



The Palestinians: Background and U.S. Relations

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August 17, 2012

Congressional Research Service

7-5700

www.crs.gov

RL34074

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

This report covers current issues in U.S.-Palestinian relations. It also contains an overview of Palestinian society and politics and descriptions of key Palestinian individuals and groups—chiefly the Palestine Liberation Organization (PLO), the Palestinian Authority (PA), Fatah, Hamas, and the Palestinian refugee population.

The “Palestinian question” is important not only to Palestinians, Israelis, and their Arab state neighbors, but to many countries and non-state actors in the region and around the world—including the United States—for a variety of religious, cultural, and political reasons. U.S. policy toward the Palestinians is marked by efforts to establish a Palestinian state through a negotiated two-state solution to the Israeli-Palestinian conflict; to counter Palestinian terrorist groups; and to establish norms of democracy, accountability, and good governance within the Palestinian Authority (PA). Congress has appropriated assistance to support Palestinian governance and development amid concern for preventing the funds from benefitting Palestinian rejectionists who advocate violence against Israelis.

Among the issues in U.S. policy toward the Palestinians is how to deal with the political leadership of Palestinian society, which is divided between the Fatah-led PA in parts of the West Bank and Hamas (a U.S.-designated Foreign Terrorist Organization) in the Gaza Strip. Following Hamas’s takeover of Gaza in June 2007, the United States and the other members of the international Quartet (the European Union, the United Nations, and Russia) have sought to bolster the West Bank-based PA, led by President Mahmoud Abbas and Prime Minister Salam Fayyad.

With attempts to revive Israeli-Palestinian negotiations having stalled, however, Abbas has actively worked to obtain more widespread international recognition of Palestinian statehood. After a failed attempt to gain Palestinian membership in the United Nations in 2011, Abbas is reportedly considering an initiative for the fall of 2012 to have the U.N. General Assembly upgrade the Palestinians’ status to something short of membership. Such an upgrade could make it easier for the Palestinians to bring claims in the International Criminal Court and other forums against what many Palestinians perceive to be Israeli violations of various international laws and norms regarding the treatment of people and property in the West Bank and Gaza. However, the possibility of financial and diplomatic reprisals by the United States and Israel could affect Palestinian decisions on whether to seek a General Assembly resolution. The United States and Israel are concerned that Palestinian recourse to international forums and methods could circumvent—and thus undermine—U.S.-mediated negotiations and stoke popular unrest.

The Gaza situation also presents a dilemma. Humanitarian and economic problems persist, but the United States, Israel, and other international actors are reluctant to take direct action toward opening Gaza’s borders because of legal barriers to dealing with Hamas and/or potentially negative political and strategic consequences. A May 2011 power-sharing arrangement among Palestinian factions that would allow for presidential and legislative elections and reunified PA rule over Gaza and parts of the West Bank remains unimplemented.

Since the signing of the Oslo Accord in 1993, Congress has committed more than \$4 billion in bilateral assistance to the Palestinians, over half of it since mid-2007—including \$800 million in direct budgetary assistance to the PA and approximately \$550 million to strengthen and reform PA security forces and the criminal justice system in the West Bank. The future of these programs remains a subject of intense congressional interest and debate.

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Issues for Congress

Congress plays a significant role in U.S. policy toward the Palestinians. Since the signing of the Oslo Accord in 1993, Congress has committed more than \$4 billion in bilateral assistance to the Palestinians. From FY2008 to the present, annual U.S. bilateral assistance to the West Bank and Gaza Strip has averaged nearly \$600 million, including annual averages of approximately \$200 million in direct budgetary assistance and \$100 million in non-lethal security assistance for the Palestinian Authority (PA) in the West Bank. This reflects an expansion of assistance by Congress since PA President Mahmoud Abbas appointed the politically independent technocrat Salam Fayyad as PA prime minister and dismissed Hamas ministers from government shortly following Hamas's takeover of Gaza in 2007. The United States's counterparts in the international "Quartet" (the European Union, the United Nations secretariat, and Russia) have also sought to bolster the West Bank-based PA. Additionally, the United States remains the largest single-state donor to the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

Some Members of Congress are questioning the continuation of U.S. budgetary, security, and/or developmental assistance to the Palestinians based on two parallel concerns. First, some Members have asserted that the United States should not provide assistance to the PA if a power-sharing arrangement is approved by Hamas. Second, some Members oppose a Palestine Liberation Organization (PLO)/PA effort to pursue additional international recognition of Palestinian statehood outside negotiations with Israel. The Consolidated Appropriations Act, 2012 (P.L. 112-74) included new conditions on U.S. aid to the PA to address these concerns. The political change and unrest that has spread throughout much of the Arab world since late 2010 has further complicated congressional views on these matters.

As Congress weighs the effectiveness and appropriateness of U.S. aid to the Palestinians and exercises oversight over Israeli-Palestinian developments, Members may consider the following:

- Prospects for a negotiated two-state solution between Israel and the PLO—with or without additional U.N. or other measures relating to Palestinian statehood.
- Threats of terrorism and armed conflict—both Israeli-Palestinian and intra-Palestinian—and options (military, political, economic) to prevent, counter, or mitigate these threats.
- The possible impact of regional developments, including leadership transitions and concerns over stability in Egypt (especially the Sinai Peninsula), Syria, Lebanon, and Jordan.
- Palestinian leadership and civil society developments, including power-sharing among Fatah and Hamas; the likelihood of elections and concerns about growing authoritarianism in their absence; and political participation in the West Bank, Gaza, East Jerusalem, and among Palestinian refugees and diaspora members.
- The implications of initiatives by Palestinian leaders, Israel, and various international actors for Palestinians on security, political, economic, and humanitarian matters.

Overview

The “Palestinian Question,” Israel, and Prospects for Peace

The Palestinians are Arabs who live in the geographical area that constitutes present-day Israel, the West Bank, and the Gaza Strip, or who have historical and/or cultural ties to that area. Since the early 20th century, the desire to establish an independent state in historic Palestine has remained the dominant Palestinian national goal. Over time, Palestinians have differed among themselves, with Israelis, and with others over the nature and extent of such a state and the legitimacy of various means to achieve it. Today, the “Palestinian Question” focuses on whether and how Palestinians can overcome internal divisions and external opposition to establish a viable, independent state capable of fulfilling their shared national aspirations. Along with the Palestinians of the West Bank, Gaza, and East Jerusalem (which include approximately two million refugees), approximately three million Palestinian refugees outside these territories, in addition to a wider diaspora, await a permanent resolution of their situation.

Historical Background

Historians have noted that the concept of Palestinian national identity is a relatively recent phenomenon and in large part grew from the challenge posed by increased Jewish migration to the area that now makes up Israel, the West Bank, and Gaza during the eras of Ottoman and British control in the first half of the 20th Century.¹ Palestinian political identity emerged during the British Mandate period (1923-1948), began to crystallize with the 1947 United Nations partition plan (General Assembly Resolution 181), and grew stronger following Israel’s conquest and occupation of the West Bank and Gaza Strip in 1967. Although in 1947 the United Nations intended to create two states in Palestine—one Jewish and one Arab—only the Jewish state came into being. Varying explanations for the failure to found an Arab state alongside a Jewish state in mandatory Palestine place blame on the British, the Zionists, neighboring Arab states, the Palestinians themselves, or some combination of these groups.²

As the state of Israel won its independence in 1947-1949, roughly 700,000 Palestinians were driven or fled from their homes, an occurrence Palestinians call the *nakba* (“catastrophe”). Many from the diaspora ended up in neighboring states (Egypt, Syria, Lebanon, and Jordan) or in Gulf states such as Kuwait. Palestinians remaining in Israel became Israeli citizens. Those who were in the West Bank (including East Jerusalem) and Gaza were subject to Jordanian and Egyptian administration, respectively. With their population in disarray, and no clear hierarchical structure or polity to govern their affairs, Palestinians’ interests were largely represented by Arab states with conflicting internal and external interests.

1967 was a watershed year for the Palestinians. In the June Six-Day War, Israel decisively defeated the Arab states who had styled themselves as the Palestinians’ protectors, seizing East Jerusalem, the West Bank, and the Gaza Strip (as well as the Sinai Peninsula from Egypt and the

¹ See Rashid Khalidi, *Palestinian Identity: The Construction of Modern National Consciousness*, New York: Columbia Univ. Press, 1997.

² See, e.g., Edward Said, *The Question of Palestine*, New York: Times Books, 1979; Barry Rubin, *Israel: An Introduction*, New Haven: Yale University Press, 2012.

Golan Heights from Syria). Thus, Israel gained control over the entire area that constituted Palestine under the British Mandate. Israel's territorial gains provided buffer zones between Israel's main Jewish population centers and its traditional Arab state antagonists. These buffer zones remain an important part of the Israeli strategic calculus to this day.

Although Israel ultimately annexed only East Jerusalem (as well as the Golan Heights), leaving the West Bank and Gaza under military occupation, Israel and the occupied Palestinian territories became increasingly economically interdependent. Furthermore, Israel presided over the settlement of thousands of Jewish civilians in both territories (although many more in the West Bank than Gaza)—officially initiating some of these projects and assuming security responsibility for all of them. Settlement of the West Bank in particular increased markedly once the Likud Party, with its vision of a “Greater Israel” extending from the Mediterranean Sea to the Jordan River, took power in 1977. This presented some economic and cultural opportunities for Palestinians, but also new challenges to their identity, property rights, civil liberties, morale, political cohesion, and territorial contiguity. These challenges persist and have since intensified.

The Arab states' humiliation in 1967, and Israeli rule and settlement of the West Bank and Gaza, allowed the Palestine Liberation Organization (PLO) to emerge as the representative of Palestinian national aspirations. Founded in 1964 as an umbrella organization of Palestinian factions and militias in exile under the aegis of the League of Arab States (Arab League), the PLO asserted its own identity after the Six-Day War by staging guerrilla raids against Israel from Jordanian territory. Yasser Arafat and his Fatah movement gained leadership of the PLO in 1969, and the PLO subsequently achieved international prominence on behalf of the Palestinian national cause—representing both the refugees and those under Israeli rule in the West Bank and Gaza—although often this prominence came infamously from acts of terrorism and militancy.

Although Jordan forced the PLO to relocate to Lebanon in the early 1970s, and Israel forced it to move from Lebanon to Tunisia in 1982, the organization and its influence survived. In 1987, Palestinians inside the West Bank and Gaza rose up in opposition to Israeli occupation (the first *intifada*, or uprising), leading to increased international attention and sympathy for the Palestinians' situation. In December 1988, as the *intifada* continued, Arafat initiated dialogue with the United States by renouncing violence, promising to recognize Israel's right to exist, and accepting the “land-for-peace” principle embodied in U.N. Security Council Resolution 242.³ Many analysts believe that Arafat's turn to diplomacy with the United States and Israel was at least partly motivated by concerns that if the PLO's leadership could not be repatriated from exile, its legitimacy with Palestinians might be overtaken by local leaders of the *intifada* in the West Bank and Gaza (which included Hamas). These concerns intensified when Arafat lost much of his Arab state support following his support for Saddam Hussein's 1990 invasion of Kuwait.

After direct secret diplomacy with Israel brokered by Norway, the PLO recognized Israel's right to exist in 1993, and through a succession of agreements (known as the “Oslo Accords”), gained limited self-rule for Palestinians in Gaza and parts of the West Bank—complete with democratic mechanisms; security forces; and executive, legislative, and judicial organs of governance under

³ UNSCR 242, adopted in 1967 shortly after the Six-Day War, calls for a “just and lasting peace in the Middle East” based on (1) “Withdrawal of Israeli armed forces from territories occupied in the [1967 Six-Day War]” and (2) “Termination of all claims or states of belligerency and respect for and acknowledgement of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force.”

the PA. The Oslo Accords were gradually and partially implemented during the 1990s, but the expectation that they would lead to a final-status peace agreement has not been realized.

