defend its security interests.

Expanding the existing framework of activity requires Israel not to block reconciliation-related measures, or alternatively, to come to terms with Hamas’s dominance in the Gaza Strip and promote an accelerated reconstruction process coordinated by the UN. This involves taking risks by allowing the entry of dual-use materials that will enable Hamas to gain strength and continue fortifying its tunnels, and by recognizing the central role of Hamas. However, reconstruction of the Strip that is not led by the PA denotes the enhancement of Hamas’s status as the sovereign in the Strip. This reduces the chances of a return of the PA to the region, raises Hamas’s status in the Palestinian arena as a whole, and heightens its influence in the West Bank as well.

Therefore, Israel must see the implementation of the reconciliation agreement and the transfer of civilian authority to the PA as an opportunity to advance the reconstruction of the Gaza Strip, so that the achievement will be attributed to the PA rather than to Hamas, which will strengthen the PA as compared with Hamas.

## **The Operational Dimension**

### ***The Dilemma of Israeli Deterrence***

There are several reasons for the erosion of Israeli deterrence vis-à-vis Hamas in the Gaza Strip. Over the years, small terrorist groups in the Gaza Strip

have increased in strength. These groups periodically fire rockets at Israel, intensifying the tension between Hamas as the governing force controlling the Strip and its responsibility for the valued principle of “resistance.” Occasionally, especially when Palestinian civilians are killed following Israel’s interception of rocket fire by small organizations or in an Israeli response to rocket fire, Hamas is also forced to join in the rocket attacks, taking into account that such action could nonetheless result in escalation. In addition, when it encounters a severe governance crisis due to a shortage of funds and inability to provide for the needs of the population, Hamas tends to engage in escalation against Israel in order to blame Israel for its inaction.

In the meantime, Hamas continues to build a strategic array of long range rockets capable of striking deep inside Israel, as well as a system of tunnels facilitating the infiltration of terrorist cells to carry out attacks within Israeli territory. The organization’s sense of confidence is based on the assumption that Israel is aware of these elements and will attempt to avoid escalating the confrontation in order to prevent attacks in its territory. Moreover, the organization understands that Israel has no better alternative than Hamas as the strongest element in the Gaza Strip, and it therefore holds an insurance policy of sorts against Israeli attempts to topple its rule and reestablish control over the Strip, given the damage this would incur. Another element that harms Israeli deterrence concerns the conflicting messages on the part of the Israeli government regarding its intentions vis-à-vis Hamas in particular and the Gaza Strip in general. Finally, inconsistent Egyptian policy sometimes raises hopes within Hamas that Egypt will prevent Israel from doing severe damage to Hamas and its rule in the Strip.

At present and in the immediate future, Israel faces the challenge of preventing a Hamas buildup and stopping its efforts to build a rocket arsenal that would allow it to fire rockets over many successive days and pose a massive extended threat to population centers in Israeli territory. Israel can act in accordance with three possible strategies:

- a. Physically blocking the smuggling route in the Strip by means of a ground operation to take over the Philadelphi axis and control it over time, while attacking against the smuggling routes from Iran to the Gaza Strip. No ground initiative to damage smuggling into the Gaza Strip was undertaken during Operations Cast Lead, Pillar of Defense, or Protective Edge.

- b. Placing the job of halting smuggling in the hands of a third party (the Egyptian and American commitments in this context following Operation Cast Lead were not fulfilled; for limited periods, following the Egyptian military's toppling of the government of the Muslim Brotherhood, Egypt demonstrated better performance and increased resolve to take action against the smuggling tunnels).
- c. Continuing the regular activity undertaken by the IDF and the Israel Security Agency (GSS) within the Gaza Strip to dismantle the terrorism infrastructure. This would necessarily incur ongoing friction and pose a permanent threat of escalation (this policy could be implemented following a military operation to seize control of the Strip, a cleansing of the area of terrorist infrastructure, and the creation and maintaining of the situation by means of an ongoing campaign involving activity deep inside the Gaza Strip).

To contend with the challenge posed by high trajectory weapons and rocket fire from the Gaza Strip into Israeli territory, the Israeli security system continues to improve its abilities to intercept rockets of varying ranges, mortar fire, and unmanned aerial vehicles. In 2017, to address the challenge of the tunnels, Israel began building an underground and above-ground security obstacle meant to prevent attempts to infiltrate Israeli territory in order to carry out attacks, and to provide early warning of such attacks. Once the obstacle is completed, Hamas and other terrorist groups will be deprived of one of their main means of deterring Israel from taking measures to damage the group's infrastructure.

Despite Egypt's increasing determination under President el-Sisi to address the issue of smuggling from Egypt into the Gaza Strip, including by means of destruction of the tunnels, the extent to which Egypt is committed to contend with the future military buildup of Hamas and other elements that are active in the region remains unclear. Therefore, Israel will need a comprehensive and effective plan to curb Hamas's military buildup in the event that Egypt fails to deal effectively with the issue. This challenge is particularly complex due to the establishment of an infrastructure for the production of rockets, missiles, and unmanned aerial vehicles in the Strip itself. The production of the weapons was aided and guided by Iran. This infrastructure is based on the entry of dual-use materials into the region, which means that Israel needs to reject materials meant for civilian use that

could be used in the production of weapons. Note that Hamas's military buildup, which illustrates the risks Israel will be taking in a future peace treaty, runs counter to another important principle: the demilitarized nature of a future Palestinian state.

## **Recommendations**

The notion of *tahadiya* (a lull in the hostilities) or *hudna* (an ongoing ceasefire lasting five or ten years) between Hamas and Israel, in exchange for a massive reconstruction process in the Gaza Strip and the construction of a seaport, has been raised from time to time via secret channels. The logic underlying the idea of a *hudna* takes on greater importance in light of the formulation by Hamas of an updated policy document issued in May 2017, which inter alia expresses the organization's willingness to make due (at this stage) with a Palestinian state within 1967 borders, albeit without recognizing the State of Israel. Thus far, however, the Israeli government has refrained from making a genuine attempt to advance an arrangement of extended calm with Hamas, primarily as this would undoubtedly mean formal recognition of Hamas's status in the Gaza Strip and its demand for an Israeli withdrawal to 1967 borders in the West Bank. In addition, following Hamas's victory in the 2006 Palestinian parliamentary elections and the establishment of a Palestinian unity government (which was disbanded after a short period), Israel embraced the three conditions advanced by the Quartet for the recognition of the Palestinian government (meaning Hamas). Hamas rejected these three conditions, despite indications within the ranks of its leadership of a willingness to cease its violent activities for an extended period of time. In practice, Hamas's opposition to these demands since 2007 has blocked any possibility of making progress toward reconciliation between the Fatah and Hamas in the Gaza Strip.

The impossibility of reaching understandings with Hamas regarding ongoing calm highlights the need for a fundamental debate regarding Israel's willingness to use force against the buildup of Hamas and jihadist terrorist elements in the Gaza Strip. In the past, Israel has taken action against aspects of this buildup that endangered its security, and a central element of Israel's current security strategy is the ongoing campaign, between wars, not only to strengthen Israeli deterrence but also to prevent, or at least reduce, the ability of Israel's enemies to engage in military buildup. The development

of criteria for possible action to prevent buildup is extremely important as a basis for decision making in this context within the Israeli security system.

The Israeli government's strategic aim vis-à-vis the Gaza Strip is to strengthen its deterrence and achieve security calm and stability in southern Israel. In this arena Israel contends with Hamas, a sub-state actor, that also functions as a terrorist organization, whose activity is characterized by fewer restraints and inhibitions than what is typical of states – even if it is clear that its actions may elicit a response that will be severely damaging to the population and the infrastructure of the Strip and to its own strongholds and assets. In its military campaign against Israel, Hamas's aim is to survive and maintain its ability to fire rockets at Israeli population centers and do injury to large numbers of civilians, with no sensitivity regarding harm done to the inhabitants of the Strip and the infrastructure in the region. This dramatic asymmetry obligates Israel, prior to any operation against Hamas, to commit profound thought to the results that can be achieved, how they can be portrayed by the enemy and their perception by the international community. Israel must also clarify Hamas's weak points that, if damaged, would disrupt the rationale for its activity and cause it great damage. In this context, striking at the head of Hamas's military wing and neutralizing the organization's strategic system and its production infrastructure in the Strip would represent an important intelligence and operational accomplishment. Therefore, an additional concept of operations must be used, with targets identified for broad strike damage that would have significant systemic effect, with primary emphasis on the power components of Hamas's military wing.

### **The Current Imperative: Reconstruction in Exchange for Arrested Buildup**

Israel must move forward with an initiative for the multinational task force for reconstruction of the Gaza Strip. After years of diplomatic, economic, and military efforts – whose combined aim was to limit Hamas's actions, weaken its rule, and cause its downfall, against the background of ongoing stagnation in the political process with the Palestinians – Israel will need to raise awareness regarding the increasingly severe situation in the Gaza Strip in order to elicit a willingness among international parties to contribute. No broad military confrontation has occurred between Israel and Hamas since 2014, and ostensibly the ceasefire is holding; this has also worked to remove

the Gaza Strip from the top of the regional and international agenda. The reconstruction, however, is a need that continues to intensify.

Five conditions must be met in order to advance Gaza Strip reconstruction:

- a. Israel's deterrence must be strengthened, including with activity to negate the ability of Hamas's military wing to inflict damage within Israel territory by standoff fire and the dispatch of terrorist cells into Israel.
- b. There must be a mutual Israeli, PA, and Hamas commitment to ongoing security calm in order to establish an atmosphere that is conducive to reconstruction and to prevent additional destruction in the Strip. Also required is a mutual Israeli and Hamas commitment to establish protected zones in which both sides would refrain from attacking water, energy, and economic infrastructure, even in the event of hostilities.
- c. The PA must lead the Gaza Strip reconstruction. To this end, Israel must refrain from disrupting the process of Fatah and Hamas reconciliation and the establishment of a Palestinian technocrat unity government that would focus on the reconstruction project.
- d. Egypt must be persuaded to play a central role: by mediating and restraining Hamas's actions to prevent the smuggling of weapons into the Strip; and opening the Rafah border crossing permanently for the passage of people and goods, within the framework of an international reconstruction mechanism. To this end, it would be wise to encourage security and economic recompense for Egypt.
- e. Regional and international involvement must be mobilized for the establishment of an international task force that would be responsible for the reconstruction project with regard to resources, planning, and management; and an effective supervisory mechanism established to prevent reconstruction resources from falling into the hands of Hamas for the purposes of military buildup.

## Notes

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# A Decade since Hamas's Takeover of Gaza: The Egyptian Perspective

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Hamas's takeover of Gaza in June 2007 created a new reality on Egypt's northern border, which constitutes the only border of the Gaza Strip that is not under Israeli control. Over the past decade, Egyptian interests have evolved in accordance with regional changes as well as the respective postures of the three presidents who ruled Egypt in this period: Husni Mubarak, Mohamed Morsi, and Abdel Fattah el-Sisi. In tandem, Hamas's control over Gaza has incurred a range of implications for Egyptian interests at the military, political, economic, and public levels. What follows is an overview of the principal trends that Egypt experienced over the last decade relating to Hamas's rule in Gaza, which have led Cairo to increase its involvement in the intra-Palestinian reconciliation efforts, reach security and economic understandings with Hamas, and seek to prevent violent escalation between Hamas and Israel.

## **Military Implications**

From the outset, Hamas's takeover of the Gaza Strip created new multidimensional threats to Egypt's national security, and these became more pronounced after the rise to power of Abdel Fattah el-Sisi, against the backdrop of his struggle against the Muslim Brotherhood in Egypt and the branch of the Islamic State in the Sinai Peninsula.

Gaza is seen as a base for terrorism that has affected the security and stability of Egypt in general and Sinai in particular, due to the ties that have developed between Hamas and Salafi jihadist groups in Sinai as well as among Salafi jihadist groups in both Gaza and Sinai. The network of smuggling tunnels on the Gaza-Sinai border has been the main source of

tension between Egypt and Hamas, as Cairo sees Hamas as undermining Egyptian sovereignty. Tensions between Egypt and Hamas are also linked to the friction between Egyptian military forces and Hamas operatives along the Rafah crossing, as well as to Egyptian concerns about Hamas or other Gaza groups using Sinai as an alternative or additional base for their military struggle against Israel.

