# Hamas's Victory and Israel's Dilemma

**Mark A. Heller**

***Dilemma: a situation necessitating a choice between two alternatives that are equally unfavorable.***

The instinctive reaction to the unexpected victory of Hamas in the Palestinian Legislative Council (PLC) elections – at least among most foreign observers – was to ask what this outcome means for the Israeli-Palestinian peace process. But for Israel, that is almost certainly the least relevant of the many questions raised by Hamas's political breakthrough. Rather than speculating about a peace process in which it is no longer invested, Israel will instead focus on dealing with the dilemma that Hamas's victory ostensibly poses: either accepting (and thereby encouraging the region and the world to accept) an unreformed Hamas as a legitimate interlocutor or resorting to means that may undermine its own regional and international legitimacy.

Even before the PLC elections, the peace process existed as little more than a legal fiction. Although it was never formally buried and neither side had explicitly renounced any of its documentary milestones – the Declaration of Principles and follow-up agreements (Oslo) or the Quartet-sponsored roadmap – it had effectively been in a state of suspended animation, at least since the end of negotiations at Taba in early 2001. Thus, the prevailing assumption in Israel before the election results became known was that there was no realistic possibility of reviving the peace process in the foreseeable future. It therefore makes little practical difference that Fatah lost the elections, because even if it won, it would have had neither the will nor the authority to go beyond whatever concessions it had already agreed to in the past. In fact, it would probably have been even more constrained by a strengthened Hamas participating fully in Palestinian political institutions – which was the post-election scenario that most analysts *did* predict. In other words, no real peace process existed before the elections and none was expected to emerge after the elections; the projected post-election agenda would focus not on peacemaking but rather on conflict management, and in this respect, Hamas's victory changes nothing.

What it does change is the character of the Palestinian protagonist, which, perhaps ironically, actually simplifies the challenge of conflict management. Israel is now confronted with a Palestinian adversary that, unlike its Fatah predecessor, shows no willingness even to equivocate about either its ultimate objective – the elimination of Israel – or the means with which it pursues that end, including terrorism. The clarity of Hamas's position points to the first of the undesirable alternatives facing Israel: acknowledging that Hamas, by virtue of its election victory, might be able to function as a legitimate actor in the regional and international context of the Israeli-Palestinian rela-

Director of Research at JCSS

tionship without explicitly having to abandon its declared objectives and methods.

To preclude this alternative, Israel needs to force Hamas either to fail, thereby discrediting it in Palestinian eyes, or to change (in an effort to avoid failure), thereby transforming it into an acceptable interlocutor. However, the Israeli action most directly calculated to bring about one of these outcomes is a halt to any contact with – and assistance to – a Hamas-ruled Palestinian Authority, making it difficult if not impossible for Hamas to fulfill its promise to improve Palestinian governance, especially the delivery of public security and welfare. The problem is that Israeli "success" in this respect would mean the further immiseration of the Palestinian population, for which Israel would be held responsible. This undesirable alternative therefore constitutes the other horn of the dilemma now facing Israel.

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This problem, incidentally, also confronts other governments that have labeled Hamas a terrorist organization, and in the immediate aftermath of the Palestinian elections, some foreign observers were therefore tempted to hope that Hamas would itself help make the dilemma disappear by voluntarily moderating its position. That hope was grounded in the nostrum that the realities of government power impose responsibility on political movements, no matter how radical their ideological roots may be. Such an evolution cannot be categorically precluded in the case of Hamas and some of its spokesmen did indeed begin to maneuver rhetorically after their victory in an effort to project a less threatening image to those in the region and elsewhere who urged them to moderate their stance. On the other hand, there is nothing inevitable about such a metamorphosis, as the histories of the Iranian revolution, the Islamist leadership in Sudan, and the Taliban regime in Afghanistan clearly attest. And even if such an evolution is hypothetically possible, it will require considerable time before a real reorientation becomes discernible. Meanwhile, Israel will be neither willing nor able to sit idle until that process plays itself out. Lacking evidence to the contrary, the working assumption, at least of Israel, will therefore apparently be that a Hamas-dominated PA will not for the foreseeable future transform itself without very compelling changes to its incentive structure.

*Palestinian prime minister Ismail Haniyeh (l) and president Mahmoud Abbas*

Given its limited ability to coerce Hamas directly, Israel might try to bring about such changes by indirect pressure, that is, by trying to persuade other elements in the Palestinian body politic, including Palestinian public opinion. Theoretically, those efforts might include positive inducements. For example, Israel might consider a conditional offer to resume negotiations with Hamas provided that it recognize Israel, endorse previous Israeli-Palestinian agreements, renounce and denounce terrorism, and dismantle what Israel (and the roadmap) refer to as the "terrorist infrastructure," i.e., Hamas's own armed militia as well as those of other Palestinian organizations. Notwithstanding its own consistent rejection of direct negotiations with Israel, Hamas might conceivably respond to such an offer. But that prospect seems remote given Hamas's own insistence that such actions could, at best, only be considered after Israel accepted a list of stringent Hamas conditions. It might, however, generate pressure from domestic public opinion to show some signs of moderation.

Alternatively, Israel might consider bypassing Hamas and offer to negotiate directly with the PLO – which remains dominated by Fatah and was the formal interlocutor in previous negotiations – or with Mahmoud Abbas (Abu Mazen), who remains for-

mally charged with overall responsibility for foreign and security matters in his capacity as elected president of the Palestinian Authority. But even though Hamas might tolerate such an arrangement for purposes of tactical flexibility, it would serve Israel's purpose only in the unlikely event that negotiations produced an agreement acceptable both to itself and to a body of opinion in the Palestinian public sufficient to force Hamas either to endorse it or be swept aside. Another round of unproductive negotiations would simply discredit Hamas's Palestinian rivals further while allowing Hamas itself to emerge unscathed and even strengthened in its ideological rigidity. On balance, then, Israel has little interest in pursuing negotiations with anyone other than an authoritative Palestinian interlocutor, which at this point means Hamas.