Many factors—including violence, leadership changes and shortcomings, rejectionist movements with sizeable popular followings (particularly Hamas on the Palestinian side), a continued Israeli security presence, expanded Israeli settlement of the West Bank and East Jerusalem, and international involvement—have contributed to the failure to complete the Oslo process. A second Palestinian intifada from 2000 to 2005 was marked by intense terrorist violence inside Israel and actions—asserted by Israel to be necessary to safeguard its citizens’ security—by Israeli security forces that rendered much of the PA infrastructure built over the preceding decade unusable. U.S.- and internationally-supported efforts to restart peace negotiations under various auspices failed to gain traction, and Israel unilaterally withdrew its settlers and military forces from Gaza in 2005. The limited self-rule regime of the PA was undermined further by Hamas’s legislative election victory in 2006, and the Hamas takeover of Gaza in 2007. These developments, along with subsequent violence and regional political changes, have since increased confusion regarding questions of Palestinian leadership, territorial contiguity, and prospects for statehood.

Present and Future Considerations

Today, Fatah and Hamas are the largest Palestinian political movements (see **Appendix A** and **Appendix B** for profiles of both groups and their leaders). The positions that their leaders express reflect the two basic cleavages in Palestinian society:

1. Between those (Fatah) who seek to establish a state by nonviolent means—negotiations, international diplomacy, civil disobedience—and those (Hamas) who insist on maintaining violence as an option; and
2. Between those (Fatah) who favor a secular model of governance and those (Hamas) who seek a society governed more by Islamic norms.

At present, many Palestinians perceive U.S. policy to reflect a pro-Israel bias and a lack of sensitivity to PA President/PLO Chairman Mahmoud Abbas’s domestic political rivalry with Hamas and other groups. These perceptions appear to stem from—among other things—U.S. efforts to prioritize the resumption of Israeli-Palestinian final-status negotiations over a full Israeli settlement freeze, including a U.S. veto of a U.N. Security Council draft resolution condemning Israeli settlements in February 2011.⁴ If Palestinian concerns about settlements can be addressed, however, opportunities may exist to revisit a May 2011 proposal by President Barack Obama whereby the PLO would negotiate borders and security arrangements with Israel, using the 1949-1967 armistice lines (the “1967 lines”) as starting points. It is unclear how and when these and other core issues of the ongoing Israeli-Palestinian dispute, such as the status of refugees and of Jerusalem, might be resolved.

Lack of progress on the peace process with Israel has led Abbas and his colleagues to consider alternative pathways toward a Palestinian state, based on the strategy of obtaining more widespread international recognition of Palestinian statehood in the West Bank (including East Jerusalem) and the Gaza Strip. According to reports, Abbas also periodically considers—but apparently has chosen to avoid, delay, or deemphasize—other alternative strategies for the West

⁴ All other 14 members of the Security Council voted for the draft resolution.

Bank. Such alternatives include encouraging greater Palestinian nonviolent resistance to Israel⁵ and even dissolving the PA altogether.⁶

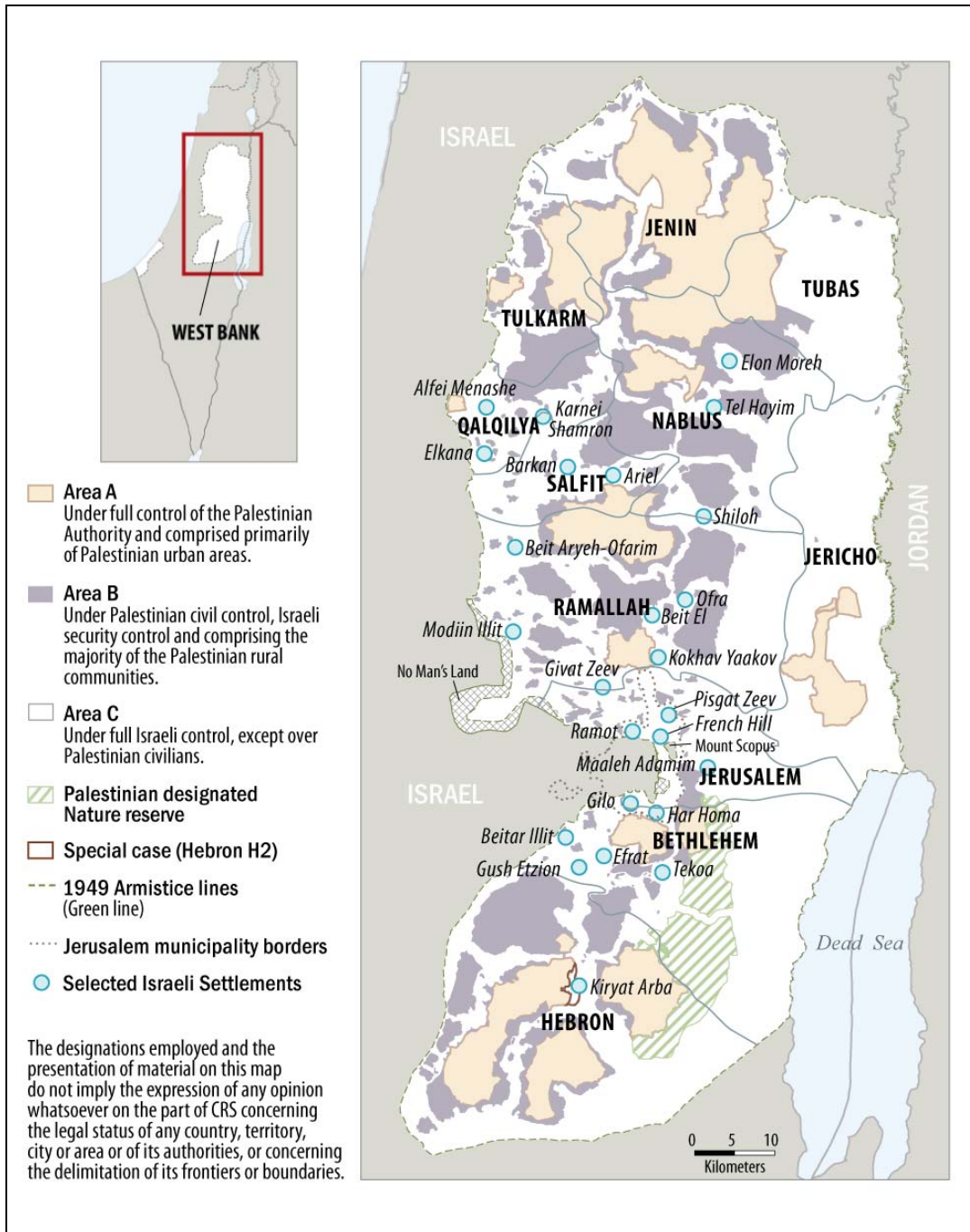
The “Palestinian question” is important not only to Palestinians, Israelis, and their Arab state neighbors, but to many countries and non-state actors in the region and around the world—including the United States—for a variety of religious, cultural, and political reasons. Over the past 65 years, if not longer, the issue has been one of the most provocative in the international arena. Al Qaeda and its affiliates, Iran, and others seeking to garner support for and/or mobilize Arab and Muslim sentiment against the United States, Israel, and/or other Western nations routinely use the Palestinian cause as a touchstone for their grievances. Analysts often debate whether the Palestinian question is truly central to the region’s and world’s problems, with some contending that more often than not it is used by actors as a pretext to deflect attention from matters more central to their interests.

⁵ In 2012, approximately 2,000 Palestinian prisoners convicted or otherwise detained by Israel (many for terrorist activity or involvement) have gone on lengthy hunger strikes, including a major coordinated strike in the spring. Israel has responded to the hunger strikes on a case-by-case basis, agreeing to the release of a number of these prisoners or an easing of their conditions in exchange for an end to their strikes. This has drawn international attention to indefinite Israeli “administrative detentions” of Palestinians suspected—but not formally charged or tried—of terrorist activity or involvement. Amnesty International, “Israel: The injustice and secrecy surrounding administrative detention,” June 6, 2012. Reports indicate concern among Israeli and PA officials that one or more deaths from a hunger strike could stoke popular Palestinian unrest.

⁶ International Crisis Group, *The Emperor Has No Clothes: Palestinians and the End of the Peace Process*, Middle East Report No. 122, May 7, 2012. Those who support the idea of dissolving the PA apparently believe that Israel’s motivation for agreeing to Palestinian sovereignty in the West Bank (and possibly Gaza) might increase considerably were it to again shoulder the full burden of governing the territory and its residents. Others dismiss the plausibility of the idea, largely over concerns about possible destabilization given the direct reliance of over 150,000 Palestinians (and their families) on PA employment.

Figure 1. Map of West Bank

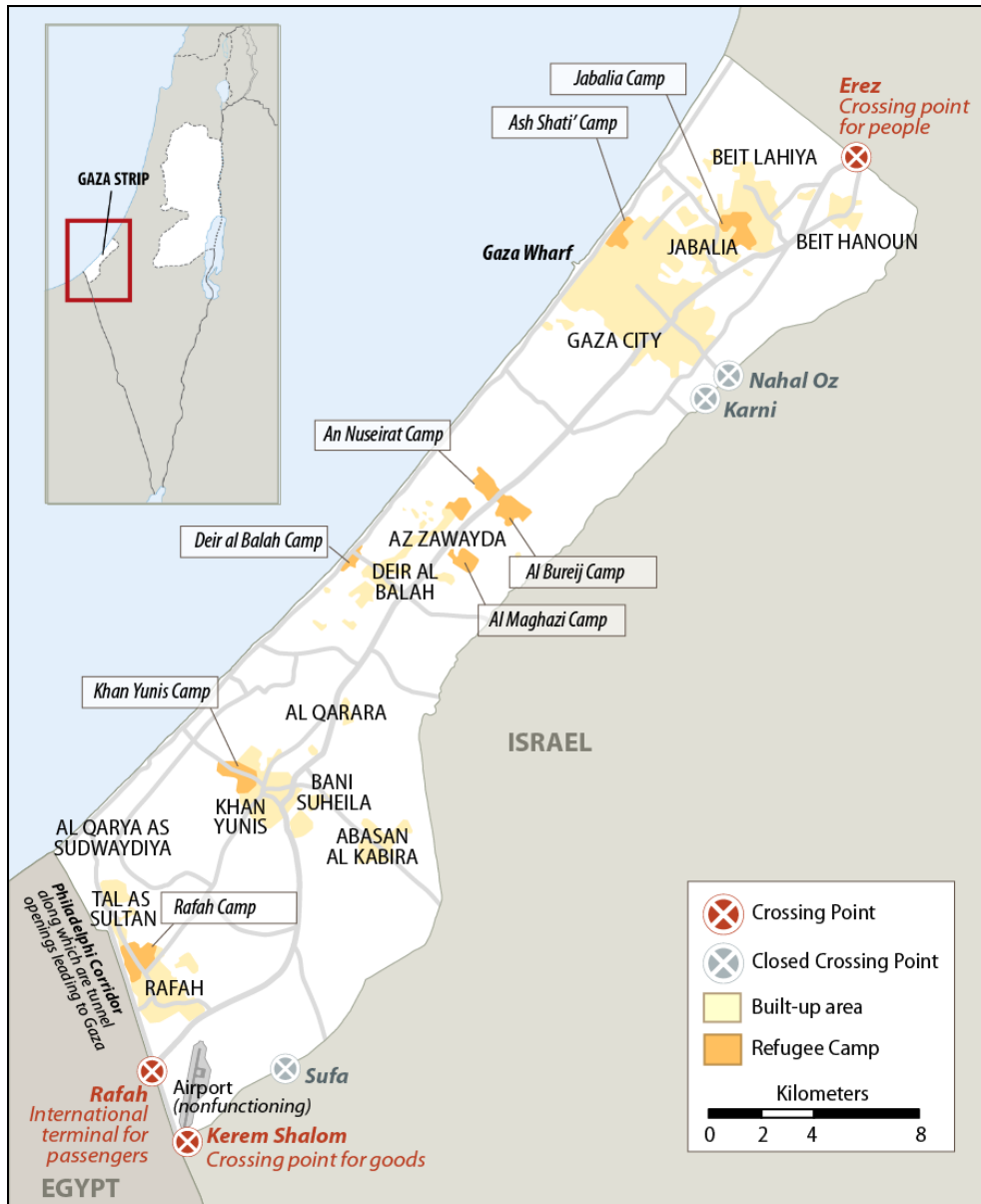
PA Governorates; Areas A, B, and C; and Selected Israeli Settlements



Source: CRS, adapted from the U.N. Office for the Coordination of Humanitarian Affairs.

