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## The Palestinians: Overview and Key Issues for U.S. Policy

The Palestinians are an Arab people whose origins are in present-day Israel, the West Bank, and the Gaza Strip (Gaza). Their conflict with Israel has garnered significant U.S. policy attention since the Cold War, with some major developments occurring during the Trump Administration (see “Key U.S. Policy Issues” below). Israel’s military gained control over the West Bank and Gaza in the 1967 Arab-Israeli War, but in 1994 Israel agreed to permit a Palestinian Authority (PA) with various governmental functions to have some limited authority—via arrangements with the Palestine Liberation Organization (PLO)—over Gaza and specified areas of the West Bank. Fatah, a traditionally secular Arab nationalist faction, is the predominant force within the PA and PLO. In 2007, two years after a unilateral Israeli withdrawal from Gaza, the Sunni Islamist group Hamas (a U.S.-designated terrorist organization) forcibly seized control of Gaza and has exercised de facto authority there ever since—leaving the Palestinians subject to divided rule. Israel retains overall control of the West Bank and patrols Gaza’s frontiers (other than those with Egypt), airspace, and maritime access.

The PA held occasional elections for president and a legislative council until a Hamas victory in 2006 legislative elections. Since then, it has ruled by presidential decree. Given the West Bank-Gaza split, it is unclear if and when presidential and legislative elections will be held again.



Source: Economist Intelligence Unit

Note: West Bank and Gaza Strip borders remain subject to Israeli-Palestinian negotiation.

Of the approximately 12.4 million Palestinians worldwide, about 4.8 million (98% Sunni Muslim, 1% Christian) live in the West Bank and Gaza. About 1.5 million additional Palestinians are citizens of Israel, and 6.1 million more live

elsewhere. Of the total Palestinian population, around 5.4 million (roughly 44%) are refugees (living in the West Bank, Gaza, Jordan, Lebanon, and Syria) whose claims to land in present-day Israel constitute a major issue of Israeli-Palestinian dispute. The U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) provides assistance (such as health care, education, and housing) to Palestinian refugees.

Since the dissolution of the Ottoman Empire at the end of World War I, major world powers and international organizations have unsuccessfully sought a sustained political resolution to disputes between Jews and Arabs in historic Palestine regarding territorial control, governance, and security. Numerous formal or informal armed conflicts have ensued between Israelis and Arabs (including Palestinians), and the nature of the political problem has evolved over time.

Since the 1990s, a number of U.S.-brokered Israeli-Palestinian efforts to reach a final-status agreement have made little or no progress in that direction. Unilateral actions by both Israelis and Palestinians—including Israeli settlement expansion in the West Bank and security measures, and PLO/PA initiatives in international organizations—became more controversial after a breakdown in the Oslo peace process and the beginning of the second Palestinian *intifada* (uprising) in 2000-2001. In the past two decades, other regional political and security issues have taken some of the global attention from Palestinian issues.

### Fatah, Palestinian Authority, and West Bank

Fatah leaders Yasser Arafat (1994-died 2004) and Mahmoud Abbas have headed the PA since its creation. Both Abbas’s age (b. 1935) and reports in 2018 of deteriorating health have contributed to widespread speculation about who might lead the PA and PLO upon the end of his tenure. Possible successors to Abbas include:

- **Marwan Barghouti** often leads in opinion polls, but is imprisoned by Israel for terrorist-related offenses allegedly committed during the second intifada.
- **Muhammad Dahlan** was a top security figure in Gaza who enjoys support from some Arab states, but he was expelled from Fatah in 2011 and is currently based in the United Arab Emirates.
- **Majid Faraj** (arguably the security figure most trusted by Abbas), **Saeb Erekat** (a top PLO negotiator), and **Salam Fayyad** (a previous PA prime minister) are prominent and well-connected, but have questionable political clout with domestic constituencies. **Mahmoud al Aloul** and **Jibril Rajoub** have political heft within Fatah, but relatively less international experience.

Since the West Bank-Gaza split, the United States and other Western countries generally have sought to bolster the Abbas-led PA vis-à-vis Hamas, including through the provision of economic and nonlethal security assistance. The security assistance reinforces ongoing Israel-PA security coordination, but with polls suggesting widespread Palestinian opposition to the coordination, questions persist about its duration without significant diplomatic progress. Observers debate whether international aid can help West Bankers become more self-sufficient if Israel does not significantly loosen constraints on the movement of people and goods.