Toward the end of the Mubarak presidency, Hamas had already begun expanding significantly the network of tunnels between Gaza and Sinai, and these enabled the smuggling of activists and weapons, including rockets, missiles, and explosives. In order to operate this network, Hamas recruited smugglers from among the Bedouin population of Sinai, fertile ground for recruitment due to the lack of adequate employment opportunities for local residents in Sinai, and because of their anger at being neglected by the central government in Cairo. Mubarak cooperated with Israel in imposing a blockade on Gaza, but refrained from investing all of the necessary resources to block the underground smuggling, due to both a lack of technological tools as well as a reluctance to bring about a deterioration of relations with Hamas. In 2009 and 2010, however, following American and Israeli pressure and increasing tensions between Cairo and Gaza, Egypt bolstered its efforts to crack down on tunnels; for example, an underground steel wall was built along the Philadelphi route, although its effectiveness was largely limited.<sup>1</sup>

After the January 25, 2011 revolution, the unchecked smuggling network between Gaza and Sinai evolved from a mainly Israeli problem into a national Egyptian challenge and a major threat to Egyptian national security, against the backdrop of increased attacks on Egyptian soldiers in Sinai and given the extensive undermining of stability, security, and sovereignty in Sinai. The situation worsened further following the collapse of the Libyan army, which led to an increase in the smuggling of weapons taken from Libya to Sinai and Gaza. The terrorist attack on Highway 12 in Israel, which was launched from the border with Egypt in August 2011 – and which Israel attributed to the Popular Resistance Committees in Gaza – demonstrated that Sinai had become a shared security threat for Egypt and Israel. The attack also revealed the threat posed by the Sinai-Gaza terrorism connection to Israeli-Egyptian relations and demonstrated the growing necessity of military cooperation between them in order to cope with this threat.

Evidence of the mutual Egyptian-Israeli interest in working together to tackle the Gaza threat can be seen in that even under President Morsi, who represented a movement fundamentally opposed to peace with Israel, Egypt intensified its struggle against the smuggling tunnels and increased security cooperation with Israel. In this context the serious attack launched from Gaza in August 2012, which claimed the lives of 16 Egyptian soldiers, forced Morsi – under pressure from the army and the public – to renew the restrictions on the opening of the Rafah border crossing. In the wake of the attack, dozens of smuggling tunnels were sealed or flooded with sewage, and Hamas again blamed Egypt for participating in the blockade of Gaza.

The overthrow of Morsi and the rise of the el-Sisi regime raised the hostility between Egypt and Hamas to another level, due to the deepening ideological rift between the two parties and to the escalation of the security situation in Sinai. At the same time, there was an increase in Salafi jihadist activities in Sinai. In November 2014 the organization Ansar Bayt al-Maqdis declared the establishment of Wilayat Sinai, the “Sinai Province,” which swore allegiance to the Islamic State. The el-Sisi regime accused Hamas directly of aiding the Salafi jihadist camp in Sinai and of having supported some of the attacks carried out against Egyptian army forces in Sinai. The most severe breaking point in relations between the two sides occurred after the assassination of Egyptian Prosecutor General Hisham Barakat in July 2015. According to Egyptian security forces, the assailants received training in Gaza on preparing car bombs. Against this backdrop, Egypt warned Hamas that it must revise its policies, or else Egypt would promote sanctions against it in Egypt and in the Arab world, including by labeling the group as a terrorist organization. The Egyptian threats were accompanied by a media campaign designed to tarnish Hamas’s image; the Egyptian press began referring to Hamas as the “military wing” of Egypt’s Muslim Brotherhood disguised as a Palestinian resistance movement against the Israeli occupation.<sup>2</sup>

Egyptian pressure yielded results in March 2016, when a Hamas military delegation visited Egypt. In the discussions, Cairo hinged improved relations, and in particular the opening of the Rafah crossing, upon a series of military and political demands, including: stopping the smuggling of weapons and terrorists through the tunnels; extraditing wanted persons to Egypt; officially severing ties with the Muslim Brotherhood; and improving relations with

the moderate Sunni axis at the expense of the Shiite axis led by Iran and the Islamist axis led by Turkey and Qatar. In April 2016, in the wake of the talks and as a confidence building measure, Hamas increased security on the border with Egypt.<sup>3</sup> Another improvement in Egypt-Hamas relations occurred throughout 2017, with Hamas political and military delegations visiting Cairo in an attempt to create broader understandings. These visits occurred in parallel to a deterioration of Hamas's relations with Wilayat Sinai, following the arrest of hundreds of Salafi jihadist activists in the Gaza Strip and the imposition of mutual restrictions between Hamas and the jihadists on the use of the smuggling tunnels.<sup>4</sup>

In talks held in June-September 2017, Egypt's General Intelligence Directorate and Hamas reached an overall understanding whereby Hamas's help in fighting Wilayat Sinai would be met with an easing of the Egyptian blockade on Gaza. In a related development, the Statement of Principles issued by Hamas in May 2017 erased any mention of the link between Hamas and the Muslim Brotherhood (a connection that appears in the original Hamas charter) and expressed a commitment to end interference in Egypt's internal affairs.<sup>5</sup> At the practical level, as part of beefing up security along the Gaza-Egypt border, Hamas began building a 12-kilometer long, 100-meter deep buffer zone in June, complete with security cameras and watchtowers. The Gazan Interior Ministry stated that the buffer zone will become a closed military area, which will make it easier to control the border and stop infiltrations.<sup>6</sup> Hamas also provided Egypt with information about connections between terrorists in Gaza and Sinai. In tandem with these steps, Egypt began to sell electricity and diesel fuel to operate the Gaza Strip power station to prevent further deterioration of the humanitarian crisis that erupted following the PA's decision to reduce the supply of electricity to Gaza. It was reported that within the framework of the talks in Cairo in September, Egypt agreed to the appointment of a permanent Hamas representative in Cairo and is preparing for a gradual opening of the Rafah crossing to regular traffic of people and goods.<sup>7</sup> The actual implementation of the Egyptian steps is conditional on Hamas's cooperation in the eradication of the smuggling tunnels and Wilayat Sinai, and in the successful implementation of the agreements reached in the framework of the reconciliation agreement between Fatah and Hamas, signed in October 2017 under Egyptian auspices, regarding transfer of control of the Rafah crossing to the Palestinian unity government.

## **Economic Implications**

The extensive network of smuggling tunnels that Hamas created after its takeover of Gaza, which gradually became a significant threat to Egyptian national security, could not have existed and thrived without the cooperation of the Bedouin population on the Egyptian side of the border. It follows that the Bedouin population is the key to stabilizing the security situation in Sinai.

Whereas Mubarak directed meager budgets toward the Bedouins living in Sinai (a population that in 2013 was estimated at some 300,000), the undermining of the security situation after his overthrow made it clear to the central government in Cairo that a comprehensive plan for developing the economy in the peninsula represented the key to restoring Egypt's overall national security. As a result, as early as 2012 the Egyptian transitional government implemented a series of measures for the benefit of Sinai residents, including cancelling debts, connecting areas to water sources, establishing a university, and easing land acquisition permits.<sup>8</sup> After the fall of Morsi, el-Sisi also recognized the need to address the economic-security distress in Sinai. Since 2015, the regime has increased its investments in developing Sinai in order to regain the loyalty of the Bedouin tribes and achieve their crucial cooperation in the struggle against the terrorism in Sinai.<sup>9</sup>

Furthermore, from an economic perspective, the failure to establish legal trade between Egypt and Gaza prevented fulfilling the potential inherent in developing relations between the Egyptian and Palestinian populations. Since the Mubarak era, Egypt has participated in the blockade of Gaza out of political considerations, driven primarily by the goal of weakening Hamas's rule and fearing any Israeli impetus to pass on to Egypt the responsibility for managing life in Gaza. However, the lack of Egyptian supervision of goods sold to Egypt through the tunnels has had economic consequences: first, the smuggling of subsidized basic goods such as fuel and medicines, at Egypt's expense; and second, forfeiture of legal trade, which could have benefited all parties involved. The understandings reached between Egypt and Hamas in 2017 showed a new openness on the part of Egypt toward development of mutual trade relations between Sinai and Gaza, through the establishment of an industry zone and a free trade area.<sup>10</sup> Indeed, in August 2017, an agreement on the establishment of such an area was reached between both parties.<sup>11</sup> Research conducted by the Egyptian Institute for Political and Strategic Studies claimed that it would be a solution for some

of the economic problems of the residents of Gaza and Sinai and supply Egypt with an estimated annual income of \$2.5 billion.<sup>12</sup>

### **Political Implications**

Throughout the past decade, Hamas's takeover of the Gaza Strip has challenged three strategic Egyptian political interests: maintaining its peace with Israel, advancing the Israeli-Palestinian peace process, and preserving Egypt's hegemonic status in the Gaza Strip vis-à-vis competing regional players.

*Maintaining peaceful relations with Israel:* Despite the upheavals and political changes Egypt experienced over the past decade, peace with Israel has remained a strategic asset of the utmost importance. However, the deterioration of the security situation in Sinai since January 2011 created a new threat at the shared border between the two countries and raised question marks regarding the validity of the demilitarization agreement mandated by the peace treaty between Egypt and Israel. This reality made the countries reevaluate the restrictions stipulated in the security appendix to the peace treaty. Shared interests, as well as the trust between the military and political leaderships in the two countries, created the conditions for Israeli flexibility and de facto changes to the demilitarization agreement, with the coordinated entry of significant Egyptian military forces into the Sinai Peninsula.<sup>13</sup>

*Advancing the Israeli-Palestinian peace process:* Hamas's takeover of the Gaza Strip created a significant new obstacle to the advancement of a political agreement between Israel and the Palestinians, another key Egypt interest over the past decades. Unlike Fatah, Hamas has refused to recognize Israel, commit to the signed agreements with Israel, or renounce violence or the strategic objective of eliminating Israel.<sup>14</sup> Mubarak saw the difficulty inherent in advancing the political process between Israel and the Palestinians as long as Hamas ruled Gaza. He worked to restore Fatah's rule in Gaza, both through Egyptian participation in the blockade of Gaza and by conditioning the opening of the Rafah crossing upon Fatah's restored control, as well as through attempts to promote reconciliation agreements between Fatah and Hamas to establish a national unity government that could represent all Palestinians in peace talks.<sup>15</sup> The short period of Morsi's rule was characterized by reaching out to Hamas, as reflected in gestures recognizing Hamas's rule in Gaza, such as opening the Rafah crossing for visits by official Egyptian as well as representatives of Arab and Islamic

countries to the Gaza Strip, and easing restrictions at the Rafah crossing.<sup>16</sup> In contrast, President el-Sisi has worked throughout most of his rule to tighten the blockade of the Gaza Strip, while pressuring for Palestinian reunification, based on his seeing the renewal of the Israeli-Palestinian peace process as a necessary condition for the struggle against extremism and for achieving regional stability.<sup>17</sup>

However, late 2016 saw a crisis in relations between Cairo and Ramallah due to the Palestinian Authority's improved relations with Qatar and Turkey, and Mahmoud Abbas's unwillingness to include Muhammad Dahlan, who has close ties to Egypt, within the PLO leadership. While Abbas dismissed Dahlan from Fatah in mid-2011 following Dahlan's public harsh criticism of his leadership, Egypt saw him as a possible successor to the Palestinian President and hoped for his return to the Palestinian political arena.<sup>18</sup> The crisis was reflected in the fact that Egypt did not invite Fatah representatives to two conferences – one political and one economic – held in October and November 2016 in the resort village of Ain Sokhna, with the Palestinian representatives coming mainly from Dahlan's supporters in Gaza.<sup>19</sup> The shared interests of Hamas and Dahlan in opposing the rule of Abu Mazen have served as a basis for improved relations between Egypt and Hamas. This is reflected in initial signs of de facto Egyptian recognition of the Hamas government in Gaza, perhaps out of pragmatic acceptance of its sovereignty over Gaza and of the difficulty of achieving intra-Palestinian reconciliation,<sup>20</sup> and perhaps out of hope that Hamas will in the future be willing to soften its stance toward Palestinian unity in light of its deep dependence on Egypt and the weakness of its other regional supporters.<sup>21</sup>

A breakthrough in Egypt's mediation efforts between Gaza and Ramallah occurred in September 2017 when Cairo succeeded in imposing on Hamas and Fatah a promise to make another attempt to end the decade-long Palestinian rift. The effort ended the following month with the signing of a reconciliation agreement, which is an opening for additional agreements between the sides.<sup>22</sup> Following Egypt's demand, Hamas announced that the administrative committee it had established would be dismantled, and called on the Palestinian unity government in Ramallah to resume its functioning in the Gaza Strip. Furthermore, Hamas stated its agreement to a general election and the reopening of the dialogue with Fatah over the implementation of the Cairo agreement signed by the two parties in May 2011. For its part, Fatah

welcomed Hamas's announcement and thanked Egypt for its efforts.<sup>23</sup> The Egyptian pro-government daily *al-Ahram* expressed its hope that Palestinian reconciliation would serve as a base for a permanent agreement between the PA and Israel, whereby an independent Palestinian state would be established, with its capital Jerusalem.<sup>24</sup>