Notes: All boundaries and depictions are approximate. Israeli settlements are not drawn to scale and do not reflect the full scope of Jewish residential construction in the West Bank and East Jerusalem. Areas A, B, and C were designated pursuant to the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, dated September 28, 1995. H2 was designated pursuant to the Protocol Concerning the Redeployment in Hebron, dated January 17, 1997. Additional Israeli settlements exist within Area C but are not denoted, particularly a group of settlements with small populations located along the Jordanian border (the Jordan Valley).

Figure 2. Map of Gaza Strip



Source: U.N. Office for the Coordination of Humanitarian Affairs and UNOSAT, with additional data from UNRWA; adapted by CRS.

Demographic and Economic Profile

There are an estimated 4.2 or 4.3 million Palestinians living in the West Bank, Gaza Strip, and East Jerusalem (approximately 2.6 million in the West Bank and East Jerusalem, and 1.7 million in Gaza⁷). Of these, more than two million are registered as refugees (in their own right or as

⁷ Central Intelligence Agency, *The World Factbook*: “West Bank” and “Gaza Strip.” The Palestinian Central Bureau of (continued...)

descendants of the original refugees) from the 1947-1949 Arab-Israeli war. (In addition, approximately 500,000 Jewish Israeli citizens live in the West Bank and East Jerusalem.) Another some three million Palestinians live as refugees in Jordan, Lebanon, and Syria, in addition to non-refugees living in these states and elsewhere around the world.

Table 1. Estimated Palestinian Population Worldwide

Country or Region	Population
West Bank, Gaza Strip, and East Jerusalem	4,230,000
Israel	1,370,000
Arab states	4,990,000
Other states	636,000
Total	11,226,000

Source: Palestinian Central Bureau of Statistics, 2011.

West Bank Palestinians generally are wealthier, better educated, and more secular than their Gazan counterparts. The Palestinian population in the West Bank and Gaza has one of the highest growth rates in the world and is disproportionately young. According to the Palestinian Central Bureau of Statistics, 40.7% of the Palestinians in the territories as of 2011 were less than 15 years old. The youth bulge ensures that the population growth rate will remain high even as fertility rates decline. Possible implications were summarized thusly in a March 2009 Brookings Institution report:

If young people are engaged in productive roles, the Palestinian youth bulge can be a positive factor in economic development. Human capital is the main comparative advantage that Palestinian Territories have over naturally resource-rich countries in the Middle East. Yet, as in any economy, a large cohort of young Palestinians will continue to exert pressure on the education system and labor markets.⁸

Palestinians are well educated relative to other Arab countries, with an adult literacy rate of 95%. (Jordan and Egypt, by comparison, have a 92% and a 66% adult literacy rate, respectively.)⁹ The population is 98% Sunni Muslim; just under 2% are Christians of various denominations.

Table 2. Basic Facts for the West Bank and Gaza Strip

Statistic	West Bank	Gaza Strip	Combined
Population (2011 est.)	2,600,000	1,700,000	4,300,000
Refugees (2011 est.)	875,000	1,218,000	2,093,000
Median age (2011 est.)	21.3	17.7	-

(...continued)

Statistics reports that as of 2011, an additional 1.3 million Palestinians live as Arab citizens of Israel.

⁸ Nawtej Dhillon, "Beyond Reconstruction: What Lies Ahead for Young Palestinians," Brookings Institution, March 2009.

⁹ UNICEF data, available at: [<http://www.unicef.org/infobycountry/northafrica.html>].

Statistic	West Bank	Gaza Strip	Combined
Population growth rate (2011 est.)	2.1%	3.1%	-
GDP growth rate (2011 est. – first 3 quarters)	5.7%	21.7%	10.5%
GDP per capita (purchasing power parity) (2008 est.)		-	\$2,900
Unemployment rate (2011 est.)	17.3%	28.7%	20.9%
Inflation rate (2011 est.)	-	-	2.7%
Population below poverty line	16% (2009 est.)	33% (2009 est.)	-
Exports (2010 est.)	\$572 mil	\$3 mil	\$575 mil
Export commodities	olives, fruit, vegetables, limestone	citrus, flowers, textiles	-
Export partners (2008 est.)	-	-	Israel 88.9%, Arab states 6.8%, Europe 3.5%
Imports (2010 est.)	\$3.6 bil	\$400 mil	\$4.0 bil
Import commodities	food, consumer goods, construction materials	food, consumer goods, construction materials	-
Import partners (2009 est.)	-	-	Israel 73.6%, Europe 9.6%, Arab states 2.5%

Sources: Central Intelligence Agency, Palestinian Central Bureau of Statistics, World Bank, *Economist Intelligence Unit*, UNRWA.

Sources: Population figures exclude Israeli settlers.

The Regional and International Context

Without sovereignty or a self-sufficient economy, Palestinians' fortunes depend to a large degree on the policies of other countries and international organizations with influence in the surrounding region. Almost every aspect of Palestinian existence has some connection with Israel given Israel's occupation of the West Bank; its efforts to annex East Jerusalem; and its large measure of control over borders, resources, and trade in both the West Bank and Gaza. Both Israelis and Palestinians continue to acknowledge that the United States helps define both regional and international frameworks within which they and other international actors address their mutual issues. Some observers believe that the Israeli-Palestinian conflict commands less U.S. attention than it deserves because issues in other areas of the region and world distract attention from it. Others suggest that U.S. involvement with and support to the Palestinians, demonstrates that the United States does accord the conflict priority status despite the many other existing global concerns.

Some observers argue that Arab states have been historically complicit in prolonging the plight of the Palestinians (and Palestinian refugees in particular) because doing so pressures Israel and serves Arab states' domestic interests by deflecting attention from domestic problems and by avoiding difficulties that might result from assimilating the refugees into their societies. It is

unclear what effect ongoing political change in Arab states will have on the Palestinian question and its various Israeli and Palestinian stakeholders. Potential effects of political change could include intensified jockeying by powers such as Iran, Turkey, and Saudi Arabia to use the Palestinian issue for regional influence, or further destabilization and use of neighboring territory by criminal or terrorist networks in Syria, Lebanon, and Egypt's Sinai Peninsula.

Matters of Congressional Interest

U.S. and International Assistance to the Palestinians

See CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti, for a more detailed description of this topic and the particulars of U.S. assistance. The PA's dependence on foreign assistance is acute—largely a result of the distortion of the West Bank/Gaza economy in the 45 years since Israeli occupation began and the bloat of the PA's payroll since its inception nearly 20 years ago. Facing a regular annual budget deficit of over \$1 billion, PA Prime Minister Salam Fayyad spends much of his time seeking aid from the United States and other international sources. Absent major structural changes in revenue and expenses, which do not appear likely in the near term despite some ambitious PA goals and projections, this dependence will likely continue. The effectiveness of U.S. assistance to the Palestinians in furthering U.S. policy objectives is challenged, logistically and strategically, by the shifting and often conflicting interests of Israel, the PLO, the PA, Fatah, and Hamas. Effectiveness is also challenged by the U.S. interagency process, as well as the need to coordinate activities and assistance with other donor states and with international organizations and coordinating mechanisms such as the European Union, United Nations,¹⁰ World Bank, the Office of the Quartet Representative, and the Ad Hoc Liaison Committee,¹¹ among others.

United Nations-Related Initiatives

The United States and Israel are concerned that Palestinian recourse to international forums could circumvent—and thus undermine—U.S.-mediated negotiations and stoke popular unrest. In September 2011, Abbas applied for Palestinian membership to the United Nations. Although the application stalled in the Security Council's membership committee and would have faced a U.S. veto, the Palestinians did obtain membership in the U.N. Educational, Scientific and Cultural Organization (UNESCO) in the fall of 2011. They appear to be using their UNESCO membership to establish and advance claims of Palestinian sovereignty over key historical and cultural sites, including the Church of the Nativity in Bethlehem.¹²

¹⁰ Over the years, U.N. organs have set up a number of bodies or offices, as well as five U.N. peacekeeping operations, which have or had mandates or functions directly related to Palestine or the Arab-Israeli dispute.

¹¹ The Ad Hoc Liaison Committee is a coordinating mechanism for Israel, the PA, and all major international actors providing assistance to the Palestinians that was established in the mid-1990s to facilitate reform and development in the West Bank and Gaza in connection with the Oslo process. Norway permanently chairs the committee, which meets periodically in various international venues and is divided into sectors with their own heads for discrete issue areas such as economic development, security and justice, and civil society.

¹² "UNESCO names Church of Nativity as first Palestinian World Heritage site," *Associated Press*, June 29, 2012.

Some 130 out of 193 U.N. member states have reportedly recognized the state of Palestine that was declared by the PLO in 1988, but none yet among the North American and Western European countries that are the PA's main financial patrons and exercise considerable political influence in the region. Reports indicate that a similar number of states might vote in the fall of 2012 in favor of a General Assembly resolution changing Palestine's permanent observer status in the United Nations from that of an "entity" to that of a "non-member state."¹³ Such an upgrade could make it easier for the Palestinians to bring claims and propose action in the International Criminal Court and other forums against what many Palestinians perceive to be Israeli violations of various international laws and norms regarding the treatment of people and property in the West Bank and Gaza.¹⁴ It is also possible that the resolution could explicitly delineate the borders of a putative Palestinian state along the 1967 lines, in an attempt to establish or strengthen an international legal basis for such borders. However, a Palestinian decision on whether to proceed with a General Assembly resolution could be affected by expectations of possible financial and diplomatic reprisals by the United States and Israel,¹⁵ particularly given the actions—including a congressional hold on aid¹⁶—that ensued from the 2011 Palestinian U.N. membership application.¹⁷

Terrorism and Militancy

Hamas and six other Palestinian groups have been designated Foreign Terrorist Organizations (FTOs) by the State Department: Abu Nidal Organization, Al Aqsa Martyrs' Brigades, Palestine Liberation Front, Palestine Islamic Jihad, Popular Front for the Liberation of Palestine, and Popular Front for the Liberation of Palestine-General Command. Most Palestinian militant groups claim that they are opposed to peace with Israel on principle, but some—such as the Fatah-affiliated Al Aqsa Martyrs' Brigades—view militancy and terror as tactics that can be used to improve the Palestinians' negotiating position. Since Oslo in 1993, these groups have engaged in a variety of methods of violence, killing approximately 1,350 Israelis (over 900 civilians—including Jewish settlers in the Palestinian territories—and 450 security force personnel).¹⁸ Palestinians who insist that they are engaging in asymmetric warfare with a stronger enemy point

¹³ Jodi Rudoren, "West Bank Talks Canceled After Israel Bars Envoys," *New York Times*, August 6, 2012. This status would be akin to that currently held by the Holy See (Vatican City), as documented in U.N. General Assembly Resolution 58/314.

¹⁴ See, e.g., Al-Haq (a private Palestinian human rights organization), "Questions & Answers on Palestine's September Initiatives at the United Nations," July 20, 2011. Palestinian recourse to international action to pressure Israel also includes an international campaign supported by several Palestinian non-governmental organizations to get various private organizations (especially in the West and Latin America) to join a BDS (boycott, divestment, sanctions) movement against Israel. Kirk Semple and Gersh Kuntzman, "Food Co-op Rejects Effort to Boycott Israeli-Made Products," *New York Times*, March 27, 2012.