It is therefore not surprising that most of the speculation about ways to change Hamas has focused on negative inducements, particularly a diplomatic and economic boycott of the Palestinian Authority. Israel instituted elements of such a boycott immediately after the PLC elections when it decided to withhold transfers of customs and value-added taxes collected on behalf of the PA and to restrict/suspend movements of Palestinian produce through the Karni crossing point into Israel. It also urged other countries to refrain from political overtures and withhold financial assistance from a PA now dominated by what both the American government and the European Union have labeled a terrorist organization. Such actions are inspired by a similar logic of indirect pressure. The PA is dependent on foreign sources for about half of its annual budget of $3 billion, and foreign aid per capita currently comes to about $500, almost half of West Bank and Gaza per capita GDP. Hamas itself might not be moved by financial expressions of Israeli and international disapproval – although some of its spokesmen have already shown an appreciation of the need to modify its negative image in the world – but the assumption is that a cutoff of foreign assistance would make it impossible for the PA to pay salaries and provide a variety of other social and economic services. The resulting public discontent (or even a credible threat of the cutoff of funds) would possibly force Hamas to redefine itself in ways more acceptable to Israel and the international donor community.

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But there are a variety of pitfalls to this approach. The first is that it might not be feasible. A united diplomatic front to make contact with Hamas conditional on its reformation cracked even before it was formed when Hamas leaders received official invitations to visit not only Muslim countries like Iran and Turkey, but also Russia and South Africa. Furthermore, some international donors, especially the EU and the United States, have already indicated that while their official assistance to the PA might be affected following the formation of a new Hamas-led government (the EU actually authorized an extra $140 million emergency supplement to the lame-duck Fatah government after the PLC elections and disbursed $78 million after the Hamas cabinet had been nominated), they would compensate for aid cuts by increasing support for international organizations, NGOs, and others involved in providing "humanitarian assistance" in the West Bank and Gaza. Given that money is fungible, the net impact on the Palestinian economy of lower official assistance and higher unofficial assistance might well be negligible. Moreover, Hamas might simultaneously succeed in securing more direct assistance from non-traditional donors, such as Iran and/or Arab oil producers like Saudi Arabia. Thus, there is little likelihood that Israel, even if it continues to withhold PA tax revenues, can lead a truly effective international campaign of financial pressure on the Palestinians that would resonate politically with Hamas.

Secondly, even if economic coercion is feasible, it might not work. Withholding of funds is not the only instrument of economic leverage in Israel's hands; there is at least a hypothetical possibility of far more draconian measures, such as withholding of electricity, water, and fuel. In theory, therefore, Israel has the capacity to bring about not just greater Palestin-

ian distress but true economic misery. But this sort of coercion would not necessarily generate "success" in the form of irresistible public pressure on Hamas to reform itself. It might just as easily result in greater radicalization of the Palestinian public and support for Hamas intransigence or, alternatively, in the collapse of any semblance of public order in the West Bank and Gaza, In that case, the resulting anarchy would not necessarily be more conducive to the promotion of Israel's security or other interests.

Finally and most critically, it is virtually inconceivable that Israel could actually adopt such extreme measures, much less persist in them for very long. That is because prevailing norms, in the rest of the world as well as in Israel itself, would not allow that sort of behavior, certainly not in advance of far more destructive Palestinian action against Israel. These norms are invariably mentioned in any discussion of economic sanctions, and the most powerful argument against them is usually the idea that people should not be made to suffer for the deeds or misdeeds of their governments. That argument is inherently persuasive whenever the governments in question are authoritarian institutions whose existence or policies are not necessarily reflective of public preferences. It loses some of its moral potency when the government – as in the case of Hamas – has been democratically elected and its platform is clearly known. Nevertheless, short of some extraordinary threat like an all out Hamas-orchestrated war against it, Israel would find it impossible to justify, either to itself or to the rest of the world, a policy of starving the Palestinians into submission in order to force Hamas to surrender. And even in those circumstances, the urgency of responding to the threat would mean that counter-action would more likely take the form of large scale military operations rather than deliberate economic immiseration.

Contrary to widespread perceptions, therefore, the conflicting imperatives generated by Hamas's electoral victory have not produced a completely new political landscape, but they have intensified a dilemma that has existed for Israel at least since the failure of the negotiations and the outbreak of the intifada in 2000. Even when Palestinian politics were dominated by Fatah under Yasir Arafat, Israel was unable either to interact constructively with its Palestinian interlocutor or to change the interlocutor in ways that could permit a constructive interaction, despite periodic recourse to many of the same coercive/punitive measures now being considered or applied against Hamas. Nor was it able to experiment with even more extreme measures, because of domestic or international constraints on its own behavior. Caught on the horns of this dilemma, Israel increasingly resorted to unilateral measures (disengagement, security barriers, retrenchment) intended not to bring about changes in Palestinian politics but rather to shield itself from those politics, however they evolved. Hamas's victory simply poses this dilemma in starker terms than before, and Israel may thus find it even more difficult to maneuver between the alternatives. Day-to-day realities may well impose some kind of inconsistent, even incoherent interim policy, perhaps involving technical coordination with low-level PA and/or municipal officials. But in terms of broader strategic options, the inability to choose between the conflicting alternatives dramatized by Hamas's victory means that the most likely effect of that event, barring some unexpected near-term change in the movement's basic posture, will be to drive Israel even further along the course on which it has already embarked, that is, to circumvent the dilemma and manage the conflict by

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