*Ensuring Egyptian hegemony in the Gaza Strip:* Iran, followed by Turkey and Qatar, saw Hamas's takeover of the Gaza Strip as an opportunity to strengthen its influence at Egypt's expense. The struggles for hegemony between Egypt and these parties are part of the wider regional struggles that have taken place over the past decade between the pragmatic Sunni axis – during the Mubarak era, as today, Egypt was considered one of the leaders of this axis – and the two other competing axes: the Shia axis led by Iran, and the Islamist axis identified with the Muslim Brotherhood and a certain extent with Turkey and Qatar as well.<sup>25</sup>

The struggle for Egyptian hegemony in Gaza has gone through a number of stages. During the Mubarak era, Egypt focused on the blockade of Gaza in order to create pressure on Hamas. In addition, toward the end of his rule, Egypt intensified its underground struggle against the smuggling of Iranian weapons and against Hamas activists leaving Gaza for training in Iran.<sup>26</sup> Morsi, in contrast to Mubarak, enabled the countries that are part of the Shia and Islamist axes to gain a foothold in the Gaza Strip, and made it easier for them to strengthen their influence.<sup>27</sup> The fall of the Muslim Brotherhood regime and the rise of el-Sisi turned the clock back and restored the Egyptian stronghold on Gaza through the blockade policy and a more forceful and determined struggle against the smuggling tunnels. In early 2017 and thereafter the mutual pressure tactics led to an understanding between Egypt and Hamas, conditioned upon the latter's distancing itself from the Muslim Brotherhood in Egypt and from the regional axes competing with Egypt.<sup>28</sup> It appears that based on these understandings, bolstered by the reconciliation agreement reached between Fatah and Hamas, Cairo hopes to solidify its status as the regional player with hegemony over the Gaza Strip as well as the country able to unify the Palestinian ranks and lay the groundwork for the renewal of the peace process. In its view, it is preferable to reach mutual understandings with Hamas than to wage a zero sum struggle against it that could push it into the arms of Egypt's regional adversaries and



cement its role as a subversive force that supports the Muslim Brotherhood in Egypt and serves as an obstacle to a political agreement with Israel.

### **Public Implications**

The ongoing Israeli blockade of Gaza, and the three military confrontations between Israel and Hamas during 2008-2014, forced the changing regimes in Cairo to maneuver carefully between demonstrating solidarity with the plight of the Palestinians and criticizing Israel on the one hand, and denouncing Hamas's terrorism while continuing to develop strategic peace relations and military connections with Israel on the other.<sup>29</sup>

This duality was reflected in the rhetoric adopted by the Mubarak regime, which condemned Hamas's takeover of the Gaza Strip, demanded that Hamas honor the agreements between the Palestinian Authority and Israel,<sup>30</sup> and even blamed it for the outbreak of Operation Cast Lead, while at the same time denouncing Israel's actions against Hamas in order to avoid being labeled as an Israeli collaborator.<sup>31</sup> Morsi increased the expressions of solidarity with the Palestinians in Gaza, and in 2012 recalled the Egyptian ambassador in Tel Aviv to Cairo in protest of Operation Pillar of Defense. Yet on a practical level, he too refrained from actively supporting Hamas in a way that could endanger the peace agreement with Israel.<sup>32</sup> The el-Sisi regime has likewise been torn, perhaps even more so, between hostility toward Hamas (as a Muslim Brotherhood subsidiary) and traditional Egyptian solidarity with the Palestinians. This dilemma reached its peak during Operation Protective Edge, when Hamas accused the Egyptian "coup regime" of conspiring with Israel to impose a surrender agreement on Hamas.<sup>33</sup> In response, Egypt, placed most of the responsibility for the "Israeli aggression" on Hamas and accused it of preferring a vision of the Islamic caliphate over the interests of the Palestinian people.<sup>34</sup> This critical tone was softened once Hamas agreed to accept Egyptian mediation of the conflict instead of Turkish-Qatari mediation.<sup>35</sup>

The improved relations between Egypt and Hamas in 2017 could extricate Egypt from the internal and pan-Arab publicity problem inherent in maintaining its conflict with Hamas and the Palestinians in Gaza. Instituting a mechanism for opening the Rafah crossing would undermine the allegations of those who accuse Egypt of collaborating with Israel in the blockade of Gaza and turning its back on the humanitarian plight of the Palestinians there.<sup>36</sup>

## Conclusion

Ten years after Hamas seized control of Gaza, it is clear that Egypt has succeeded in adapting to the new reality. On the one hand, Egypt recognizes Hamas as the dominant force controlling the Gaza Strip and the political address; on the other hand, Egypt wields effective carrot-and-stick leverage vis-à-vis Hamas in order to promote realistically security, political, and economic interests it considers vital. Egypt sees Hamas a necessary partner in eradicating terrorism in Sinai, considers the end of the intra-Palestinian rift as a vital national interest and an opportunity to enhance its regional role, and views favorably the possibility of closer economic ties between Gaza and Sinai. At the same time, Egypt does not delude itself into thinking that Hamas has changed its worldview, and remains skeptical regarding the organization's intentions and actions. Egypt's policy presumes that Hamas's dependence on the opening of the Rafah crossing, the weakness of the Arab and international systems, and the worsening humanitarian crisis in Gaza will force Hamas to place pragmatic considerations above ideology and maintain the understandings with Cairo that suit the current circumstances. The fulfillment and preservation of the understandings requires the cooperation of the PA and Israel, as well as continued willingness among all sides to allow concessions and compromises.

## Notes

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# Turkey and the Gaza Strip

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Turkey welcomed Israel's disengagement from the Gaza Strip in 2005, and the anticipated implementation of the plan was the background to the one and only visit to Israel in May 2005 by then-Turkish Prime Minister and current President Recep Tayyip Erdogan. Erdogan also supported the idea of the Ankara Forum, a framework for cooperation between Turkish, Palestinian, and Israeli representatives for rebuilding the industrial zone at the Erez Crossing between Gaza and Israel.<sup>1</sup> While to this day there are differing reports about who signed agreements in this framework and who was to have provided the security services to promote the venture, it is clear that with the final takeover of the Gaza Strip by Hamas in 2007, the idea was abandoned; instead, efforts were made to promote similar industrial zones in the West Bank.<sup>2</sup>

As early as 2006, Turkey was the first country to host Khaled Mashal, who was then head of the Hamas political bureau. Since then Mashal has been a frequent guest in Ankara, where he has been received by high level officials. Both the Davos incident during Operation Cast Lead in January 2009 and the *Mavi Marmara* flotilla (May 2010) put Turkey at the head of the countries criticizing Israel's policy on Gaza, and Erdogan alleged frequently that Israel policy had made the Gaza Strip into an "open air prison."<sup>3</sup> The tension between the two countries on the issue of Gaza was one of the main factors in the deterioration of relations between Israel and Turkey since Operation Cast Lead – leading to the downgrading of diplomatic representation between them in September 2011 (after the Palmer Report investigation of the flotilla incident was leaked to the press), before the ambassadors returned to their posts in late 2016. Turkey regards Hamas as a political organization, and refuses to treat it as a terrorist group.

For many years, Turkish support for Hamas has caused tension behind the scenes between Turkey and the Palestinian Authority (PA). At the same time, however, Ankara supported major international PA campaigns, such as the campaign for international recognition of Palestine as a state. In addition, Turkey attempted to mediate between Israel and Hamas (including regarding a ceasefire during Operation Cast Lead, and in the context of the Shalit deal), and supported efforts to achieve reconciliation between Fatah and Hamas. Nevertheless, during Operation Protective Edge, the poor state of relations between Israel and Turkey, Egypt and Hamas, and Egypt and Turkey led to attempts by Israel and Egypt to push aside the joint efforts at mediation by Qatar and Turkey. The conflict with Egypt also hinders the expansion of Turkish influence in the Gaza Strip.

The normalization agreement signed between Turkey and Israel in June 2016 counters to some extent the rhetoric used repeatedly by Ankara in recent years about the importance of a determined Turkish stance on Israeli policy toward Gaza. In July 2011, Erdogan added the condition of “removal of the blockade” as one of the basic conditions for normalization with Israel, together with an apology and compensation over the flotilla incident.<sup>4</sup> Over the years, it was unclear whether this condition referred to the removal of the restrictions on the passage of goods to the Gaza Strip by land, or whether it also included removal of the naval blockade against Gaza, which Turkey charged was illegal (the fact that the Palmer Committee reached the opposite conclusion<sup>5</sup> was one of the reasons that Ankara had difficulty in accepting the Committee’s report). With the signing of the normalization agreement in 2016, Turkey ultimately did not insist on this provision.

At least one senior Hamas official, Saleh al-Aroui, resided in Turkey until his expulsion in 2015, following Israel and American protests. Furthermore, the kidnapping of the teenagers in Gush Etzion in 2014 was allegedly planned from Hamas’s military headquarters in Turkey. Ostensibly, then, the existence of a Hamas military headquarters in Istanbul could have potentially served as some sort of Turkish leverage over Hamas. In the framework of the negotiations for the normalization agreement, however, Israel demanded that the headquarters be closed down. Since then, it appears that the Turkish security services have made it more difficult for local Hamas operatives to raise money for the activities of the Hamas military wing, nor are they permitting the organization of military activities from Turkish territory.<sup>6</sup>

Still, Israeli spy organizations uncovered a network of money laundering that funneled funds from Gaza to Hebron via Turkey.<sup>7</sup> For their part, senior Hamas officials were conflicted about the Turkish agreement with Israel: some were critical, while others said that it was useful in relieving the siege.<sup>8</sup>

### **Turkish Aid to the Gaza Strip**

In cooperation with researchers from the Middle East Technical University (METU) in Ankara, the Economic Policy Research Foundation of Turkey (TEPAV) is promoting a plan for reconstruction in the Gaza Strip on the basis of the \$5 billion that the donor countries pledged to transfer to Gaza. A key element in this reconstruction plan is a port for the Gaza Strip, and the Turkish side hopes that Turkish construction companies will play a major role in this project.<sup>9</sup> In the context of this plan, TEPAV managing director Guven Sak wrote, “Gaza needs a new vision.”<sup>10</sup>

A number of Turkish NGOs are operating in the Gaza Strip. These include the IHH Humanitarian Relief Foundation, most famous for being one of the organizers of the Gaza flotilla in May 2010, having also purchased three ships for the flotilla (including the *Mavi Marmara*). The presence of its operatives on the *Mavi Marmara* was one of the causes of the deadly clash with Israel. While the extent of the Turkish government’s consent to how the IHH acted in this context is disputed,<sup>11</sup> the event itself led to some change in Israeli policy toward Gaza, with many of the restrictions on goods reaching Gaza lifted.<sup>12</sup> Even before the flotilla, the IHH supported aid convoys to Gaza on land via Egypt, and the organization continued to transfer aid to Gaza after the flotilla. For example, in December 2010, the organization dedicated a residential building it had rebuilt in Jabalia that was destroyed during Operation Cast Lead,<sup>13</sup> and the organization claimed that it had transferred \$8 million in aid to residents of the Gaza Strip during Operation Protective Edge.<sup>14</sup>

Another Turkish organization that has given aid to the Gaza Strip is Kimse Yok Mu (Is Anybody There), the aid organization of the Gulen movement, which was closed following the conflict between the movement and the Turkish government and the unsuccessful coup d’état in Turkey in July 2016. A third non-governmental Turkish organization that has given aid to the Gaza Strip is Yardim Eli (Helpful Hand).<sup>15</sup> The Turkish Red Crescent, in coordination with Israel, transferred 20,000 tons of aid during Operation

Protective Edge,<sup>16</sup> and continues to distribute aid packages in Gaza, including money transferred to homeless residents of the Shujaiya neighborhood.<sup>17</sup>