¹⁵ Rudoren, "West Bank Talks Canceled After Israel Bars Envoys," op. cit.

¹⁶ CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

¹⁷ "Speaking in East Jerusalem to envoys from countries in Europe, Latin America, Asia and the Middle East, [PLO Executive Committee member Hanan] Ashrawi asked them not only to vote for the future United Nations resolution on observer-state status, possibly this fall, but to provide the Palestinian Authority with a financial 'safety net' when, she predicted, 'Americans decide to cut off aid' because of the bid." Jodi Rudoren, "Palestinian Seeks Diplomatic Allies," *New York Times*, August 14, 2012.

¹⁸ Statistics culled from B'Tselem (The Israeli Information Center for Human Rights in the Occupied Territories) website at <http://www.btselem.org/english/Statistics/Casualties.asp> and http://www.btselem.org/English/Statistics/First_Intifada_Tables.asp.

to the approximately 7,000 deaths inflicted on Palestinians by Israelis since 1993,¹⁹ some through acts of terrorism aimed at civilians.²⁰

Although damage is difficult to measure qualitatively, suicide bombings have constituted a fearsome means of attack, claiming approximately 700 Israeli lives (mostly civilians within Israel proper).²¹ After peaking during the second intifada years of 2001-2003, suicide bombings have largely ceased (two occurrences and four deaths since early 2006). Many observers attribute the drop-off to enhanced Israeli security measures—the Israeli military’s withdrawal from Gaza in 2005 and the general closure of its borders, the West Bank separation barrier and tightening of border checkpoints. Additionally, some analysts have posited Hamas’s entry into a position of responsibility and political power, the strengthening of PA security forces in the West Bank, and general Palestinian exhaustion with violence as contributing factors. Some analysts believe that militant West Bank organizations and cells are dormant, not extinct,²² and Israeli officials claim that they continue to foil plots aimed at striking within Israel proper.

Isolated attacks still occur within Israel, often perpetrated by Palestinians using small arms or vehicles as weapons. Militants also stage attacks and attempt to capture Israeli soldiers at or near Gaza border crossings, and have recently engaged in some prominent instances of cross-border attack from redoubts within Egypt’s Sinai Peninsula—an international border less vulnerable to Israeli reprisals. Antipathy between Jewish settlers and Palestinian residents in the West Bank leads to occasional attacks and acts of vandalism on both sides—particularly in Hebron and in the northern West Bank near Nablus.

The most pronounced trend since Israel’s disengagement from Gaza in 2005 has been an increased firing of rockets and mortars from the territory, now controlled by Hamas. Tunnels leading from Egypt’s Sinai Peninsula into Gaza allow militants to smuggle raw materials used to make crude, short-range explosives (commonly known as “Qassam rockets”), as well as Grad-style and Fajr rockets (thought to come from Iran) that have ranges of up to 45 miles. The over 10,000 rockets, mortars, and anti-tank missiles fired by Palestinians since 2001 have killed more than 30 Israelis and wounded hundreds.²³ The persistent threat of rocket fire has had a broader negative psychological effect on Israelis living in targeted communities.²⁴ Because rockets are fired indiscriminately without regard for avoiding these communities, most neutral observers view this as tantamount to intentional targeting of civilians.

¹⁹ Ibid.

²⁰ The most prominent attack by an Israeli civilian against Palestinians since 1993 was the killing of at least 29 Palestinians (and possibly between 10 to 23 more) and the wounding of about 150 more by Israeli settler Baruch Goldstein (a Brooklyn-born former military doctor) at the Ibrahimi Mosque (Mosque of Abraham) in the Cave of the Patriarchs in Hebron on February 25, 1994 (the Jewish holy day of Purim) while the victims were at prayer. See George J. Church, “When Fury Rules,” *Time*, March 7, 1994. This incident has been cited by many analysts as a provocation for the Palestinian suicide bombing campaign that followed.

²¹ Suicide bombing figures culled from Israel Ministry of Foreign Affairs website at <http://www.mfa.gov.il/MFA/Terrorism-+Obstacle+to+Peace/Palestinian+terror+before+2000/Suicide%20and%20Other%20Bombing%20Attacks%20in%20Israel%20Since>.

²² Matthew Levitt, “Hamas’s Ideological Crisis,” *Current Trends in Islamist Ideology* (Hudson Institute), November 6, 2009.

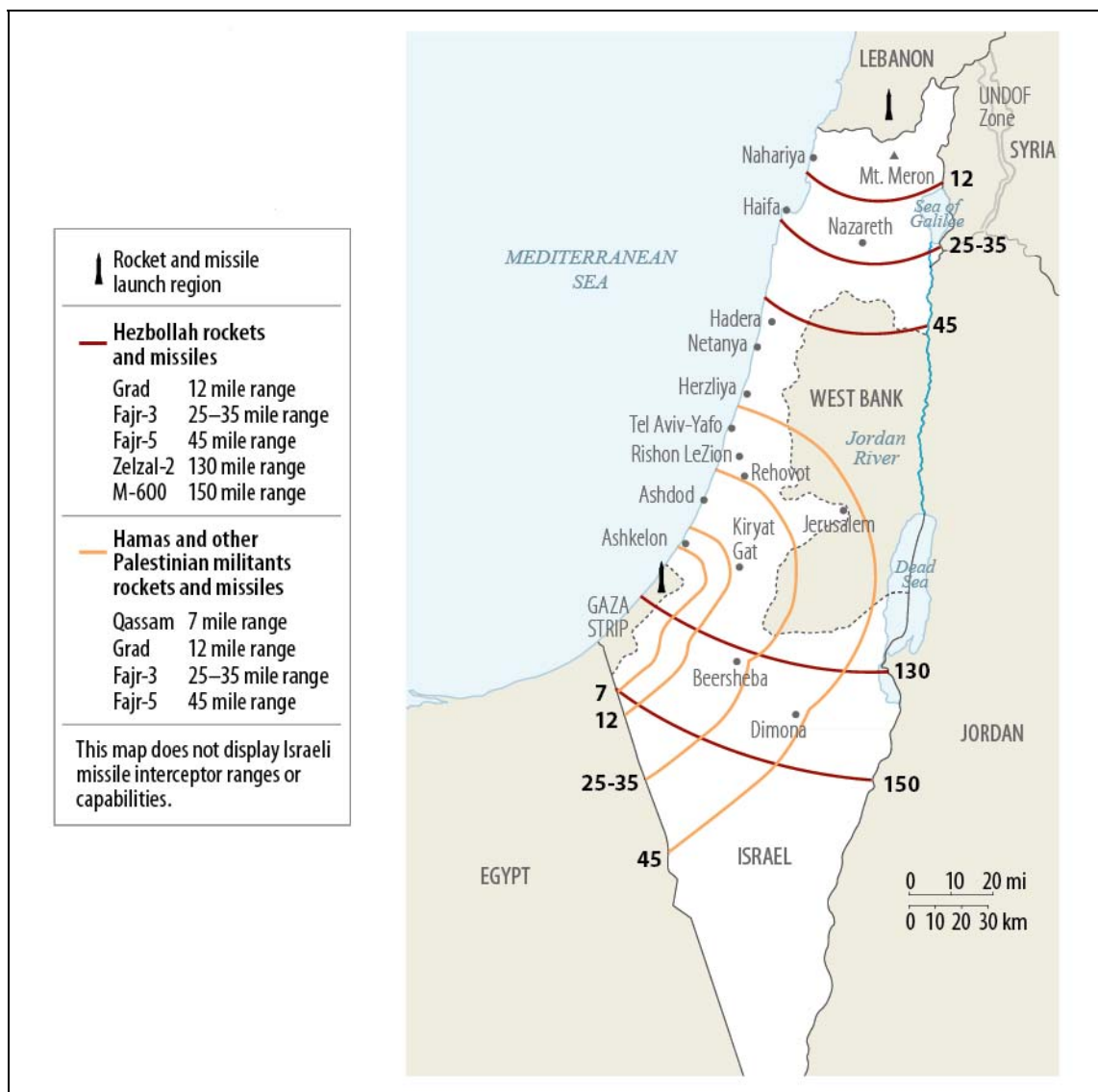
²³ “Rockets and Mortar Shells Fired at Israel (February 2009-August 2012),” Jewish Virtual Library; “Q&A: Gaza conflict,” *BBC News*, January 18, 2009.

²⁴ Toni O’Loughlin and Hazem Balousha, “News: Air Strikes on Gaza,” *The Observer* (UK), December 28, 2008; David Isby, “Effective Anti-Qassam Defence Could Be More Than Six Years Away,” *Jane’s Missiles and Rockets*, January 1, 2007.

In addition to developing and deploying the Iron Dome missile defense system,²⁵ Israel also continually seeks U.S. and international help to slow or stop the Gaza smuggling network. These concerns have been heightened by periodic high-profile attacks on Israeli targets since 2011 from Egypt's Sinai Peninsula, supposedly involving Palestinian militants who tunnel from Gaza to Sinai. Israeli authorities also worry that Palestinian militants might soon acquire longer-range rockets and precision targeting capabilities that would increase the danger to larger population centers such as Tel Aviv. The possibility that a more dangerous rocket threat could emerge in the West Bank is one factor underlying Israeli reluctance to consider withdrawal without copious security guarantees. The possibility also exists of a coordinated or simultaneous rocket attack by Palestinian militants from Gaza and by the militant, Iran-supported Lebanese Shiite group Hezbollah.

²⁵ For more information on Iron Dome, see CRS Report RL33476, *Israel: Background and U.S. Relations*, by Jim Zanotti; and CRS Report RL33222, *U.S. Foreign Aid to Israel*, by Jeremy M. Sharp.

Figure 3. Possible Ranges of Rockets and Missiles from Palestinian Militant Groups and Hezbollah



Source: Bipartisan Policy Center, February 2012, adapted by CRS.

Note: All ranges are approximate.

Hamas

See **Appendix A** and **Appendix B** for an overview of Hamas and its key leaders.

Recent Developments and the Future

Hamas, along with several other major non-PLO factions that conditionally or absolutely reject the concept of peace with Israel, reportedly receives much of its political and material support

from Iran. However, Iran may have stopped funding Hamas—at least temporarily during 2011—because of Hamas’s unwillingness to support the Asad regime in Syria.²⁶ Continuing dependence on Iranian support could become difficult for Hamas to sustain politically, given reports of increased Palestinian popular disdain for Iran’s role as the primary supporter of the Asad regime against the Sunni-dominated opposition. Hamas distanced itself from the Asad regime by abandoning its long-time external headquarters in Damascus in early 2012.²⁷ Possibly in order to minimize its association with Iran in fact and in the popular imagination and to cultivate alternate means of support, Hamas’s leaders appear to be making pronounced efforts to align themselves with the Muslim Brotherhood and other potentially ascendant Islamist groups in Egypt and elsewhere.

Hamas’s future direction could depend largely on where it looks within the region for external support. If it continues past practices, it would rely on Iran for weapons, training, and some funding, while receiving other funding through a network of charitable organizations believed to be largely financed by private donors from Gulf states. Reliance on these sources, however, might change if Hamas emphasizes political and social activities over its military endeavors. If Hamas were to break with Iran, it could continue to turn toward its Sunni ties with Muslim Brotherhood groups. This appears possible given the early 2012 departure of Hamas’s external leadership from Syria and recent statements from Hamas leaders indicating that the group would not attack or retaliate against Israel on Iran’s behalf. In that case, Hamas may seek material support from other regional states, such as Saudi Arabia and Turkey. Alternatively, if Hamas integrates itself into existing Palestinian organs of governance, such as the PLO and PA, and deemphasizes or gives up an armed approach, it may no longer need separate state sponsorship.