### Hamas and Gaza

Hamas controls Gaza through its security forces and obtains resources from smuggling, informal “taxes,” and reported external assistance from some Arab sources and Iran. Hamas also maintains a presence in the West Bank and a political bureau that conducts the movement’s worldwide dealings. Gaza-based **Ismail Haniyeh** is the leader of Hamas’s political bureau. There is some speculation that Hamas’s military wing (the Izz ad Din al Qassam Brigades) seeks to drive political decisions via its control over security. **Yahya Sinwar**, a Qassam Brigades leader, is also Hamas’s designated leader for Gaza.

Hamas apparently seeks to supplant Fatah as the leading faction in the Palestinian national movement. It appeals to some Palestinians with its militant stance, which formally rejects Israel’s existence. Hamas and other Gaza-based militants have engaged in three significant conflicts with Israel (2008-2009, 2012, 2014). In each conflict, the militants launched rockets indiscriminately toward Israeli targets, and Israeli military responses largely decimated Gaza’s infrastructure. The actions on both sides fueled debate over various legal and ethical issues. They also exacerbated a conundrum for third-party countries and international organizations, which encounter difficulty in rebuilding Gaza’s infrastructure without bolstering Hamas.

A sharp decrease in PA and external funding to Gaza since 2017 has worsened already difficult humanitarian conditions there. This has led some international observers and Israeli officials to warn of an impending crisis, and some Members of Congress to call in 2018 for urgent U.S. assistance to alleviate suffering. According to the World Bank, Gazans’ real per capita incomes have fallen by one-third since 1994, owing largely to the West Bank-Gaza split and to Israel’s and Egypt’s tight controls on goods and people transiting Gaza’s borders.

Violence periodically flares between Gazans and Israel’s military. In 2018, Hamas has reportedly encouraged actions from Gaza that are challenging for Israel to target militarily. These include protests that sometimes feature rudimentary weapons, and flaming kite or balloon launches that damage Israeli land but pose relatively little danger to people. At the same time, Hamas is reportedly keeping options open for a long-term cease-fire with Israel.

Fatah and Hamas have reached a number of Egypt-brokered agreements aimed at ending the West Bank-Gaza split. However, key provisions remain unimplemented, with Hamas still effectively in control despite PA responsibility for some civil services and border crossings.

### Key U.S. Policy Issues

During the first year of the Trump Administration, the Palestinians welcomed diplomatic efforts on the Israeli-Palestinian peace process. However, the PLO/PA stance changed in December 2017 after President Trump recognized **Jerusalem** as Israel’s capital and announced his intention to relocate the U.S. embassy there from Tel Aviv. Alleging U.S. bias toward Israel, Palestinian leaders broke off high-level political contacts with the United States and sought support from other international actors.

The Palestinian response to the U.S. policy on Jerusalem appears to have influenced Administration decisions to **reprogram U.S. aid** initially allocated to the Palestinians, **end contributions to UNRWA** for Palestinian refugees, and **close the PLO’s representative office** in Washington, DC. According to a September 2018 State Department statement, the PLO office closure “is also consistent with Administration and Congressional concerns with Palestinian attempts to prompt an investigation of Israel by the International Criminal Court.” The Administration reportedly still intends to introduce a peace process proposal. However, prospects for renewed negotiations appear dim, with Palestinian leaders insisting that the Trump Administration has aligned itself with Israel to predetermine key diplomatic outcomes regarding Jerusalem and refugees. Top U.S. officials, meanwhile, assert that they are discarding failed diplomatic frameworks of the past and helping the Palestinians come to terms with the realities they will face in a future negotiation.

The Administration has made the following specific funding decisions in the second half of 2018. In August, it announced that \$200 million in FY2017 economic aid originally appropriated for the Palestinians would be reprogrammed elsewhere as a matter of national interest. In September, the Administration disclosed that an additional \$25 million for East Jerusalem hospitals would be reprogrammed, and that Palestinians would not participate in an Arab-Jewish conflict management and mitigation initiative (\$10 million allocated for FY2017) that had included them since 2004. Also in September, the Administration announced that it would end all U.S. contributions to UNRWA, leading UNRWA officials to appeal to other Western and Arab countries for funding to cover a 2018 budget shortfall of approximately \$200 million. Observers, including some within Israeli official circles, debate the merits of funding reductions or cutoffs, referencing anticipated effects on regional stability, humanitarian concerns (especially in Gaza), and political leverage. For more information and background, see CRS Insight IN10964, *Decision to Stop U.S. Funding of UNRWA (for Palestinian Refugees)*, by Jim Zanotti and Rhoda Margesson; and CRS Report RS22967, *U.S. Foreign Aid to the Palestinians*, by Jim Zanotti.

Congress’s enactment of the **Taylor Force Act** (Title X of P.L. 115-141) in March 2018 withheld most economic aid that “directly benefits” the PA unless the PA terminates **payments “for acts of terrorism,”** among other things.

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