In recent years, it is clear that more substantial aid for the Gaza Strip is transferred through Turkish governmental organizations: the Turkish Cooperation and Coordination Agency (TIKA), the Disaster and Emergency Management Presidency of Turkey (AFAD), and the Religious Affairs Directorate (Diyanet). In addition to its office in Ramallah, TIKA has a liaison office in Gaza involved in hundreds of (primarily small) projects. Its main project is a hospital under construction since 2011, slated to begin operating in 2017, which with 150 beds will be the largest hospital in the Gaza Strip. The cost of this hospital is estimated at \$40 million.<sup>18</sup> As confidence building measures for the normalization agreement between Israel and Turkey, Israel removed some of the restrictions on the transfer of building materials for construction of the hospital. Other projects involve rebuilding water wells and water purification, and the rebuilding of 1,000 housing units destroyed during Operation Protective Edge. In February 2017, Israeli security forces arrested the Palestinian coordinator of TIKA in Gaza at the Erez border crossing, over the charges of mishandling funds and funneling money and assistance to Hamas military activities. Israel, however, asserted that the Turkish authorities had no knowledge of this mishandling.<sup>19</sup>

In the framework of the normalization agreement with Israel, there were also negotiations about Turkish involvement in the future construction of a power station (in cooperation with Germany) and desalinization facilities in the Gaza Strip.<sup>20</sup> The negotiations for construction of a power station took place after the idea was raised that Turkey would send a ship to serve as a source of electricity.<sup>21</sup> Israel rejected this idea, claiming that the Gaza Strip lacked adequate infrastructure for connecting the supply of electricity from the ship to the residential areas.<sup>22</sup> In the most recent crisis regarding electricity supply in the Gaza Strip, Turkey undertook to transfer 15,000 tons of diesel fuel to the Gaza Strip, an amount sufficient to operate the power station in the Gaza Strip for three months.<sup>23</sup>

AFAD was responsible for sending three ships with aid for Gaza following the signing of the normalization agreement, with reportedly 11,000 tons of aid on the first ship, the *Lady Leila*.<sup>24</sup> Diyanet is rebuilding nine mosques destroyed in Operation Protective Edge, a project with an estimated cost of \$4.5 million.<sup>25</sup>



## **The Interests behind Turkish Involvement in the Gaza Strip**

One significant interest underlying Turkish policy on the Gaza Strip is achieving a more dominant status in the region and in the Muslim world.<sup>26</sup> Before becoming Prime Minister, when he was first chief foreign policy advisor to then-Prime Minister Erdogan and then Minister of Foreign Affairs, Ahmet Davutoglu tried to promote a neo-Ottoman foreign policy that would expand Turkey's influence in the Middle East. The conflict with Israel, particularly the question of Gaza, was allegedly used by Erdogan to enhance Turkey's status. Indeed, until the early years of the Arab Awakening, Arab public opinion regarded Turkey's role in the region as a constructive one, and Erdogan was the most highly regarded world leader among those questioned in a number of Arab countries.<sup>27</sup> In recent years, together with criticism of Israel in the context of events in the Gaza Strip, Ankara has also stepped up its criticism of Israeli policy on Jerusalem, in particular with allegations about violation of the status quo on the Temple Mount. From the perspective of attaining influence in the Muslim world, it is unclear whether the emphasis on Jerusalem is preferable to an emphasis on Gaza, although it is clear that behind the scenes this has already brought Turkey into conflict with Jordan.<sup>28</sup>

Another interest behind the Turkish support for Gaza involves domestic considerations. Erdogan and senior figures in his party have used public expression of anti-Israeli sentiment to bolster their popular support, particularly before elections, particularly elections they were eager to win by a substantial margin. For example, before the first direct presidential elections in Turkey, which were conducted during Operation Protective Edge, Erdogan used extremely harsh rhetoric against Israel in the context of Gaza in order to win in the first round.<sup>29</sup>

There is also an ideological affinity between the Justice and Development Party (AKP) and Hamas. When Mohamed Morsi rose to power in Egypt and closer cooperation with Cairo was planned, Turkey regarded itself as a leader of this axis and aided the organizations linked to the Muslim Brotherhood.<sup>30</sup> This joins Erdogan's personal identification with Hamas's struggle for recognition, following its success in the elections to the Palestinian Legislative Council in 2006. For him, the AKP experience resonates in the Hamas rise to power: when the AKP won a majority in parliament for the first time in

2002, there were doubts as to whether it would be able to remain in power, and there was concern that the Turkish army would try to overthrow it.

## **Conclusion**

Since 2006, Turkey has demonstrated consistent support for Hamas. At least until the dramatic developments of the Arab Awakening, Ankara perceived this allegiance to contribute to Turkey's status in the Muslim world, certainly in public opinion. A significant achievement from Turkey's perspective was the change in the Israeli restrictions on goods transferred to the Gaza Strip following the *Mavi Marmara* affair, although the Turkish government claimed that it had tried to dissuade the IHH from operating the way it did. Despite this achievement, it is doubtful whether the partial removal of the restrictions has made a fundamental change in the situation in the Gaza Strip. From this perspective, the continued deterioration in the Gaza Strip constituted a focus for harsh criticism of Israeli policy toward the Gaza Strip and Hamas by Turkey. Turkey still supports the two-state solution, and to that extent, it does not want to see the Palestinian split continue. Yet despite its efforts over the years to mediate between the Palestinian factions, Turkey has not succeeded in making any substantive contribution to healing the rifts in Palestinian society.

Turkey's main ally during this period in the context of the Gaza Strip was Qatar, and this axis continues to exist, as reflected in the two countries' help in coping with the electricity crisis in the Gaza Strip in the winter of 2016-2017. Despite the growing Turkish support, it is clear that Ankara was not a sufficient substitute for Tehran's support for Hamas. Furthermore, the rise to power of President el-Sisi in Egypt, who introduced a tough Egyptian policy toward Hamas, and the deep crisis in relations between Turkey and Egypt have restricted the areas in which Turkey can influence events in the Gaza Strip. It is also clear that the question of Gaza has receded slightly in importance where Turkish interests are concerned, given the challenges facing Ankara at the present time (including the consequences of the unsuccessful coup in July 2016, the Kurdish challenge, the Turkish military presence in northern Syria, and the terrorist attacks by the Islamic State). It is also possible that the tougher policy that the Trump administration may adopt toward the Muslim Brotherhood movement and the changes in leadership in Hamas (in the past, Mashal was the central figure in ties between Turkey and Hamas) will make

Erdogan put less emphasis on his ties with the organization. At the same time, the issue of Gaza is still important to Turkey, and will almost certainly continue to constitute a focal point of friction between Turkey and Israel.

## Notes

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# Iran's Policy on the Gaza Strip

Sima Shine and Anna Catran

For many years Iran has enjoyed close relations with Hamas and Palestinian Islamic Jihad (PIJ) in the Gaza Strip. For years this backing has taken primarily the form of military aid – weaponry and know-how for self-manufacturing and the training of personnel. This was complemented by financial assistance (hundreds of millions of dollars annually) and political backing in public events, in order to place the Palestinian issue on the global agenda.

The anti-Israel stances of Iran and Hamas are apparently a common denominator of greater weight than their divergent Sunni-Shia orientations, although this ethnic divide has widened in recent years due to changes in the regional arena. Indeed, the war in Syria created a significant rift between Iran and Hamas, when Hamas decided to leave Damascus, support the Muslim Brotherhood regime in Egypt, and refused to support Bashar al-Assad, leading to an extended suspension of relations. Particularly after the fall of the Muslim Brotherhood in Egypt, Hamas needs Egyptian good will regarding the Rafah crossing, closed in recent years, and was compelled not to draw closer to Iran. This is a bone of contention between the Hamas military wing, which is eager to resume cooperation with the Iranian Revolutionary Guards and Iranian intelligence, and the Hamas political wing, which ascribes much importance to relations with Sunni Arab states. Against the background of this internal dispute, Iran and Hamas subsequently worked to repair the damage between them.

## **Background: Iran in Gaza**

Tehran's policy on the Gaza Strip is derived from Iran's desire for regional hegemony and its consistent drive to assist every regional party opposed to Israel. In Iran's view, Israel is a foreign implant in the Middle East and the Zionist movement is an imperialistic, colonialist element that in effect

is a vanguard of the United States – otherwise known as “the Great Satan” – and what enables the United States to advance its interests in the region. Moreover, the hostility toward Israel allows the Iranian regime to gain influence and prestige in the Arab world, which in turn feeds its ambition to lead the entire Muslim world.<sup>1</sup>

One of Iran’s most important tools for exporting the revolution and promoting its interests and regional influence is its support for states and organizations that use terrorism against Israeli, US, and other Western interests and subvert the political establishments of pro-Western states. Thus, although the Gaza Strip Palestinian factions supported by Iran, i.e., Hamas and Islamic Jihad, are Sunni and Iran itself is Shiite, and at certain times tensions between them run high, the Iranian regime sees the organizations as a legitimate means for promoting its interests against Israel. For their part, the Palestinian organizations have found the revolutionary Iran with its anti-Israel position a staunch ally. In fact, since the start of the Islamic Revolution, Iran has provided Palestinian organizations political, economic, logistic, and military aid. In addition, Iran invests enormous resources to put the Palestinian cause on the international agenda: it hosts conferences to promote the issue and holds an annual day of national commemoration to express its opposition to Zionism (World Jerusalem Day, falling on the last Friday of Ramadan). Iran’s connection to Palestinian organizations is often noted in speeches by senior regime officials, who consistently stress the commitment of the Islamic Republic to the Palestinian cause in general and their Palestinian allies in particular. For example, on October 20, 2000, Supreme Leader Khamenei said: “We view Palestine as an organ of our body and support for the Palestinian nation is the pride of the Iranian people; the Palestinian nation must continue its blessed jihad and remain firm in its position against the enemies of Islam. Hamas, Islamic Jihad, and Fatah must continue their struggle as a united front. The solution to the regional crisis is one, and only one: drying up the root of the crisis, that is the Zionist regime, which has been forced on the region.”<sup>2</sup>

The so-called Arab Spring brought on a crisis in relations between Iran and Hamas, the most significant of the Palestinian resistance organizations, after Hamas decided to abandon the Syrian regime, Iran’s ally, and support Egypt after the Muslim Brotherhood, headed by President Morsi, took the reins of government there. Since then, Iran has alternately reduced and suspended



its aid to Gaza. The Iranian public has also experienced a longstanding sense of alienation from the Palestinian issue. But even if there has been a change in the scope of cooperation and the degree of closeness, this is not enough to halt Iran's continued assistance to the Palestinian organizations in the Gaza Strip.

### **Iran's Relations with Hamas**

Established early in the first intifada as a branch of the Muslim Brotherhood in Gaza, Hamas initially maintained only loose ties with Iran, mostly because of the latter's close association with PIJ and Hamas's desire to operate as an independent movement. In practice, Iran established permanent and ongoing relations with Hamas only in the early 1990s, when the Islamic Republic assisted Hamas and PIJ operatives expelled to Lebanon by Israel. Closer relations were later forged after a conference to show support for the Palestinians was held in Iran and attended by a senior Hamas delegation that met with senior Iranian personnel, including the Supreme Leader himself.<sup>3</sup> Thereafter Iran began its economic and military support for Hamas.

When Hamas seized control of the Gaza Strip in June 2007, Iran significantly increased its aid package, based on Iran's belief that the establishment of a Hamas government would translate into an important tool for leading the armed struggle against Israel and for promoting its own influence over the Palestinian arena. The scope of assistance, which until that point consisted of tens of millions of dollars annually, rose to some \$200 million a year, according to some reports.<sup>4</sup> At the same time, Iran began to arm Hamas, first with standard 20 and 40km range 122mm rockets and standard 120mm mortar bombs. Over the years, Iran has also invested in upgrading Hamas's arsenal and shipped higher quality weapons directly from its soil to Gaza. For instance, the Israeli navy intercepted several ships ferrying arms to the Gaza Strip (the *Karine A* in 2002, the *Victoria* in 2011, and the *Klos C* in 2014) bearing anti-tank Katyusha missiles and anti-aircraft Strella missiles. Had they reached Hamas, they would have represented an important enhancement of its arsenal and improved the organization's ability to harm Israel. In addition to direct arms shipments, and because of the difficulty in penetrating Israeli surveillance, Iran has given Hamas and PIJ advanced technological knowledge to develop an independent missile industry in the Gaza Strip. The transmission of know-how has allowed the movement to

increase the range of its rockets and improve the precision and destructive force of its mortar bombs and projectiles. As for training, a unit of the Quds Force of the Revolutionary Guards has provided military instruction to Hamas operatives outside of Gaza.<sup>5</sup>

Iranian aid helped Hamas during Operation Cast Lead (December 2008-January 2009), when most of the weapons used by Hamas were provided by Tehran, as Hamas former Political Bureau head Khaled Mashal affirmed during his visit there in February 2009. Mashal added that Hamas prevailed against Israel thanks to Iran, and that Iran had played a significant role in Hamas's victory in the battle against Israel.