Another possibility is that Hamas refrains from moving in any definitive direction for some time. Its various leaders may conclude that political flexibility gained from maintaining external and internal nodes with different views and agendas outweigh the risks that arise from disunity. Hamas may prefer to maintain future maneuverability given the uncertainty of political outcomes in Egypt and Syria. Additionally, even if Hamas’s capacity to harm Israel has declined, it might calculate that its militia deters challenges from other armed groups in Gaza. Hamas might also conclude that staying outside the PLO and PA could be to its political advantage if it assesses that these organs of governance are unlikely to obtain statehood for Palestinians.

Divisions among Hamas’s leaders could presage another possibility—a formal splintering of the movement. External leaders seeking a mandate to move toward more nonviolent resistance might face obstacles to siphoning internal support away from opponents in the Gaza-based leadership without more control over funding streams or an on-the-ground presence. Historically, groups splitting from Palestinian Muslim Brotherhood-inspired movements—such as Palestine Islamic Jihad and several of Gaza’s other militant groups—have gone in the other direction, seeking a more radical and violent approach. Current differences between Hamas’s leaders might be managed and perhaps even resolved through the movement’s Shura Council and other well-established consultative mechanisms, possibly with the aid of other regional Muslim Brotherhood figures and movements.

²⁶ Nidal al-Mughrabi, “Foreign Funds for Hamas Hit by Syria Unrest-Diplomats,” *Reuters*, August 21, 2011. Since this report, multiple Hamas leaders have visited Iran and received general promises of support, but the specific details of this support have remained vague. “Iran promises Hamas support during Zahar visit,” *jpost.com*, March 15, 2012.

²⁷ Hamas’s external leaders relocated to various countries within the region, with the two most visible personalities—Khaled Meshaal, the political bureau chief, and his deputy Musa Abu Marzouk—reportedly moving to Doha, Qatar and Cairo, respectively.

Prospects for Palestinian “Unity” (Power-Sharing with Fatah)

Reports routinely speculate about the possibility of “unity,” or, more precisely, a power-sharing PA governance arrangement between Fatah and Hamas for the West Bank and Gaza with a pathway to presidential and legislative elections. International actors such as Egypt, Qatar, and Turkey help fuel speculation by hosting or promoting meetings between factional leaders and facilitating agreements such as those signed in Cairo (May 2011) and Doha (February 2012). Because the concept of unity is hugely popular with the Palestinian people, most observers say that neither Fatah nor Hamas wants to be perceived as the faction preventing it.

Nevertheless, many analysts assert that both Fatah and Hamas remain content to preserve the status quo rather than risk losing their respective territorial control in the West Bank and Gaza. Each apparently hopes that developments will strengthen its legitimacy and popularity vis-à-vis the other, with each apparently looking for opportunities to characterize the other as sabotaging prospects for unity. Polls generally seem to indicate an advantage for Abbas and Fatah,²⁸ but most polls failed to forecast Hamas’s victory in 2006. Given a possible lack of more promising alternatives, Abbas may still be counting on the United States and other international actors to help him show progress to Palestinians on the PA’s West Bank reform, security, and development goals and, perhaps more importantly, on finding a realistic, peaceful pathway to a Palestinian state. Abbas may also be loath to involve Hamas in the PA if doing so risks a possible U.S. and international freeze or cutoff of aid.²⁹

Hamas, however, argues that Abbas’s diplomatic engagement plays into the hands of an Israel that seeks to weaken the Palestinians by sowing division through the false hope of a future state. Some Hamas leaders appear to make the case to Palestinians that it would not be a pushover for Israel, while simultaneously encouraging sentiment among some in the West (Europe especially) and Muslim-majority states that it might be an indispensable and a rational actor.³⁰ Reportedly, Hamas covets the prospect of becoming a member of and potentially supplanting Fatah as the dominant faction in the PLO.

Reluctance by Abbas to share power with Hamas may be explained by regional trends signaling the possible political ascendancy of the Muslim Brotherhood and other nationalist movements featuring Islamist elements at the expense of those featuring secular and/or pan-Arab elements. An August 2012 International Crisis Group report stated:

Regional developments have been largely advantageous to the [Hamas] movement and stand to benefit it further still. The success of Islamist organisations region-wide cannot but bolster Palestinian Islamists, boost their standing and heighten their influence. Gaza enjoys a strategic depth, and Hamas a political one, that both lacked not long ago. Relations have improved with a vast array of countries, and more progress is expected.³¹

²⁸ Major surveyors of Palestinian public opinion include the Palestinian Center for Policy and Survey Research (<http://www.pcpsr.org/>) and Arab World for Research and Development (<http://www.awrad.org/>).

²⁹ CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

³⁰ See, e.g., Taghreed El-Khodary and Ethan Bronner, “Addressing U.S., Hamas Says It Grounded Rockets,” *New York Times*, May 4, 2009.

³¹ International Crisis Group, *Light at the End of their Tunnels? Hamas & the Arab Uprisings*, Middle East Report No. 129, August 14, 2012.

Thus, Abbas may be concerned that formalizing Hamas's role in the PA and PLO might provide it with an opening to accelerate the decline of Fatah, and, along with it, the official PLO position of nonviolent engagement with Israel.³² It is possible, however, that reference to the regional ascendance of Islamism is too simplistic and does not sufficiently account for the many variables (actors, events, ideas) that influence Palestinian politics. Lack of Fatah-Hamas accommodation could fuel further cultural and political separation between Palestinians.³³

Palestinian Self-Governance

Achieving effective and transparent self-governance over the West Bank and Gaza and preventing Israeli-Palestinian violence, while facing a continued Israeli settler and military presence, has proven elusive since the limited self-rule experiment began in 1994. Many observers say that the task became even more difficult following the split established in 2007 between a Fatah-led PA in the West Bank and a de facto Hamas regime in Gaza.

Palestinian Authority (PA)

The Palestinian National Authority (or Palestinian Authority, hereinafter PA) was granted limited rule (under supervening Israeli occupational authority) in the Gaza Strip and parts of the West Bank in the mid-1990s pursuant to the Oslo Accords.³⁴ Although not a state, the PA is organized like one—complete with democratic mechanisms; security forces; and executive, legislative, and judicial organs of governance. Ramallah is its de facto seat, but is not considered to be the PA capital because of Palestinian determination to make Jerusalem (or at least the part east of the 1967 lines) the capital of a Palestinian state. The executive branch has both a president and a prime minister-led cabinet, the Palestinian Legislative Council (PLC) is its legislature, and the judicial branch has separate high courts to decide substantive disputes and to settle constitutional controversies, as well as a High Judicial Council.³⁵ The electoral base of the PA is composed of Palestinians from the West Bank, Jerusalem, and the Gaza Strip.

After Hamas won January 2006 PLC elections, a factional standoff between Fatah and Hamas ensued—with Abbas as PA president and Hamas controlling the PLC and the government ministries.³⁶ These tensions ultimately led to armed conflict that led to Hamas's forcible takeover

³² A Hamas official in Gaza was reportedly quoted in February 2012 as saying, "We will be the majority in the PLO, no question. The PLO is the final destination. And then, once we are inside, we will put the people back on the track of fighting for their liberation." International Crisis Group, *Light at the End of their Tunnels? Hamas & the Arab Uprisings*, op. cit. See also Paul McGeough, *Kill Khalid: Mossad's Failed Hit ... and the Rise of Hamas*, Crows Nest, Australia: Allen & Unwin, 2009, p. 53, quoting Hamas politburo chief Khaled Meshaal as saying, "We're the root; Fatah is a mere branch."

³³ This separation may be partially explained by the lack of a territorial link between the two Palestinian territories, and partially explained by geography and recent history linking the Gaza Strip with Egypt and the West Bank with Jordan.

³⁴ The relevant Israel-PLO agreements that created the PA and established its parameters were the Agreement on the Gaza Strip and the Jericho Area, dated May 4, 1994; and the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, dated September 28, 1995.

³⁵ See U.N. Development Programme—Programme on Governance in the Arab Region website at <http://www.pogar.org/countries/country.aspx?cid=14>. However, human rights groups have voiced concern that the PA executive continues to circumvent civilian courts that might check its power by employing military courts on a wider range of matters than the civilian courts deem proper. See The Goldstone Report, dated September 25, 2009, pp. 337-338, available at <http://www2.ohchr.org/english/bodies/hrcouncil/specialsession/9/FactFindingMission.htm>.

³⁶ This time, the United States and Israel supported increasing the power of the PA presidency at the expense of the (continued...)

of the Gaza Strip in June 2007. In response to the Hamas takeover, PA President Abbas dissolved the Hamas-led government and appointed a “caretaker” technocratic PA government in the West Bank (led by Prime Minister Salam Fayyad, a former World Bank and International Monetary Fund official).

The PLC is currently sidelined due to its lack of a quorum caused by the West Bank/Gaza split. However, Hamas uses its 2006 electoral mandate as an argument—along with the argument that Abbas used extra-legal means to dismiss its government—to legitimize its rule over Gaza.

Because some PA leaders hold overlapping leadership roles within the PLO and various factions, it is difficult to gauge the degree to which Palestinians consider the PA truly authoritative or legitimate even within the West Bank. For example, until his death in 2004, Yasser Arafat served as PA president, PLO chairman, and head of Fatah, and following Arafat’s death, Mahmoud Abbas has succeeded him in each of these roles. Many observers wonder how the PLO and PA will coordinate their functions and be regarded by the Palestinian people at a future point when the leadership of the two institutions and of Fatah might be different. It is possible that the PA could somehow forge an identity completely independent from (and perhaps in competition with) the PLO. Alternatively, the PLO might attempt to restructure or dissolve the PA (either in concert with Israel or unilaterally) pursuant to the claim that the PA is a constitutional creature of PLO agreements with Israel.³⁷

Prospects for Economic Self-Sufficiency

Lacking a self-sufficient private sector, the Palestinians’ economic prospects have historically depended on easy entry into and exit out of Israel for their workers and goods. Yet, following the outbreak of the second intifada in 2000, this access largely ceased. Israel constructed a West Bank separation barrier and increased security at crossing points. It now issues permits to control access, and periodically halts the flow of people and goods altogether. Alternatives to Palestinian economic interdependence with Israel would likely be

- to attract investment and build a self-sufficient economy, which is probably years if not decades away;
- to look to neighboring Egypt and Jordan (which struggle with their own political and economic problems) for economic integration; or
- to depend indefinitely upon external assistance.

For the West Bank and Gaza to attract enough long-term investment to become self-sufficient, most observers agree that uncertainties regarding the political and security situation and Israeli movement restrictions would need to be significantly reduced or eliminated.³⁸

(...continued)

Hamas prime minister and cabinet—a turnabout from their 2003 approach to the organs of PA governance when Arafat was PA president.

³⁷ The PA was originally intended to be a temporary, transitional mechanism for the five-year period prescribed for final-status negotiations, not an indefinite administrative authority.

³⁸ See, e.g., World Bank, *Towards Economic Sustainability of a Future Palestinian State: Promoting Private Sector-Led Growth*, July 2012.

West Bank: Fatah-led PA Under Israeli Occupation

The Fatah-led Palestinian Authority administers densely populated Palestinian areas in the West Bank subject to supervening Israeli control under the Oslo agreements (see **Figure 1** above for map).³⁹ Israel Defense Forces (IDF) soldiers regularly mount arrest operations to apprehend wanted Palestinians or foil terrorist plots, and maintain permanent posts throughout the West Bank and along the West Bank's borders with Israel and Jordan to protect Jewish settlers and broader security interests.

Coordination between Israeli and PA authorities generally takes place on a case-by-case basis and usually discreetly, given the political sensitivity for PA leaders to be seen “collaborating” with Israeli occupiers. The physical and psychological effects of Operation Defensive Shield linger. During the operation, which took place in early 2002 at the height of the second intifada, Israel reoccupied PA-controlled areas of the West Bank—demolishing many official PA buildings, Palestinian neighborhoods, and other infrastructure; and reinforcing many Palestinians' opinion that Israel retained ultimate control over their lives.

Many observers note signs of progress with PA security capacities and West Bank economic development, along with greater Israeli cooperation. It is less clear whether the progress they cite can be made self-sustaining and can be useful in promoting a broader political solution.⁴⁰ Some analysts are concerned that, without a functioning Palestinian legislature and with the prospect of future PA elections uncertain, the rule of President Abbas and Prime Minister Fayyad is becoming less legitimate and more authoritarian.

Gaza: Hamas De Facto Regime

After victory in the 2006 PA legislative elections, internal Hamas political and military leaders in the West Bank and Gaza gained greater power, and then consolidated this power in Gaza—while losing it in the West Bank—through violent struggle with Fatah in June 2007. They have maintained power in Gaza ever since—even following a three-week conflict with Israel in December 2008 and January 2009 (code-named “Operation Cast Lead” by Israel) that significantly damaged the territory's infrastructure. Since the conflict's end, Hamas has generally adhered to and enforced a de facto cease-fire with Israel. The quiet has allowed Hamas to rearm through Gaza's smuggling network—with much of its money, weapons, and other supplies reportedly originating in Iran.⁴¹ See **Figure 2** above for a map of Gaza.

Until late 2010, Israeli and Egyptian authorities had closed most of Gaza's border crossings to everything but a minimum of goods deemed necessary to meet basic humanitarian needs, as a result of Hamas's forcible takeover of the territory.⁴² This was ostensibly to deny Hamas materials

³⁹ The two agreements that define respective Israeli and PA zones of control are (1) the Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, dated September 28, 1995; and the Protocol Concerning the Redeployment in Hebron, dated January 17, 1997. East Jerusalem is excluded from these agreements, as Israel has annexed it.

⁴⁰ For a more detailed discussion of the issues raised in this paragraph, see CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

⁴¹ Given the reports of possibly reduced Iranian support in the wake of Hamas-Iran differences over the ongoing Syrian conflict, as discussed above, it is unclear what current Iranian material support (if any) includes.

⁴² In November 2005, Israel and the PA signed an Agreement on Movement and Access, featuring U.S. and European Union participation in the travel and commerce regime that was suppose to emerge post-Gaza disengagement, but this (continued...)

to reconstitute its military capabilities, but it also prevented progress toward reinstating pre-2007 living and working conditions. Hamas has bypassed Israeli restrictions and limitations on construction materials and dual-use items to some extent by encouraging and facilitating the expansion of a network of smuggling tunnels leading into Gaza from Egypt's Sinai Peninsula. In 2011 and 2012, Israeli relaxation of restrictions on imports and non-Israel/West Bank exports facilitated renewed growth, but widespread unemployment and poverty persist.

In many respects, UNRWA and other international organizations and non-governmental organizations take care of the day-to-day humanitarian needs of many of Gaza's 1.7 million residents. Hamas's record of internal governance appears mixed. Anecdotes suggest efforts by the Hamas-led regime in some cases to more broadly project Islamic norms on Gazan society, as well as some efforts to show restraint. Polls indicate that Gazans tend to have a less positive view of Hamas than West Bankers who have not experienced direct Hamas rule, but also that Gazans acknowledge Hamas's general success in establishing and maintaining law and order. Non-Hamas militants periodically fire rockets into Israeli territory despite the informal Hamas-Israel cease-fire—often provoking Israeli reprisals within Gaza. Nevertheless, it is possible that these groups fulfill a useful function for Hamas by providing it opportunities to tacitly permit or encourage attacks against Israel while avoiding direct responsibility.

Hamas's control of Gaza presents a conundrum for the PA, Israel, and the international community. They have not figured out how to assist Gaza's population without bolstering Hamas.⁴³ Breaking the political deadlock on Gaza could include one or more of the following: (1) actually implementing a political reunification of Gaza with the West Bank under a Palestinian factional power-sharing arrangement, (2) a general opening of Gaza's borders, (3) a formal Hamas-Israel cease-fire. There are concerns that if the status quo holds, the massive unemployment and dispiriting living conditions that have persisted and at points worsened since Israel's withdrawal in 2005 could contribute to further radicalization of the population, decreasing prospects for peace with Israel and for Palestinian unity and increasing the potential for future violence.

Israel disputes the level of legal responsibility for Gaza's residents that some international actors claim it retains—given its continued control of most of Gaza's borders, airspace, maritime access, and various buffer zones within the territory. It is unclear if the new Egyptian government's declared intent to allow freer access for passengers in and out of Gaza through the Rafah crossing will prefigure serious change to the overall border closure regime. The August 2012 Sinai-Israel attacks that killed 16 Egyptian security personnel and unsuccessfully attempted to breach an Israeli checkpoint may have involved Palestinian militants and could have significant implications for Hamas's relations with Egypt and for Palestinian-Israeli-Egyptian management of the borders and their crossings.

(...continued)

agreement was never fully implemented. In September 2007, three months after Hamas's takeover of Gaza, the closure regime was further formalized when Israel declared Gaza to be a "hostile entity."

⁴³ See, e.g., Ibrahim Barzak and Karin Laub, "Hamas entrenched in Gaza after 5 years of rule," *Associated Press*, June 23, 2012.

Appendix A. Key Palestinian Factions and Groups

Palestine Liberation Organization (PLO)

The Palestine Liberation Organization (PLO) is recognized by the United Nations (including Israel since 1993) as the sole legitimate representative of the Palestinian people, wherever they may reside. It is an umbrella organization that includes 10 Palestinian factions (but not Hamas or other Islamist groups). As described above, the PLO was founded in 1964, and, since 1969, has been dominated by the secular nationalist Fatah movement. Organizationally, the PLO consists of an Executive Committee,⁴⁴ the Palestinian National Council (or PNC, its legislature), and a Central Council.⁴⁵

After waging guerrilla warfare against Israel throughout the 1970s and 1980s under the leadership of the late Yasser Arafat from exile in Jordan, Lebanon, and Tunisia, the PNC declared Palestinian independence and statehood in 1988. This came at a point roughly coinciding with the PLO's decision to publicly accept the "land-for-peace" principle of U.N. Security Council Resolution 242 and to contemplate recognizing Israel's right to exist. The declaration had little practical effect, however, because the PLO was in exile in Tunisia and did not define the territorial scope of its state.⁴⁶ Nevertheless, the PLO refers to its Executive Committee chairman as the "President of the State of Palestine." The PLO recognized the right of Israel to exist in 1993 upon the signing of the Declaration of Principles (Oslo Accord) between the two parties.

While the PA maintains a measure of self-rule over various areas of the West Bank, as well as a legal claim to self-rule over Gaza despite its Hamas-led de facto regime,⁴⁷ the PLO remains the representative of the Palestinian people in negotiations with Israel and with other international actors. The PLO has a representative in Washington, DC (although it is not considered a formal diplomatic mission). Under the name "Palestine," the PLO is a member of UNESCO, maintains a permanent observer mission to the United Nations in New York and in Geneva, and has missions and embassies in other countries—some with full diplomatic status. The PLO also is a full member of both the Arab League and the Organization of Islamic Cooperation.

⁴⁴ In addition to Abbas, the PLO Executive Committee includes such figures as Yasser Abed Rabbo, Saeb Erekat, Ahmed Qurei, and Hanan Ashrawi. A full listing can be found in "Abbas shuffles PLO Executive Committee, ousts Qaddoumi," *Ma'an*, September 14, 2009.

⁴⁵ The PNC is supposed to meet every two years to conduct business, and consists of approximately 700 members, a majority of whom are from the diaspora. The PNC elects the 18 members of the Executive Committee, who function as a cabinet—with each member assuming discrete responsibilities—and the Executive Committee elects its own chairperson. In August 2009, the PNC convened for the first time since 1998 when Mahmoud Abbas (Chairman of the PLO Executive Committee) called an extraordinary session in Ramallah to hold new Executive Committee elections. The Central Council is chaired by the PNC president and has over 100 members—consisting of the entire Executive Committee, plus (among others) representatives from Fatah and other PLO factions, the Palestinian Legislative Council, and prominent interest groups and professions. The Central Council functions as a link between the Executive Committee and the PNC that makes policy decisions between PNC sessions. See <http://www.mideastweb.org/palestianparties.htm#PLO> as a source for much of the PLO organizational information in this paragraph.

⁴⁶ The declaration included the phrase: "The State of Palestine is the state of Palestinians wherever they may be." The text is available at <http://www.mideastweb.org/plc1988.htm>.

⁴⁷ The PA's legal claim to self-rule over Gaza is subject both to the original Oslo-era agreements of the 1990s and to the agreements between Israel and the PA regarding movement and access that were formalized in November 2005 shortly after Israel's withdrawal from Gaza. The Hamas-led de facto regime maintains the legal claim that it exercises legal PA authority in both Gaza and the West Bank because of Hamas's 2006 legislative election victory.

Fatah

Fatah, the secular nationalist movement formerly led by Yasser Arafat, has been the largest and most prominent faction in the PLO for decades. Since the establishment of the PA and limited self-rule in the West Bank and Gaza in 1994, Fatah has dominated the PA, except during the period of Hamas rule of government ministries and the PLC from 2006-2007. Yet, problems with internecine violence, widespread disenchantment with Fatah's corruption and poor governance, and the failure to establish a Palestinian state have led to popular disillusionment. The death of Arafat in 2004 removed a major Fatah unifying symbol, further eroding the movement's support as Mahmoud Abbas took over its leadership.

Additionally, the image of Fatah as the embodiment of Palestinian nationalism and resistance to Israeli occupation has gradually faded away. Although he is the head of the movement, Mahmoud Abbas generally carries out his PLO and PA leadership roles without close consultation with his nominal allies in Fatah. In a November 2009 report, the International Crisis Group said, in reference to Fatah's seemingly declining influence:

Resistance in the region is spearheaded by Islamic, not secular groups; Arafat is no more; diplomacy is President Abbas's preserve; Salam Fayyad's government dominates the West Bank, while Hamas controls Gaza. Far from being a big tent under which all Palestinian forces assemble, Fatah is being crowded out by competing forces.⁴⁸

This dynamic may have been further exacerbated by the transition in Egypt from the Abbas-friendly Hosni Mubarak to a more Hamas-friendly Muslim Brotherhood leadership.⁴⁹

For years, analysts have pointed to a split within Fatah between those of the "old guard" (mainly Arafat's close associates from the period of exile) and those of a "young guard" some believe to be more attuned to on-the-ground realities—personified by leaders such as the imprisoned (by Israel) but popular Marwan Barghouti. Cleavages and overlaps within and among these groups and the political coming-of-age of even younger Fatah partisans, combined with factors mentioned above that have eroded Fatah's support base and credibility, have created doubts regarding Fatah's long-term cohesion and viability.

Fatah's 1960s charter has never been purged of its clauses calling for the destruction of the Zionist state and its economic, political, military, and cultural supports.⁵⁰ Abbas routinely expresses support for "legitimate peaceful resistance" to Israeli occupation under international law, complemented by negotiations. However, some of the other Fatah Central Committee members are either less outspoken in their advocacy of nonviolent resistance than Abbas, or reportedly explicitly insist on the need to preserve the option of armed struggle.⁵¹

⁴⁸ International Crisis Group, *Palestine: Salvaging Fatah*, Middle East Report No. 91, November 12, 2009.

⁴⁹ International Crisis Group, *Light at the End of their Tunnels? Hamas & the Arab Uprisings*, op. cit.

⁵⁰ This is the case even though Fatah is the predominant member faction of the PLO, and the PLO formally recognized Israel's right to exist pursuant to the "Letters of Mutual Recognition" of September 9, 1993 (although controversy remains over whether the PLO charter has been amended to accommodate this recognition).