But despite the massive aid Iran has provided to Hamas in recent years, a deep rift between the two occurred in 2011 because of the Syrian civil war. In response, Iran suspended military and financial support to Hamas. Operation Pillar of Defense (November 2012) provided an opportunity for a partial rehabilitation of relations and, despite public criticism, Iran renewed arms shipments to Gaza. But the most significant improvement of relations occurred only after Operation Protective Edge (July 2014), when senior Iranian officials, headed by Supreme Leader Khamenei, hurried to announce their commitment to help Hamas. During his speech on World Jerusalem Day on July 23, 2014, Khamenei made an exceptional call to arm the West Bank as well. Other senior members of the Iranian regime made similar declarations, and the Basij arm of the Revolutionary Guards announced that at Khamenei's directive, it was opening a bank account to raise funds to arm the Palestinians. When the last military confrontation ended, Iran also provided financial assistance, mainly to rebuild Gaza's network of tunnels. Hamas accepted the Iranian aid with open arms, given its need to renew its weapons stores and help the Gaza Strip population harmed during the weeks of fighting.

But the changing state of the Middle East has continued to place further obstacles in the path of reconciliation. The fighting in Yemen has led to a sudden closeness in relations between Hamas and Saudi Arabia given the organization's support for the legitimacy of President Mansour Hadi after the Houthis seized control of the state. Saudi Arabia greeted Hamas's overtures warmly, and in 2015 even hosted an official Hamas delegation. This development led to another crisis in Hamas's relations with Iran, which took a dim view of the organization's closeness with its Sunni rival for

supremacy in the Middle East. But this crisis did not lead to a severing of relations, and in October 2016, Ali Shamkhani, secretary of Iran's Supreme National Security Council, announced that Iran would continue providing arms to the Palestinians. According to Shamkhani, weapons provision to "Palestinian resistance groups" are carried out on the basis of directives from the most senior echelon in Iran's leadership in order to protect the Palestinians and increase their ability to defend themselves against "attacks by the Zionist regime."<sup>6</sup>

However, the past year has seen a renewed effort to improve relations, and a significant warming in relations is evident, against the background of Iran's May 2017 decision to resume the financial assistance to Hamas. The improvement in relations resulted first and foremost from the changes in Hamas leadership, with the appointment of Yahya Sinwar as head of Hamas in Gaza (February 2017) and Ismail Haniyeh as head of Hamas's political bureau (May 2017).

These new appointments were welcomed in Tehran. Ali Khamenei and Qassem Soleimani, the head of the Quds Force, expressed their hope that cooperation with Hamas would resume. In addition, three important delegations from Gaza came to Tehran. One significant visit included the participation of a senior delegation in Hassan Rouhani's inauguration for a second term as president (August 2017); these Hamas representatives met with senior Iranian figures, who stressed their principles and irrevocable commitment to the Palestinians and the resistance. The two sides thus announced a new chapter in their relations. A second important visit was led by Saleh al-Arouri, deputy head of the political bureau, following the reconciliation agreement reached by Abu Mazen. Arouri stated that the visit was Hamas's answer to the demand by Israel and the United States in the wake of the agreement that Hamas sever its ties with Iran and disarm. Yahya Sinwar, the head of the Hamas political bureau, likewise affirmed that Hamas would not sever its ties with the Islamic Republic.

### **Iran's Relations with Islamic Jihad**

Palestinian Islamic Jihad is Iran's closest ally in Gaza. The organization, established by Fathi Abdulaziz al-Shiqaqi, was established in the late 1970s as an offshoot of the Muslim Brotherhood, which at that time was operating in Egypt. The organization adopted Khamenei's principles of

jihad and the idea that Palestine must be liberated through armed struggle. The organization's identification with the Islamic Revolution's values led Iran to support it militarily and economically. In fact, Iran is virtually the organization's sole sponsor, providing for the organization's activities at every level, from weapons to salaries. PIJ has a permanent representative in Iran, who maintains ongoing contacts with Iranian parties to maintain and expand relations. Over the years, Iran's economic and military aid to PIJ has grown commensurately with the organization's terrorist activities directed against Israel, with PIJ rising in status and succeeding in establishing itself as a major source of influence in Gaza. According to senior US officials, Tehran provided PIJ with bonuses of millions of dollars for every terrorist attack against Israel.<sup>7</sup> Moreover, the Revolutionary Guards of the Islamic Republic have often trained the organization's operatives, and in 2002, they ran a training base for Palestinian militants in Syria at a cost of \$50 million, where operatives of PIJ, Hamas, and Hezbollah learned to use Fajr-5 and SA-7 missiles and carry out suicide bombings.<sup>8</sup>

A partial crisis in Tehran-PIJ relations occurred during 2015, when PIJ refused to endorse Iranian support for the Houthis in Yemen. In response, Tehran cut 90 percent of its financial support for the organization. It was only in mid-2016 that Iran renewed its full support for PIJ, and that after a senior level visit by the organization's leader, Ramadan Shalah, to Iran. The delegation met with senior officials in the Iranian regime, including Qassem Soleimani. At the end of the visit, in May 2016, Shalah announced that "Iran is the only state providing assistance to the intifada and the families of the *shahids*."<sup>9</sup>

## Conclusion

The assistance Iran provides to organizations in the Gaza Strip reflects its desire to be a significant player in the Palestinian arena and to be the main supporter of continued armed resistance against Israel. Since the start of the Islamic Revolution, Iran has sought regional hegemony and desires to expand its influence over the Palestinian arena. To achieve this, Iran has provided financial and military aid to Palestinian organizations operating in the Gaza Strip, which it sees as a military wing against Israel and a means to counteract the Palestinian Authority's leadership, which has expressed a desire for political negotiations. The organizations in Gaza, especially the

military wing of Hamas, view the ongoing relationship with Iran as very important, given their isolation and lack of an alternative, even if in certain regional situations they choose to ally themselves with parties Iran does not support. Despite the differences of opinion that have arisen in recent years between the Gaza organizations and Iran, mostly over the split in the Arab world and the persistent fighting in Syria, it seems that Iran is not willing to concede its stake in the Gaza Strip, and in the future will continue to help parties that demonstrate active opposition to Israel.

## Notes

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# The Gulf States, Israel, and Hamas

Yoel Guzansky

The foreign policy of the six members of the Gulf Cooperation Council – Saudi Arabia, Qatar, United Arab Emirates, Bahrain, Kuwait, and Oman – is not a good example of consistent cooperation and unity, and policy on Hamas and the Gaza Strip is no exception. In the first few years of the Arab Awakening, differences between each of the participating Gulf states grew increasingly apparent, including over the issue of support for political Islamic movements. Indeed, the focus of most Gulf states has been on internal problems, regional struggles both near and far, conflicts of interest, and issues of prestige. All of these matters, and particularly their discomfort with the success by political Islam movements, have prevented the Gulf Cooperation Council from developing and agreeing on joint Gaza Strip policy. These differences narrowed in light of the improved relations between the six since 2014, but surfaced again in light of the crisis that some of the states have had with Qatar since June 2017.

Despite the traditional tendency of the six states to display solidarity with Palestinian national aspirations and reflect the opinions of the “Arab street,” most are suspicious, if not hostile, toward Hamas and the ideology it represents. Hamas is considered a militant wing of the Muslim Brotherhood that undermines Egyptian national security and the government of the Palestinian Authority. In addition, Hamas is perceived by some of these countries as a hostile organization because it maintains contacts with Iran. Indeed, Hamas was blamed, especially during Operation Protective Edge, for the harm caused to Palestinian national interests and Palestinian civilians. Nevertheless, both Hamas and several of the Gulf countries, especially Saudi Arabia, have made efforts to improve relations between them, and this has had an indirect impact on Israel’s relations with Hamas and the situation in the Gaza Strip.

## Political Islam in the Gulf

Analysts and researchers tend to divide Middle East actors (both states and non-state entities) into two main camps, according to their stance toward the Muslim Brotherhood and political Islam in general. However, this division is hard to reconcile with the region's dynamic nature and with the difficulty in fully defining each player's orientation. In practice, several of the regional players have changed their policies in order to adapt to the regional turmoil and to manage the risks latent in the swiftly evolving regional reality.

The Qatari royal house, for example, which was identified with the ideology of political Islam and funded many of the political Islam movements in the region, including the Morsi regime in Egypt, has made some changes to its policy, primarily due to pressure from Saudi Arabia and the United Arab Emirates. The favorable coverage provided to the Muslim Brotherhood on *al-Jazeera* has decreased, and several people identified with the movement have been asked to leave the emirate. Conversely, until the summer of 2017, it seemed that Saudi Arabia softened its stance toward the Brotherhood and sought to improve its relationship with some of the group's supporters, including Qatar, Turkey, and Hamas. This shift was driven by Saudi Arabia's perception of Iran as its greatest threat and its wish to develop a large and united Sunni bloc in the region.<sup>1</sup>

The pragmatism demonstrated by Saudi King Salman bin Abdulaziz and his son, Crown Prince and Minister of Defense Mohammed bin Salman in their approach to Muslim Brotherhood-affiliated movements in the region is also reflected in the kingdom's improved relations with Hamas. Riyadh believes that these relations will assist the kingdom not only in distancing Hamas from Iran and positioning itself as a mediator between the Palestinian factions, but also in strengthening its influence over Gaza. The civil war in Syria, Hamas's opposition to the Assad regime, and the subsequent crisis in Hamas-Iran relations have also contributed to this rapprochement.

From Hamas's perspective, the deteriorating relations with Iran pushed it, out of necessity and not out of ideological compatibility, to seek close relations once again with Saudi Arabia, which until 2004 transferred significant sums to Hamas. In July 2015, a Hamas delegation, led by Khaled Mashal, visited Saudi Arabia, and in September 2016, another delegation, this time led by Ismail Haniyeh (who subsequently replaced Mashal as the head of the political bureau) paid a visit to the kingdom. The visit's official purpose



was the Hajj pilgrimage, but apparently, it was also an attempt to receive the kingdom's blessing for Haniyeh's new position.

The relations between Hamas and Saudi Arabia are more a reflection of political pragmatism than a sign of deep strategic change. Evidence of this is the fact that Saudi Arabia's suspicion of the Muslim Brotherhood has not entirely disappeared. The Muslim Brotherhood proposes an alternative to the Kingdom's structure of a political framework alongside religious legitimacy. Political Islamist movements are likewise based on a religious foundation, but they support democratic elections and popular political participation, and as such are considered a threat. They propose a viable and attractive alternative to the old regime and have proven, in Egypt and Tunisia, for example, that they are able to overthrow governments.<sup>2</sup> As a result, the Muslim Brotherhood was added to the list of terrorist organizations in Saudi Arabia as early as 2014, and a number of its activists – including Hamas activists – have been arrested in recent years. Riyadh is also demanding that Qatar end its relations with the movement, a precondition to ending the boycott of the emirate that began in June 2017. For its part, Hamas is dissatisfied with the relations between Saudi Arabia and Israel, but can overlook this element, hoping that Saudi Arabia will pressure Egypt to change its policy toward Hamas. So far it is unclear if Riyadh is again supporting Hamas financially and to what extent.

Furthermore, Hamas has not entirely forsaken its relations with Iran. This can be seen in the choice of Yahya Sinwar, a former member of the military arm of Hamas with close connections to Iran, to the position of Hamas's leader in Gaza in February 2017.<sup>3</sup> Sinwar's selection will likely have negative consequences for Hamas-Saudi relations, and for the Kingdom's ability to meet some of its foreign affairs objectives regarding both Iran and the Palestinian issue.

The United Arab Emirates also has reservations about Hamas. Particularly out of concerns regarding the federation's internal stability, the second largest economy in the Middle East has remained the most hawkish of the six Gulf countries vis-à-vis political Islam movements. The UAE is the most significant political and financial supporter of the el-Sisi government in Egypt, and acts as the main supporter of Mohammed Dahlan, in part due to his standing in the Gaza Strip. The UAE hopes to see him replace Mahmoud Abbas as the leader of the Fatah movement and the Palestinian

Authority. In Gaza, Dahlan is able to derive significant influence partly due to his ability to direct funds from the UAE (where he has also lived for the last few years) to community projects and needy families.

Against this backdrop, the past year has been characterized by Saudi Arabia and the United Arab Emirates' deteriorating relationship with the Palestinian Authority leadership and with Mahmoud Abbas. The Gulf states have no interest in the fall of the PA, and over the years have provided it with generous aid, on the condition that the PA align itself with their policies. So, for example, when Yasir Arafat supported the Iraqi invasion of Kuwait in 1990, aid to the PLO was cut off and Palestinians living in the Gulf states were deported. In 2016-2017, Saudi Arabia, the largest donor to the PA, once again conditioned its continued financial support on solving the dispute regarding Abbas's successor.<sup>4</sup>

### **The Qatari Role**

Qatar's support for Hamas and its investments in the Gaza Strip suit the emirate's opportunistic foreign policy and its attempts to increase its influence in the Middle East. American security support, strengthened by the fact that the United States regional command center (CENTCOM) is in Qatar, enables the country's diplomatic activism. Qatar, the richest country in the world in GDP per capita, knows that its national security is assured. In several cases, the US has asked to make use of Qatar's connections to various players, including organizations such as Hamas, and use its "good services" as a mediator. Qatar also believes that its relations with actors like Iran, Taliban, and Hamas are an insurance policy against attacks by them.<sup>5</sup>

As part of its activism, Qatar invests in the West Bank (for example in the new Palestinian city Rawabi) as well as Israel's Arab sector. However, most of its support, which increased in 2012 after a visit to Gaza by then-Emir Hamad bin Khalifa, is directed to the Strip. In addition, Qatar, vying for Egypt's leadership role, now seeks to serve as the primary mediator between the Palestinian factions. Khaled Mashal found shelter in Qatar in 2012 after fleeing Syria. He settled in Doha, and from there managed Hamas's political arm. Support for Hamas by Qatar, the largest of any Arab country, helps strengthen Hamas's capabilities in Gaza, primarily through salary payments, as well as promotion – with the approval and assistance of Israel – of humanitarian and infrastructure projects in Gaza. Attempts

at mediation between Israel and Hamas have even been reported, with the goal of exchanging prisoners, establishing a Gaza seaport, and transferring aid to Gaza residents.

During Operation Protective Edge, the rivalry between Cairo and Doha confronted Hamas's leadership with a dilemma: should it accept Egyptian mediation, and risk losing Qatar's aid, or prefer the support of wealthy Qatar and risk cutting Gaza off from its Egyptian lifeline? Indeed, the hardline stance of Hamas's leadership regarding Egyptian mediation during the Operation – primarily the demand to remove the blockade around the Strip – was attributed to Qatari influence over the organization. However, in the end, and under significant Egyptian pressure, Hamas was forced to accept the Egyptian proposal when it seemed that the extent of destruction and loss in Gaza threatened its rule.

The US administration, which did not take direct part in the ceasefire negotiations, initially supported the Qatari-Turkish mediation initiative. Apparently, behind the scenes, the US position was influenced by both economic and security interests in Qatar as well as by the cool relations between the Obama administration and Cairo following the fall of the Muslim Brotherhood regime in Egypt, which the administration defined as a military coup. In the end, however, Qatar did not succeed in the ceasefire negotiations as it had hoped, and Egyptian diplomatic efforts prevailed.

There is a certain duality in Israeli policy – at least its declared policy – toward Qatar and its activities in Gaza. In recent years, Israeli officials have publicly attacked Qatar and sought to isolate the terrorism-supporting country.<sup>6</sup> As an MK, Avigdor Liberman opposed Qatar participation in the reconstruction efforts in Gaza, claiming that “one of the major problems is that we have turned Qatar into a legitimate mediator. They host the Hamas command center and vilify us on *al-Jazeera*.”<sup>7</sup> However, Israel's cooperation with Qatar on Gaza reconstruction has grown. Apparently, behind the adjustments in Israeli policy on Qatar is the recognition that cooperation with Qatar has more advantages than disadvantages. These include hindering Iran's actions and weakening Iranian influence over Hamas and developments in Gaza. In addition, Qatar might serve as a channel of communication and an influential mediator over Hamas, alongside Turkey. Qatar is also one of the only countries that actively and consistently support and funds humanitarian projects in Gaza, thereby easing economic pressure

on its residents. On the other hand, Qatar's growing influence in Gaza means increasing tension between the el-Sisi government in Egypt, which sees Qatar as supporting the Muslim Brotherhood movement, and opposes Qatar's regional aspirations, which seem to far exceed its size of 250,000 citizens.

Israel and Qatar do not have official diplomatic relations. However, officials in both countries are in contact, and limited indirect commerce exists. Small numbers of Israelis visit Qatar and vice versa.<sup>8</sup> Moreover, Israel has a basic interest in directing Qatar's aid to civilian humanitarian matters, as it understands that it may improve the population's condition and postpone a potential confrontation with Hamas. However, there is basic tension between the Israeli interest in improving the humanitarian situation in Gaza and the need to preserve good relations with the el-Sisi government in Egypt. Joining Egyptian opposition is the opposition by the PA. The PA is not satisfied with Qatar's aid to the Gaza Strip, and suspects that Hamas will gain additional support for succeeding in increasing aid to Gaza. Muhammad al-Amadi, Qatar's emissary to Gaza, who also serves as a kind of mediator between Israel and Hamas, claims that the PA undermines reconstruction efforts in Gaza with its attempts to block Hamas achievements.<sup>9</sup>

### **Postponing the Next Confrontation**

The situation in Gaza has worsened since Operation Protective Edge. Although primarily a consequence of the destruction caused by the fighting, most of the aid promised by donor nations was never transferred, and Egyptian policy towards Hamas, which included attempts to destroy the tunnel infrastructure, has aggravated the situation. Thus, there is concern that Hamas will once again opt for conflict with Israel as a way to escape its predicament, though conflict will further worsen its population's condition. Rocket fire toward Israel, which stems from conflict between Hamas and Salafist organizations in Gaza, likewise serves Hamas by drawing the attention of the Gulf states back toward the Palestinian issue and Gaza, whereas today the Gulf states are focused on the various arenas in the struggle against Iran.

It is in Israel's interest to encourage deeper involvement of the Gulf states in Gaza, if only to counterbalance Iran. In recent years, Israel has deepened its cooperation with several Arab countries both near and far, including those with which it has no official diplomatic relations. However, the strategic perspectives Israel shares with Cairo, Riyadh, and Abu Dhabi

do not always help Israel meet its policy objectives. For example, during Operation Protective Edge, the el-Sisi government sought to further the political and economic isolation of Hamas, even at the price of continued conflict between Hamas and Israel.

Since Operative Protective Edge Israel has not succeeded in creating a mechanism in Gaza to prevent future Hamas military growth; little has changed strategically between Israel and Hamas. Hamas's military has been weakened, but this is primarily a function of Hamas's weakened relationship with Iran, given the civil war in Syria; Egyptian efforts against the smuggling tunnels; and Saudi pressure on Sudan – one of the primary smuggling routes to Gaza – to distance itself from Iran. It is doubtful that Israel would choose to topple the regime in Gaza during the next conflict against Hamas, if only because of the political and military implications of such a move. With no good alternative to the Hamas government, Israel must continue to deter Hamas militarily and postpone the next confrontation as long as possible via financial and humanitarian assistance to the Gazan civilian population – an additional interest shared by Israel and the Gulf countries.

## Notes

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# United States Policy toward the Gaza Strip

Shira Efron and Ilan Goldenberg

The stated United States goal in its approach to the Palestinian territories is to promote a two-state solution to the Israeli-Palestinian conflict in which the West Bank and Gaza would form two non-contiguous parts of the future Palestinian state. Toward that end the United States has refrained from crafting an explicit policy on Gaza. In practice, however, over the last decade its policies vis-à-vis the West Bank and Gaza have differed entirely. Since the 2006 Palestinian elections, while working toward a two-state solution, the United States has been relatively disengaged from Gaza, seeking to weaken Hamas while strengthening the PA. Of the international community, the United States is second only to Israel in its tough approach toward Hamas. This is not only a formal constraint, but one that hinders its ability to deliver aid to Gaza and have a leading role – and leverage – on developments in the Strip. This challenge is compounded by the absence of US official personnel on the ground in Gaza who are not local staff, a limitation posed before the elections, after three Americans were killed in an explosion of a diplomatic convoy in 2003.<sup>1</sup> Nevertheless, periodical flare-ups and a series of humanitarian crises in recent years have forced the United States to become more involved in Gaza and adopt a reactive, and recently a more proactive approach toward the Strip, focusing mostly on stabilization efforts.

This paper reviews the evolution of US policy toward Gaza following Israel's disengagement in 2005. It discusses the effectiveness of the current US approach toward Gaza, and analyzes the key US interests, leverage, and limitations that pertain to the Strip. Finally, based on open-source materials and off the record conversations with former US officials across administrations, experts, and NGO staff working on Gaza, the paper recommends concrete short and long term policy options for the United States in Gaza.

## **US Gaza Policy since 2005**

In April 2004, President George W. Bush embraced then-Prime Minister Ariel Sharon's plan for unilateral Israeli disengagement from Gaza and wrote that "the United States will lead efforts, working together with Jordan, Egypt, and others in the international community, to build the capacity and will of Palestinian institutions to fight terrorism, dismantle terrorist organizations, and prevent the areas from which Israel has withdrawn from posing a threat that would have to be addressed by any other means."<sup>2</sup> As part of this effort, however, the United States also demanded that Israel carry out a similar disengagement move in the West Bank, eventually agreeing on the northern West Bank, to maintain the perception of handling Gaza and the West Bank as one territorial and political unit. At the time, former US ambassador to Israel and Assistant Secretary of State for Near East Affairs Martin Indyk warned that in writing this letter President Bush has committed the United States in "ensuring that the Gaza mini-state created by Israel's withdrawal does not turn into a failed terrorist state." Further, he warned that the United States would be responsible for both a possible emergence of Hamas's control over Gaza as well as an Israeli incursion to stop terrorist attacks emanating from the Strip.<sup>3</sup> While Indyk was correct in his projections on future developments in Gaza, his assertion that "the United States will end up inheriting the problems of Gaza" was wrong. Instead, US involvement in Gaza since the Israeli disengagement has for the most part been quite limited.

### ***Response to Hamas's Rise to Power***

As part of the attempt by the Bush administration to bring democracy to the Arab world, the United States urged the Palestinians to hold free elections. After Mahmoud Abbas won the presidential election in February 2005, the United States pushed him to hold elections for a Palestinian Legislative Council. The relative importance of the Legislative Council was also a product of previous US policies in the Arafat era, when the United States pushed the PA to shift power from the President's office to the Prime Minister's. Although Israel was worried about Hamas's participation in the elections, the Bush administration believed that Fatah would win.<sup>4</sup> The elections were scheduled for August 2005, the time of Israel's withdrawal from Gaza, but later postponed to January 2006. Hamas won 74 out of 132 Legislative Council seats, while Fatah won 45. This victory in the Legislative Council



elections meant that Hamas was to appoint the prime minister, who was now responsible for financial and security affairs in the Palestinian territories.

In the aftermath of the elections, the United States, along with the other members of the Middle East Quartet (the European Union, Russia, and the United Nations) and Israel refused to legitimize Hamas's victory. The Quartet conditioned continued assistance to the PA on Hamas's renunciation of violence, recognition of Israel, and acceptance of previous Israeli-Palestinian interim agreements. Hamas refused to accept these conditions. In March 2006, Hamas formed a new government without Fatah (which refused to join a Hamas-led coalition or hand over PA security forces to Hamas). Subsequently, the United States and the EU announced that they were halting assistance to the newly-formed Hamas-led PA government. While this new policy was not applicable to aid transferred through international and non-governmental organizations (NGOs), cutting funds to the PA created a severe fiscal crisis. Compounding the situation was Israel's withholding of some \$50 million in monthly tax and customs revenues that it collects for the PA as agreed in the Oslo Accords, and the PA's loss of access to banks that feared anti-terrorism laws.<sup>5</sup> Thus, the Hamas government was left unable to pay salaries, creating substantial domestic pressures. While the United States and its allies had hoped that sanctions would weaken Hamas and drive it from power, in practice it created space for Iranian influence. Iran reportedly provided Hamas leaders with much needed cash that they brought into the territories.<sup>6</sup> Despite the injection of some cash, though, living standards deteriorated in the Palestinian territories, exacerbating existing friction between Fatah and Hamas.