⁵¹ Itamar Marcus and Nan Jacques Zilberdik, Palestinian Media Watch Bulletin (translating and quoting various Arabic-language sources), January 18, 2011; Samuel Sokol, "Senior Palestinian Official Backtracks on 'End' of Israel Remarks," *Algemeiner*, September 26, 2011. The Al Aqsa Martyrs' Brigades is a militant offshoot of Fatah that emerged in the West Bank early in the second intifada and later began operating in Gaza as well. The group initially targeted only Israeli soldiers and settlers, but in 2002 began a spate of attacks on civilians in Israeli cities and in March (continued...)

Other PLO Factions and Leaders

Factions other than Fatah within the PLO include secular groups such as the Popular Front for the Liberation of Palestine (PFLP, a U.S.-designated Foreign Terrorist Organization), the Democratic Front for the Liberation of Palestine, and the Palestinian People's Party. All of these factions have minor political support relative to Fatah and Hamas.

A number of Palestinian politicians and other leaders without traditional factional affiliation have successfully gained followings domestically and in the international community under the PLO's umbrella, even some who are not formally affiliated with the PLO. Although these figures—such as Hanan Ashrawi (a female Christian) and Mustafa Barghouti—often have competing agendas, several of them support a negotiated two-state solution, generally oppose violence, and appeal to the Palestinian intellectual elite and to prominent Western governments and organizations.

Hamas and Other Non-PLO Factions

Hamas

No Palestinian movement has benefitted more from, or contributed more to, Fatah's weakening than Hamas, which is an Arabic acronym for the "Islamic Resistance Movement." Hamas, for many years the main Palestinian opposition force, grew out of the Muslim Brotherhood, a religious and political organization founded in Egypt in 1928 with branches throughout the Arab world. Since Hamas's inception, it has maintained its primary base of support and particularly strong influence in the Gaza Strip. This influence has increased since Hamas's political bureau was compelled to relocate from Syria in early 2012 following its break with the Assad regime as a result of the violent approach the regime took in seeking—unsuccessfully—to quell the ongoing popular uprising.

Hamas combines Palestinian nationalism with Islamic fundamentalism. Its founding charter commits the group to the destruction of Israel and the establishment of an Islamic state in all of historic Palestine.⁵² Written in 1988, Hamas's charter is explicit about the struggle for Palestine being a religious obligation. It describes the land as a *waqf*, or religious endowment, saying that no one can "abandon it or part of it." It calls for the elimination of Israel and Jews from Islamic holy land and portrays the Jews in decidedly negative terms, citing anti-Semitic texts. Some Hamas leaders have stated a conditional willingness to accept a long-term truce with Israel and a Palestinian state that does not include all of historic Palestine. However, some observers maintain that a decisive majority of Hamas members are unwilling to deviate from core principles of the

(...continued)

2002 was added to the State Department's list of Foreign Terrorist Organizations. According to terrorism experts, the group switched tactics to restore Fatah's standing among Palestinians at a time when Palestinian casualties were mounting, Hamas's popularity was rising, and Fatah was tainted by its cooperation with Israel during the Oslo years. Most of the Brigades' members were believed to have hailed from the Palestinian security forces. As part of the Fatah-led PA's effort to centralize control over West Bank security since Hamas's takeover of Gaza in mid-2007, the Brigades have (mainly voluntarily, partly through various amnesty programs) disbanded or at least lowered its profile in the West Bank.

⁵² For the English translation of the 1988 Hamas charter, see http://avalon.law.yale.edu/20th_century/hamas.asp.

movement—namely, its ability to resort to violence and its unwillingness to agree to a permanent peace or territorial compromise with Israel.⁵³

Hamas has a variety of movement-wide and regional leadership organs. It is not entirely clear who controls overall strategy, policy, and financial decisions, especially given the politburo's loss of a centralized, Iran-linked headquarters-in-exile following its early 2012 departure from Damascus. Overall policy guidance comes from a Shura Council, with reported representation from major constituent areas inside and outside the West Bank and Gaza. In the past decade, the politburo approved a more direct role for Hamas in Palestinian politics while reportedly maintaining a variety of funding sources and a militia armed largely by Iran.

Hamas increased in popularity among many Palestinians apparently because of its reputation as a less corrupt provider of social services than Fatah and because of the image it cultivates of resistance to Israeli occupation. Fatah's political standing among Palestinians has been undermined by the inability of the PLO to induce Hamas to moderate its core principles (discussed above) in return for a more formalized role in national leadership organs.

Hamas's politicization and militarization can be traced to the first intifada that began in the Gaza Strip in 1987. Hamas's founder and spiritual leader, the late Sheikh Ahmed Yassin, established Hamas as the Muslim Brotherhood's local political arm in December 1987, following the eruption of the intifada.⁵⁴ Hamas rejected the Israel-PLO agreements of the mid 1990s, boycotted the 1996 elections, and has waged an intermittent terrorist campaign to undermine the peace process and opportunities for its resumption. Its military wing, the Izz Al Din al Qassam Brigades,⁵⁵ has killed more than 400 Israelis.⁵⁶ The State Department designated Hamas as a Foreign Terrorist Organization (FTO) in 1997 in response to its perpetration of suicide bombings against Israeli civilians, and U.S. aid to the Palestinians has been tailored to bypass Hamas and Hamas-controlled entities. Many of Hamas's leaders, including Sheikh Yassin, have been assassinated by Israel.⁵⁷

⁵³ CRS interview in September 2010 with U.S. analyst covering Middle East terrorism at major Washington, DC think tank. See Steven Erlanger, "Academics View Differences Within Hamas," *New York Times*, January 29, 2006.

⁵⁴ Yassin had established the Islamic Center in Gaza in 1973. In subsequent years leading up to the intifada, Yassin's and his associates' activities—which led to Hamas's founding—were countenanced and sometimes supported by Israel, which believed the Islamists to be a convenient foil for the secular nationalist factions such as Fatah that Israel then perceived to be greater threats.

⁵⁵ Izz Al Din al Qassam was a Muslim Brotherhood member, preacher, and leader of an anti-Zionist and anti-British resistance movement during the Mandate period. He was killed by British forces on November 19, 1935.

⁵⁶ Figures culled from <http://www.mfa.gov.il/MFA/Terrorism-+Obstacle+to+Peace/Palestinian+terror+before+2000/Suicide%20and%20Other%20Bombing%20Attacks%20in%20Israel%20Since> and <http://www.mfa.gov.il/MFA/Terrorism-+Obstacle+to+Peace/Palestinian+terror+since+2000/Victims+of+Palestinian+Violence+and+Terrorism+sinc.htm>; and <http://www.jewishvirtuallibrary.org/jsource/Terrorism/TerrorAttacks.html>. In the aggregate, other Palestinian militant groups (such as Palestinian Islamic Jihad, the Fatah-affiliated Al Aqsa Martyrs' Brigades, and the Popular Front for the Liberation of Palestine) also have killed scores, if not hundreds, of Israelis since 1993.

⁵⁷ Israel assassinated Yassin (a quadriplegic confined to a wheelchair) on March 22, 2004, using helicopter-fired missiles, and then assassinated his successor in Gaza, Abdel Aziz al Rantissi, in the same manner less than one month later.

Other Rejectionist Groups

Several other small Palestinian groups continue to reject the PLO's decision to recognize Israel's right to exist and to negotiate a two-state solution. They remain active in the West Bank and Gaza and retain some ability to carry out terrorist attacks and other forms of violence to undermine efforts at cooperation and conciliation. Their activities sometimes complicate the challenges the Fatah-led PA and Hamas authorities, respectively, face in maintaining security and internal order in the West Bank and Gaza—especially when Gaza rocket attacks provoke Israeli reprisals.

Palestine Islamic Jihad (PIJ)

The largest of these other groups is Palestine Islamic Jihad (PIJ), a U.S.-designated Foreign Terrorist Organization that, like Hamas, is an offshoot of the Muslim Brotherhood. PIJ's secretary-general since 1995 has been Ramadan Abdullah Muhammad Shallah. Since 2000, PIJ has conducted several attacks against Israeli targets (including over 30 suicide bombings), killing scores of Israelis.⁵⁸ PIJ, estimated at a few hundred members, emerged in the 1980s in the Gaza Strip as a rival to Hamas. Inspired by the Iranian revolution, it combined Palestinian nationalism, Sunni Islamic fundamentalism, and Shiite revolutionary thought. PIJ seeks liberation of all of historic Palestine through armed revolt and the establishment of an Islamic state, but unlike Hamas has not established a social services network, formed a political movement, or participated in elections. Mainly for these reasons, PIJ has never approached the same level of support among Palestinians as Hamas. As a result of the ongoing civil conflict in Syria, which has reportedly included Asad regime attacks against Palestinian refugees, reports in August 2012 indicated that PIJ's top leadership may be in the process of leaving its Damascus headquarters-in-exile.⁵⁹ This could reflect a calculation by PIJ similar to the one Hamas presumably made, namely that popular Palestinian disdain for the Asad regime compelled a public break from it. Nevertheless, Iran appears to remain PIJ's chief sponsor.

Popular Front for the Liberation of Palestine-General Command (PFLP-GC)

Another—though smaller—Iran-sponsored militant group designated as an FTO is the Popular Front for the Liberation of Palestine-General Command (PFLP-GC). PFLP-GC is a splinter group from the PFLP and has a following among Palestinian refugees in Lebanon and Syria. PFLP-GC's founder and secretary-general is Ahmed Jibril. He reportedly remains based in Damascus and allied with the Asad regime.

Popular Resistance Committees

The Popular Resistance Committees (PRC) is a loose alliance of armed dissidents and militants that first appeared in the Gaza Strip in 2000.⁶⁰ The membership of the PRC encompasses both secular and Islamist Palestinian movements, including Fatah, Hamas, and the PFLP. The group

⁵⁸ See footnote 21.

⁵⁹ One report indicates that Shallah is already spending most of his time between Egypt, Lebanon, and Iran. Kifah Zaboun, "Islamic Jihad contemplate moving from Syria," *asharq-e.com*, August 4, 2012.

⁶⁰ An Israeli source on the PRC is The Meir Amit Intelligence and Information Center, "The Popular Resistance Committees: Portrait of the Terrorist Organization Responsible for the Series of Combined Terrorist Attacks North of Eilat, Israel's Southernmost City," August 23, 2011.

was implicated in the October 15, 2003, attack that killed three U.S. diplomatic security personnel in the Gaza Strip.⁶¹ In part to avenge the Israeli killing of the PRC's founder, Jamal Abu Samhadana, in June 2006 the PRC (along with Hamas and a splinter group calling itself the Army of Islam) launched the raid on an Israeli army post near the Gaza Strip that captured Israeli soldier Gilad Shalit and killed two of Shalit's comrades.⁶²

Salafist Militant Groups

A number of small but potentially growing Palestinian Salafist fundamentalist militant groups with an affinity for Al Qaeda-style ideology and tactics have arisen in the Gaza Strip.⁶³ These include the Army of Islam and a group known as Tawhid (Monotheism) and Jihad. These groups reportedly include several former Hamas militia commanders who have become disaffected with Hamas's informal cease-fires with Israel and other actions they perceive as having moderated Hamas's stance. They do not currently appear to threaten Hamas's rule in Gaza.⁶⁴ Yet, with enough influential adherents or outside support, these groups could possibly either pressure Hamas to renew active confrontation with Israel or pose a long-term challenge to its rule.