### ***Efforts to Isolate and Weaken Hamas***

Throughout the years, various attempts were made to reconcile between Fatah and Hamas and help the two sides build a unity government. The goal of these efforts was twofold: end the Fatah-Hamas rivalry and the aid embargo on the PA since the elections. The first such serious attempt known as the Mecca Agreement was made by Saudi Arabia in February 2007 and resulted in a new government that included Fatah and Hamas officials, as well as independents, including Salam Fayyad. Under the agreement Hamas was to handle domestic affairs and Fatah and the technocrats would deal with international affairs. The new government committed to respect previous

agreements signed by Israel and the Palestine Liberation Organization (PLO) but did not commit to the renunciation of violence. President Bush said he was “disappointed” with the new government, but the United States kept the option open of meeting non-Hamas members of the government. After more than a year with no formal diplomatic US-Palestinian interaction, the US Consul General in Jerusalem met with then-Prime Minister Salam Fayyad. A month later, Secretary of State Condoleezza Rice met with Fayyad in Washington. According to reports at the time, the United States was examining ways to allow European and Arab funds (but not American) to flow into PA accounts without violating US laws.<sup>7</sup> By taking these steps the US approach deviated from Israel’s, which remained steadfastly resistant to any contact with the Palestinian government that included Hamas as long as it refused to abide by the Quartet conditions. Israel also continued to withhold Palestinian tax and customs revenue.<sup>8</sup>

Despite talks about removing some US obstacles to aid provision to the new PA, the United States continued its post-2006 elections pursuit of redirecting assistance to President Mahmoud Abbas. In November 2006, when tensions between Hamas and Fatah were already high, then-US security coordinator for the Palestinians Lieutenant General Keith Dayton reportedly urged Muhammad Dahlan, a Gaza-based Fatah politician who was head of the Palestinian National Security Council and at odds with Hamas, to “build up your forces in order to take on Hamas,” and promised \$86 million in aid.<sup>9</sup> Two months later, an administration spokesman reported, President Bush instructed Secretary Rice to transfer “about \$86.4 million in aid to help Palestinian security forces under President Mahmoud Abbas’s direct control...to help provide law and order in Gaza and the West Bank, fight terror, and to facilitate movement and access especially in Gaza.”<sup>10</sup>

Congress did not approve the full aid package but agreed to \$59 million in non-lethal aid consisting of uniforms with protective gear, operational equipment, such as riot shields, handcuffs, and batons, and first aid kits, but not weapons and ammunitions.<sup>11</sup> The administration tried to bypass Congress and urged Egypt, Saudi Arabia, Jordan, and the United Arab Emirates to provide military aid. Egypt for example equipped Fatah with arms and trained its fighters. Hamas deepened its ties with Iran for military assistance.<sup>12</sup> In arming Fatah to defeat Hamas, the United States helped fuel the tensions

that would eventually spark the June 2007 fighting that ended with Hamas driving Fatah forces out of Gaza and taking over the government.<sup>13</sup>

In the following year and a half until the end of its term, the Bush administration continued its policy of isolating and attempting to defeat Hamas, and this approach dictated a disengaged US policy toward Gaza and its population. While the intended goal was to isolate Hamas and remove it from power, US policy toward Gaza in 2005-2007 inadvertently helped Hamas consolidate its power in Gaza and created an opening for Iran to fill the gap created in the US absence. While the United States at the time was far from singularly at fault and was rather one of many actors that devised flawed policies toward Gaza, its mistakes, most notably pushing for elections despite Palestinian and Israeli reservations, played a significant role in enabling Hamas to seize power in Gaza.

### ***Impact of the Three Israel-Hamas Wars***

When President Obama came to office he continued his predecessor's policy – actively pushing for a two-state solution and at the same time boycotting Hamas until it met the Quartet conditions. This strategy remained unsuccessful, and US ability, and will, to support Gaza remained limited, especially initially. However, events on the ground eventually forced the Obama administration to pay somewhat closer attention to Gaza.

The biggest challenges the Obama administration faced in the Strip had to do with three Israel-Hamas wars in five years. The first was Operation Cast Lead, which took place during the transition into office (December 2008-January 2009), followed by Operations Pillar of Defense in 2012 and Protective Edge in 2014. While Operation Cast Lead had already ended by the time President Obama came into office, the administration played a central role in organizing a donor conference in Egypt for reconstruction of Gaza, where donors pledged \$5 billion. Most of the aid, however, never materialized. In addition, in the aftermath of the operation, a central component of US strategy became working with international partners to prevent smuggling of arms that were coming from Iran into Sudan and then up through Egypt into Gaza.

In 2012, the Obama administration was instrumental in mediating an end to the week-long Operation Pillar of Defense. Secretary of State Hillary Clinton conducted shuttle diplomacy with Israel as well as with Egypt. At

the time, the Muslim Brotherhood-led Egyptian government had strong ties with Hamas, which it leveraged to achieve a rapid ceasefire.

In 2013, the Obama administration successfully mediated an initial rapprochement between Israel and Turkey. The two countries downgraded their diplomatic relations in 2011 after the *Mavi Marmara* incident, in which Israeli Defense Forces intercepted a flotilla from Turkey to Gaza, resulting in the death of 10 Turkish nationals, one of whom was a dual US-Turkish citizen. The United States worked actively as a mediator, and during President Obama's 2013 visit to Israel, PM Netanyahu called President Erdogan and the countries agreed to begin negotiations on an arrangement to resume relations. The reconciliation, which was only concluded in 2016, has allowed Turkey to play a greater role in providing aid to Gaza.

When Operation Protective Edge broke out in 2014, the circumstances were more complicated. The Egyptian government, now led by Abdel Fattah el-Sisi, had a much more confrontational approach toward Hamas. It attempted to negotiate an initial ceasefire, which was rejected by Hamas. The United States and Israel disagreed over which external party was most capable of playing a facilitating role with Hamas, with the United States engaging with Qatar and Turkey while Israel insisted that Egypt be the only conduit. Israel saw US preference toward Qatar and Turkey over Egypt as granting Hamas a victory, while the United States believed that Israel's focus on Egypt was unrealistic given the bad relations between Hamas and the el-Sisi government. Further, strained relations between the United States and Egypt meant less leverage over Cairo to open the Rafah crossing to the movement of people and goods. Ultimately, a ceasefire was reached, but only after a prolonged 50-day conflict that ended in a very high number of fatalities and massive destruction in Gaza.

Following the war, the United States, with Israel's backing, became more involved in stabilizing the Strip. The first step was another high profile international donor conference hosted in Egypt that resulted in substantial financial commitments, followed again by poor follow-through. At the same time, the United States took a more focused approach on channeling aid to Gaza, concentrating on pushing Israel, the PA, and Egypt to provide Gaza with three foundations of development – power, water, and access and movement. Specific examples include encouraging actors to double Gaza's electricity supply, promoting the gas for Gaza project, extending the fishing

zone, and increasing exports from Gaza. Meanwhile, the United States also started to play a greater role in encouraging coexistence between Israel, Turkey, and Qatar and allowing these countries to play a role in providing some aid into Gaza. Despite these efforts, US involvement remained quite limited, especially given its unwillingness to challenge Israeli and PA policies toward Gaza.

During its tenure, the Obama administration struggled with how to respond to Palestinian reconciliation. On two separate occasions, in 2011 and 2014, Fatah and Hamas attempted to pursue unity governments. In both cases US policy was that it would work with a unity government led by technocratic cabinet ministers if it respected the Quartet conditions. This approach led to some tensions with Israel, which wanted the United States to take a harder line and ban any government that included Hamas. Ultimately, however, neither of these unity efforts succeeded, as disagreements between Hamas and Fatah were too deep to make real progress on implementation.

### **Current US Policy**

As of the early fall of 2017, it is too early to speak about a comprehensive Trump administration approach to the Israeli-Palestinian conflict. Trump committed himself publicly to resume the peace process between Israel and the Palestinians to reach the “ultimate deal.”<sup>14</sup> In a stark departure from his predecessors Trump did not vow to bring a two-state solution, but rather said that “I’m looking at two-state, one-state, and I like the one that both parties like.”<sup>15</sup> In reality, however, the only solution that “both parties like” keeps him committed to a two-state solution.

Regarding policy toward Gaza, early on it was apparent that Trump’s staff is aware of the importance of improving the living conditions in the Strip, as well as in the West Bank. According to former Obama administration officials, upon entering office, Trump’s staff sought a continuation of his predecessor’s policies to address Gaza’s three core developmental issues – the absence of electricity, the water shortage and poor water quality, and extremely limited freedom of movement in and out of the Strip of both people and goods.<sup>16</sup>

Trump’s special envoy to the Israeli-Palestinian peace process, Jason Greenblatt, paid special attention to Gaza in his first meetings with Israeli officials and Arab ministers, asking them to help improve the economic and

humanitarian situation in Gaza. During his first visit to Israel and the PA, Greenblatt met with a group of Palestinians from Gaza, and in his subsequent meetings with IDF officials reportedly raised the issue of the hardships faced by Gazans who need to receive medical treatment in Israel.<sup>17</sup> Greenblatt now takes pride in helping to broker an important water agreement between Israel and the Palestinians enabling the PA to buy 33 mcm of water per year from Israel, of which 10 mcm would be delivered to the Gaza Strip (limited capacity of the existing pipelines enable the transfer of only 5 mcm of water at this stage until a new pipeline is built).<sup>18</sup>

Despite these reports, however, representatives of humanitarian groups who met with Greenblatt voiced concerns earlier in the summer that in fact since Trump took office, his team has not done more to help Gaza, and that US policy toward Gaza has remained unchanged. Even more troubling was the de facto US backing of President Abbas' decision to cut electricity funding for Gaza, which exacerbated an already dire humanitarian crisis in the Strip. Some analysts have suggested that Abbas opted for this move knowing the United States would not oppose it and the PA would not be blamed for the situation.<sup>19</sup> Not only did this approach contribute to further deterioration of living conditions in Gaza; it also initially supported further Fatah-Hamas escalation, which could have led to a more significant wedge between the West Bank and Gaza, making the concept of one Palestinian state that includes the West Bank and Gaza nonviable. Finally, the rising intra-Palestinian tensions and the deteriorating conditions in Gaza over the summer of 2017 raised fears that another Israeli-Hamas conflict was in the making. If there is one lesson from the three last wars in Gaza, it is that pressure on Hamas beyond a certain point leads to fighting with Israel.<sup>20</sup> Another war in Gaza would have torpedoed any US effort to restart the peace process.

Developments since the summer signal a more positive turn. Thanks to efforts by Egyptian President el-Sisi, the two rival Palestinian factions embarked on a reconciliation process that began in October 2017. Although the process is more likely to fail than succeed, this endeavor seems more promising than previous failed attempts.<sup>21</sup> The Trump administration's response to the reconciliation resembled that of previous administrations. Ahead of the October 3 visit by PA officials to Gaza, the first such visit in a decade, Greenblatt stated that "the United States stresses that any Palestinian

government must unambiguously and explicitly commit to nonviolence, recognition of the State of Israel, acceptance of previous agreements and obligations between the parties, and peaceful negotiations.”<sup>22</sup> In addition, however, he also said that “the United States welcomes efforts to create the conditions for the Palestinian Authority to fully assume its responsibilities in Gaza.”<sup>23</sup> This statement was deemed vague enough to indicate US acquiescence to continued Palestinian unity efforts. Reports also suggest that while the administration still demands the disarmament of Hamas, it would not pressure the PA on this demand early on.<sup>24</sup>

While the Palestinian reconciliation is still a work in progress, the US administration is determined reportedly to bring meaningful breakthroughs related to the peace process in the near future.<sup>25</sup> There is even a possibility that the administration may try to restart peace negotiations between Israel and the PA, although not include Hamas in the talks.<sup>26</sup>

### **Key US Interests, Limitations, and Leverage in Gaza**

As the review of US policy shows, the United States has for the most part remained relatively disengaged from Gaza, seeking to weaken the Hamas government while strengthening the PA, and continuing to regard the West Bank and the Gaza Strip in a single context. Yet recent developments, including punitive measures over the summer by the PA to pressure Hamas and the subsequent PA-Hamas reconciliation process supported strongly by Egypt, may change the picture. President Abbas’s uncompromising approach to Gaza and his strategy of trying to squeeze Hamas to the extreme initially complicated any efforts by the United States to improve the situation on the ground. One concern was that by backing Abbas, the United States may shift to a policy of separation between the West Bank and Gaza, seeing Gaza as a spoiler to possible Israeli-Palestinian peace. This could still be the case if the reconciliation process fails. If it succeeds, however, the reconciliation could possibly enable more effective US involvement in stabilizing and developing Gaza.

Notwithstanding developments on the ground in Gaza, domestic political considerations in the United States pose hurdles to an effective US approach toward Gaza. Political engagement with Hamas is considered a non-starter on Capitol Hill and would incur severe political fallout for any administration that even met with Hamas’ political representatives. There have likewise been

new legislative efforts to limit US aid to the PA. The highest profile bill is the Taylor Force Act, named after an American veteran killed in a stabbing attack in Tel Aviv in 2016, which seeks to end the PA's support for terror by withholding US funds to the Palestinians until the PA ceases its practice of giving stipends to individuals or families of individuals convicted of terrorism against US or Israeli citizens. While ending support for terrorism is a non-controversial measure, such an act would not only punish the PA but could also hurt Israel. It would diminish the low chances of the peace process and could undermine stabilization efforts in Gaza.

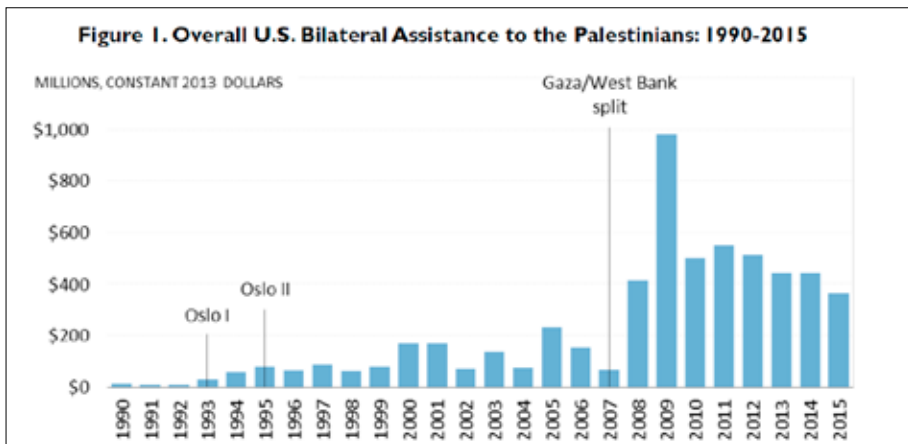
Currently US assistance to the PA consists of economic and security assistance. From 2008 to 2016, the annual economic assistance to the West Bank and Gaza has averaged some \$400 million (figure 1), with that funding divided between the US Agency for International Development (USAID) and budget support for the PA. Assistance for PA security forces has averaged \$100 million per year during this period. Both types of assistance declined since 2013 under the Obama administration, and the requested annual assistance in 2017 was \$327 million for economic support and \$35 million for security aid.<sup>27</sup> Additionally, the United States is the largest single donor to the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), which among its activities provides health, education, housing, and other assistance for over 1.2 million Palestinian refugees in Gaza.<sup>28</sup>

The Taylor Force Act would cut mostly the economic side, which is the lion's share of US aid to the Palestinians. The economic assistance supports the survival of the PA, which is Israel's security and peace partner. In the context of Gaza, it enables USAID to help administer key electricity and water projects in Gaza, all of which would be at risk under this legislation.

### **Moving Forward: US Policy Options in Gaza**

Despite domestic political limitations, the United States is a crucial player for Gaza's stabilization and development in the long term. Should the United States choose to change its policies, given political constraints at home, it can have strong leverage, both economic and political, on all the major actors engaged in Gaza – Israel, the PA, Egypt, and the Gulf states. It is still seen as a global leader and a singular actor in the Israeli-Palestinian conflict, which gives it at least some influence over all the key actors – both those directly involved in the conflict as well as the broader international





**Figure 1.** US Assistance to the Palestinians, 1990-2015

Source: Congressional Research Service, 2016<sup>29</sup>

community, e.g., Qatar, Turkey, Saudi Arabia, and others. While not engaged with the group directly, the United States also has strong leverage on Hamas, mainly through the other actors. And even though the United States has no explicit expectations of Hamas, the operating assumption in Washington is that Hamas behaves as a rational actor seeking primarily self-preservation and thus is not likely to impede the rehabilitation of Gaza if it works in its interest.

At the same time that the United States leverages its unique global position to help advance political and economic progress in Gaza, it should try to remove or at least loosen some of the constraints that have traditionally weakened its ability to have positive effects inside the Strip. As the policy recommendations below suggest, this leverage is both economic and political and if applied wisely can lead to significant changes in Gaza. In that regard, Palestinian reconciliation is an opportunity for the United States to develop more effective policies toward Gaza and help stabilize the Strip.

In devising such a policy, the United States should distinguish between short and long term interventions. In addition, while seeking to stabilize Gaza, it is critical to continue investing in the West Bank as well. Similarly, policy measures in Gaza should be compatible with a two-state solution with Israel and Palestine – composed of both the West Bank and the Gaza Strip – living side-by-side in peace and security. Finally, the United States should prepare for what it can do if the PA-Hamas reconciliation fails, as well as if Israel

and Hamas clash again. What follows are various policy recommendations for the United States to develop its policy toward the Gaza Strip:

- a. *The United States should develop a more coherent policy toward Gaza* assuming present trends continue, and alternatively, if the vision of a two-state solution materializes. The United States would do well to evaluate the success of its policies so far (banning Hamas until it abides by the Quartet conditions) and decide whether it supports Palestinian reconciliation. For now the Trump administration has maintained a slightly more flexible position, but this approach has not yet been put to a practical test. The United States should continue its current policy of engaging both Israel and Egypt in this strategic discussion to better understand each state's respective concerns and interests.
- b. *Leverage ties with Israel and Egypt to enable greater access of goods and people*: The Trump administration has forged better ties with both Israel and Egypt than the Obama administration. These improved relations are already manifesting themselves in the US backing of el-Sisi's efforts to reconcile the PA and Hamas and in the close working ties with Israel. It should use these relationships to press the Egyptians and the Israelis to allow entry of more humanitarian aid and materials to support economic development. Israel is now looking for funding for another cargo terminal at the Erez border crossing. The United States is well-positioned to help with this funding while pushing Israel to revise its dual-use list that imposes strict limitations on goods allowed into the Strip. Israeli security has vetted thousands of Gaza's residents that can enter Israel, although their permits have not been yet been granted. The United States can urge Israel to extend these permits and allow these vetted Palestinians to work in Israel. In addition, the United States should ensure that Israel and Egypt allow more exports to leave Gaza, primarily to Israel and the West Bank but globally as well.
- c. *Do not forget about Gaza when dealing with the PA*: When US administrations are engaged in high profile peace initiatives with Israelis and Palestinians, Gaza often is neglected, as American policymakers become much more deferential to President Abbas. As the Trump team's effort proceeds there is a danger that this phenomenon will recur. The summer reduction in electricity supply to Gaza is a product of PA actions, which seemed at the time to be resisted little by the United States. Similarly,

the PA now approves only a fraction of requests by Gaza's residents requesting medical treatment in Israel. The Trump administration should make clear to the PA that regardless of the political infighting between Fatah and Hamas, keeping Gaza stable and improving the situation on the ground remains an American priority. Even if not in charge of security in the short term, the PA can have a greater role in Gaza's stabilization, and steps taken to improve the West Bank's economy should be leveraged to ensure this role is assumed.

- d. *Prioritize water, electricity, and access and movement*: The United States has correctly identified the three pillars of development – water, electricity, and access and movement. These elements, however, are critically absent in Gaza. The United States should work with its allies to devise means that afford Gaza's residents clean water and sanitation services, have sustained power supply of more than a mere few hours per day, and work to allow more people and goods to flow in and out.
- e. *Exhibit leadership on reconstruction and aid*: America's most important role is to mobilize others through its leadership. The Trump administration seems determined to pursue a significant initiative in Israeli-Palestinian peacemaking. It has emphasized Palestinian economic development as part of that effort, and even while draft budgets have seen huge reductions in aid across the globe, aid to the Palestinians may be spurred. It is important that this effort not just focus on the West Bank, but that economic and humanitarian support for Gaza are also a central component of this initiative. The United States should work with its allies both in Europe and in the Middle East, including Israel and Egypt, to identify needs and push them to invest in Gaza. At the Cairo conference, which was held in October 2014 after Operation Protective Edge, some \$5.4 billion was pledged for the Palestinians, with about half earmarked for reconstructing Gaza. However, most of these pledges have still not been fulfilled. The administration has invested heavily in its relationships with the Gulf states – especially Saudi Arabia – and should use its leverage to fulfill some of their pledges and provide more aid to Gaza.
- f. *Improve on aid follow-through*: The United States should ensure that in the future international aid conferences are not structured as public spectacles that pressure countries to increase their financial commitments for political gains only to not meet them later. One problem that plagues

Gaza is that countries have consistently failed on their promises, finding different excuses, including double counting commitments previously made, commitments that may not come for several years, or commitments that will never materialize. This harms planning and sets unrealistic expectations. What is needed instead is meaningful and effective work to improve the situation – not political symbolism devoid of follow up.

- g. *Increase US presence in Gaza*: Right now, no American government officials can go into Gaza, as security and political considerations limit the US ability to operate in Gaza. European diplomats enter Gaza but do not engage with Hamas. The United States does have some eyes on the ground and now conducts video conferences with business leaders in Gaza and employs non-US nationals as staff. The United States does not need to have a large presence, but it should be able to send officials in from time to time. It need not open an office but can rather use its allies' offices, e.g., Norway's. Such a change would both help gain better situational awareness to inform policies, and demonstrate interest and will to help Gaza. The return of the PA to Gaza would pave the way for a more regular US presence in the Strip.
- h. *Design mechanisms for maintaining the Israel-Hamas ceasefire*: US policy on Gaza has been reactive and responsive to clashes between Israel and Hamas. Rather than embarking on a flurry of diplomatic activity when there is war, the United States could help create a mechanism that would help Israel and Hamas maintain the ceasefire by sustaining in peacetime the high level of engagement the international community exhibits during wartime. The United States should do so without sidelining Egypt but in full coordination with it, as Egypt is best positioned to play this role, especially now with its improving relations with Hamas.
- i. *Manage Israel-Hamas escalation*: after three wars between Israel and Hamas in five years (2009-2014), a new round of fighting is considered only a matter of time. There are several steps that the United States can take to mitigate the costs of the next conflict:
  - i. A cardinal principle of US support for Israel has been standing up for Israel's right of self-defense. At the same time, the public support can be accompanied by private diplomacy aimed at encouraging Israel to redouble its efforts to avoid civilian casualties.

- ii. Depending on the outcome of the Palestinian reconciliation process, the United States should take steps to dissuade Israel from conducting a full re-conquest of the Gaza Strip and toppling Hamas, as such a move would be extraordinarily costly for Israel and extremely difficult to manage in terms of international perceptions. This may not be needed on the part of the United States, though. Recent analysis found that despite repeated threats, this has not been Israel's goal in the last few years.<sup>30</sup> A senior Israeli defense official said explicitly in late August that "Israel is interested in the stability of the Hamas rule in Gaza, because the alternative is far worse."<sup>31</sup>
- iii. Once a conflict has begun, the United States should work with Israel, Egypt, and the international community to provide humanitarian assistance to Gaza during the conflict, not only when the fighting ends. This approach, which was also seen in Operation Protective Edge, is required to ensure food supply and prevent outbreaks of disease.
- iv. One of the frustrations voiced by international donors is that their investment in infrastructure is often destroyed in military operations. In Protective Edge, for example, Israeli fire hit the fuel depot of Gaza's only power plant, cutting electricity to Gaza City and many other parts of the Strip. The United States could work with its allies and urge Israel – and Hamas – to create sanctuary or safe zones to protect critical infrastructure funded by the international community. This should be done while minimizing all security risks and Hamas's temptation to exploit protected sites to launch attacks at Israel.

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In the course of 2017, the Institute for National Security Studies (INSS) conducted a research study to examine the situation in the Gaza Strip, with a focus on the prevailing political, economic, infrastructural, and security conditions, including their intertwined manifestations and their short term and long term implications. The aim of the project was to provide a knowledge base for reevaluation of Israeli policy toward the region and for an international reconstruction project. Underlying this goal is the understanding that the Gaza Strip faces severe and intensifying infrastructure problems, a humanitarian crisis, and security threats.

The articles compiled in ***The Crisis of the Gaza Strip: A Way Out*** offer clear conclusions that when taken both individually and together establish that measures to rebuild the Gaza Strip are a critical and urgent imperative. Another assessment is that the impact of a reconstruction project will only be visible over time. Nonetheless, it is necessary to formulate the outline of a comprehensive reconstruction project and take measures that seek to mitigate the risk factors originating in the Strip and establish social and security calm. This in turn would presumably enhance the motivation to invest in infrastructure in the region. The reconstruction project must be carried out with the committed long term involvement of institutions and states in the Middle East and the international community. This would provide it with the broadest possible validity and legitimacy, as well as with the substantial resources that it requires.

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