Palestinian Refugees

Of the some 700,000 Palestinians displaced during the 1947-1949 Arab-Israeli war, about one third ended up in the West Bank, one third in the Gaza Strip, and one third in neighboring Arab countries. They and their descendants now number approximately five million, with roughly one third living in refugee camps in the West Bank, Gaza, Jordan, Lebanon, and Syria. Jordan offered Palestinian refugees citizenship, partly owing to its previous unilateral annexation of the West Bank (which ended in 1988), but the other refugees in the region are stateless and therefore limited in their ability to travel. Refugees receive little or no assistance from Arab host governments and many (including those who do not live in camps) remain reliant on the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) for food, health care, and/or education. For additional information on UNRWA (including historical U.S. contributions) and recent congressional action concerning it, see CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

For many years, Congress has raised concerns about how to ensure that UNRWA funds are used for the programs it supports and not for terrorist activities or corrupt purposes. Refugee camps are not controlled or policed by UNRWA, but by the host countries or governing authorities.⁶⁵ Concerns also have been expressed about the content of textbooks and educational materials used by UNRWA, with claims that they promote anti-Semitism and exacerbate tensions between Israelis and Palestinians. UNRWA responds that the host country, not UNRWA, provides the

⁶¹ See Conal Urquhart, Chris McGreal, and Suzanne Goldenberg, "Palestinians bomb US convoy," *Guardian* (UK), October 16, 2003. The PRC claimed, and then later denied, responsibility for the attack, a roadside bomb that destroyed the van in which the men were traveling.

⁶² Shalit was freed in 2011, through Egyptian-mediated negotiations between Hamas and Israel, in exchange for more than 1,000 Palestinian prisoners.

⁶³ Tobias Buck, "Extremists pose growing threat in Gaza," *Financial Times*, April 18, 2011.

⁶⁴ See Nicolas Pelham and Max Rodenbeck, "Which Way for Hamas?" *New York Review of Books*, vol. 56, no. 17, November 5, 2009.

⁶⁵ UNRWA's responsibilities are limited to providing its services to refugees and administering its own installations. See UNRWA website at <http://www.un.org/unrwa/refugees/wheredo.html>.

textbooks and determines their content because students must take exams in host country degree programs. Additionally, UNRWA does integrate human rights-themed education into its school programs for both teachers and students.⁶⁶

For political and economic reasons, Arab host governments generally have not actively supported the assimilation of Palestinian refugees into their societies. Even if able to assimilate, many Palestinian refugees hold out hope of returning to the homes they or their ancestors left behind or possibly to a future Palestinian state. According to many observers, it is difficult to overstate the deep sense of dispossession and betrayal refugees feel over never having been allowed to return to their homes, land, and property. Some Palestinian factions have organized followings among refugee populations, and militias have proliferated in some refugee areas outside of the Palestinian territories, particularly in Lebanon.⁶⁷ Thus, the refugees exert significant pressure on both their host governments and the Palestinian leadership in the West Bank and Gaza to seek a solution to their claims as part of any final status deal with Israel. The growing endangerment of Palestinian refugees in Syria during the summer of 2012 could have implications both on developments there and for factional politics in the West Bank and Gaza.

⁶⁶ See <http://www.unrwa.org/etemplate.php?id=92>.

⁶⁷ A case in point is the small Palestinian-associated Islamist fundamentalist militant group known as Fatah al Islam. In 2007, Fatah al Islam was battled and eventually defeated by Lebanese security forces in and around Tripoli and the Nahr al Bared refugee camp. Numbering between 100 and 300, this group was variously described by some as being mainly Palestinian, and by others as more pan-Arab, and as having ties to Al Qaeda or to Syrian intelligence.

Appendix B. Key Palestinian Leaders

Mahmoud Abbas (aka “Abu Mazen”) – Fatah

Born in 1935 in Safed in what is now northern Israel, Abbas and his family left as refugees for Syria in 1948 when Israel was founded. He earned a B.A. in law from Damascus University and a Ph.D. in history from Moscow’s Oriental Institute.⁶⁸ Abbas was an early member of Yasser Arafat’s Fatah movement, joining in Qatar, and became a top deputy to Arafat and head of the PLO’s national and international relations department in 1980. Abbas initiated dialogue with Jewish and pacifist movements as early as the 1970s, and, as the head of the Palestinian negotiating team to the secret Oslo talks in the early 1990s, is widely seen as one of the main architects of the peace process.⁶⁹

Abbas returned to the Palestinian territories in September 1995 and took residences in Gaza and Ramallah. Together with Yossi Beilin (then an Israeli Labor Party government minister), Abbas drafted a controversial “Framework for the Conclusion of a Final Status Agreement Between Israel and the PLO” (better known as the “Abu Mazen-Beilin Plan”) in October 1995.⁷⁰ In March 2003, Abbas was named the first PA prime minister, but never was given full authority because Arafat (the PA president) insisted that ultimate decision-making authority and control over security services lie with him. Abbas resigned as prime minister in frustration with Arafat, the United States, and Israel in September 2003.

Following the death of Yasser Arafat in November 2004, Abbas succeeded Arafat as chairman of the PLO’s Executive Committee, and he won election as Arafat’s successor as PA president in January 2005 with 62% of the vote. His presidency has been marked by events that include Israel’s 2005 unilateral withdrawal from Gaza; the January 2006 Hamas legislative electoral victory, the June 2007 Hamas takeover of Gaza; the 2007-2008 U.S.-supported Annapolis negotiating process with Israeli Prime Minister Ehud Olmert; unsuccessful PLO insistence on a complete Israeli settlement freeze in 2009-2010; and attempts in 2011-2012 to gain greater international recognition of Palestinian statehood. Many reports indicate that Abbas has taken several actions and positions reluctantly, and is motivated by a complex combination of factors that include resisting challenges to his personal authority, preventing destabilization and violence, and maintaining as many political and diplomatic options as possible. Some observers allege that his rule is becoming increasingly authoritarian and corrupt.

⁶⁸ Some Jewish groups allege that Abbas’s doctoral thesis and a book based on the thesis (entitled *The Other Side: The Secret Relationship Between Nazism and Zionism*) downplayed the number of Holocaust victims and accused Jews of collaborating with the Nazis. Abbas has maintained that his work merely cited differences between other historians on Holocaust victim numbers, and has stated that “The Holocaust was a terrible, unforgivable crime against the Jewish nation, a crime against humanity that cannot be accepted by humankind.” “Profile: Mahmoud Abbas,” *BBC News*.

⁶⁹ Yet, one of the Black September assassins involved in the 1972 Munich Olympics terrorist attack that killed 11 Israeli athletes has claimed that Abbas was responsible for financing the attack, even though Abbas “didn’t know what the money was being spent for.” Alexander Wolff, “The Mastermind,” *Sports Illustrated*, August 26, 2002.

⁷⁰ The Abu Mazen-Beilin plan contemplated a two-state solution that, among other things, would create a special mechanism for governing Jerusalem that would allow it to function as the capital of both Israel and Palestine, and would resolve the Palestinian refugee issue by allowing return to Israel only in special cases and providing for a compensation regime and resettlement elsewhere in most others. Its existence was denied for five years until its text was made public in 2000. Text available at <http://www.bitterlemons.org/docs/beilinmazen.html>.

Salam Fayyad

Salam Fayyad is the PA prime minister. He is not a member of either Fatah or Hamas, although PA President Mahmoud Abbas (of Fatah) appointed him to his current position. Many believe that U.S. and international confidence in Fayyad is the primary reason he obtained and maintains his position. Many Western and some Arab analysts praise Fayyad's institution-building, reform, and development plans for greater Palestinian self-reliance and "de facto statehood" as an alternative to Palestinian narratives of victimhood and violent resistance. More skeptical analysts see Fayyad's plan as reinforcing Israel's occupation of the West Bank by reducing its costs.

Born in 1952 in the West Bank, Fayyad received a Ph.D. in economics from the University of Texas, and has worked with the World Bank, the International Monetary Fund, and the Arab Bank. He was elected to the PLC in 2006 as a member of the small centrist Third Way Party that also includes the prominent female leader Hanan Ashrawi. He served as finance minister from 2002-2005, again from March to June 2007 (in a national unity government including both Fatah and Hamas), and again (while also serving as prime minister) from June 2007 to May 2012 following President Abbas's dismissal of Hamas ministers from the government in response to Hamas's Gaza takeover. In May 2012, in the midst of the ongoing PA budget crisis, Fayyad was replaced as finance minister by another political independent, Nabil Kassis.

Fayyad has been attacked as an illegitimate political actor by Hamas and others because his appointment by Abbas as prime minister was made without legislative backing. He also has faced resistance from Fatah loyalists for actions that one might characterize either as independent in the face of an entrenched patronage-based system, or as political opportunism aimed at expanding his currently small political base. He has publicly supported the concept of Palestinian unity, even though a consensus Fatah-Hamas PA government could lead to the end of his term in office.

Khaled Meshaal – Hamas⁷¹

Khaled Meshaal, based in Doha, Qatar, is the chief of Hamas's political bureau. He was named a specially designated global terrorist (SDGT) by the Treasury Department in August 2003.

Born in 1956 near Ramallah in the West Bank, Meshaal (alternate spellings: Mishal, Mashal) moved with his family to Jordan in 1967 following Israel's occupation of the West Bank in the June Arab-Israeli ("Six-Day") War. As a student and schoolteacher in Kuwait, he became a leader in the Palestinian Islamist movement. After the founding of Hamas in 1987, Meshaal led the Kuwaiti branch of the organization, then moved to Jordan in 1991 after Iraq's invasion of Kuwait. He took over as Hamas politburo chief following the 1995 U.S. arrest of then chief Musa Abu Marzouk, who was released in 1997 and now serves as Meshaal's Cairo-based deputy.

In September 1997, Meshaal was targeted in Amman by the Mossad (Israel's foreign intelligence service) in an assassination attempt that became a major international incident. This culminated in King Hussein of Jordan threatening to abrogate the 1994 Israel-Jordan peace treaty in order to get Binyamin Netanyahu (in his first stint as Israeli prime minister) to supply an antidote to the nerve toxin to which Meshaal had been exposed.⁷² After the Hamas leadership was expelled from

⁷¹ See also "Khaled Mishal, external leader, Hamas Political Bureau," *Jane's Intelligence Weekly*, December 16, 2009.

⁷² For a detailed account of the failed assassination attempt and Meshaal's rise to power within Hamas, see McGeough, *op. cit.*

Jordan in November 1999, Meshaal first moved to Doha, Qatar, then settled two years later in Damascus, Syria, where he was based until the ongoing civil conflict led to the relocation of Hamas's external leadership in early 2012.

Meshaal became acknowledged as Hamas's overall leader in 2004, following the assassination of Abdel Aziz al Rantissi by Israel. Meshaal also serves as Hamas's top diplomat, often traveling and meeting with various governments and political leaders—including European legislators and former President Jimmy Carter. Reports indicate that Meshaal's leadership and influence within Hamas has been challenged in 2012. This may be partly because of disputes between Meshaal and his loyalists with several prominent Hamas leaders—including many based in Gaza—regarding Meshaal's perceived focus on political means of resistance at the expense of military means. Meshaal may also face challenges owing to the external leadership's reduced cohesion and control over various channels of influence and funding following its exile from Damascus.

Ismail Haniyeh—Hamas

Ismail Haniyeh is Hamas's "prime minister" in Gaza.

Haniyeh was born in or around 1955 in the Shati refugee camp in the Gaza Strip. In 1989, he was imprisoned for three years by Israeli authorities for participation in the first intifada. Following his release in 1992, he was deported to Lebanon along with approximately 400 other Hamas activists, but was eventually allowed to return to Gaza in 1993. Upon his return, he was appointed dean of the Islamic University, and became the leader of Hamas's student movement. He was closely associated with Hamas co-founder and spiritual leader Sheikh Ahmed Yassin, and, following the assassination of Yassin and much of the Hamas leadership in 2004, became a prominent Hamas leader in Gaza.

Haniyeh favored Hamas's participation in the 2006 PLC elections, and headed the Hamas list of candidates. Following Hamas's victory, he served as PA prime minister from March 2006 until June 2007. Following Hamas's takeover of Gaza and Abbas's dismissal of its ministers from the PA government in the West Bank, Hamas has continued to insist that Haniyeh is the PA prime minister, and he is treated as such in Gaza. In Palestinian opinion polls for hypothetical presidential elections, Haniyeh sometimes runs close to Mahmoud Abbas in head-to-head pairings.

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