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

The Palestinians and their ongoing disputes and interactions with Israel raise significant issues for U.S. policy. U.S.-Palestinian tensions have risen in connection with Trump Administration actions on Israeli-Palestinian matters such as Jerusalem and aid (see “Key U.S. Policy Issues” below).

The Palestinians are an Arab people whose origins are in present-day Israel, the West Bank, and the Gaza Strip (Gaza). Fatah, an Arab nationalist faction, is the driving force within the Palestine Liberation Organization (PLO), which represents Palestinians internationally. The Sunni Islamist group Hamas (a U.S.-designated terrorist organization) has not accepted PLO recognition of Israel and constitutes the main opposition to Fatah.

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 (registered 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.



Source: Economist Intelligence Unit.

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

International attention to the Palestinians’ situation increased after Israel’s military gained control over the West Bank and Gaza in the 1967 Arab-Israeli War. Direct U.S. engagement with Palestinians in the West Bank and Gaza dates from the establishment of the Palestinian Authority (PA) in 1994. In the past decade, other regional

political and security issues have taken some of the global attention from Palestinian issues.

Timeline of Key Events Since 1993

1993-1995	Israel and the PLO mutually recognize each other and establish the PA, which has limited self-rule (subject to overall Israeli control) in the Gaza Strip and specified areas of the West Bank.
2000-2005	Clinton Administration is unable to broker an Israel-PLO peace agreement; second Palestinian <i>intifada</i> affects prospects for Israeli-Palestinian peace, leads to tightened Israeli security in the West Bank, and complicates the U.S. third-party role.
2004-2005	PLO Chairman/PA President Yasser Arafat dies; Mahmoud Abbas succeeds him.
2005	Israel unilaterally disengages from Gaza, but remains in control of airspace and land/maritime access points; Israeli settlements continue to expand in the West Bank (including East Jerusalem).
2006	Hamas wins majority in Palestinian Legislative Council and leads new PA cabinet; Israel, United States, and European Union confine relations to PA President Abbas.
2007	West Bank-Gaza split: Hamas seizes control of Gaza Strip; Abbas reorganizes PA cabinet to lead West Bank; this remains the status quo to date.
2007-present	Various rounds of U.S.-brokered Israeli-Palestinian peace negotiations (the last in 2013-2014) end unsuccessfully; PLO/PA increases efforts to gain membership in or support from international organizations.
2017-present	Trump Administration takes various actions, including recognizing Jerusalem as Israel’s capital; U.S.-Palestinian tensions increase.

PLO/PA: Governance, Security, and Succession

The PA held occasional elections for president and a legislative council until the Hamas victory in the 2006 legislative elections. Since then, it has ruled by presidential decree, and some NGOs have criticized its actions on rule of law and civil liberties. Given the West Bank-Gaza split in 2007, it is unclear if and when elections will take place again. Despite this uncertainty, PA leaders have publicly contemplated holding elections sometime in 2020.

The United States and some other countries sought to bolster the Abbas-led PA in the West Bank vis-à-vis Hamas, including through economic and nonlethal security assistance. However, U.S. aid shrank considerably in 2018

and ended completely in early 2019. Assistance for Palestinians continues from European Union and Arab Gulf states. Israel-PA security coordination, which has contributed to the West Bank's stability since the end of the second intifada, continues amid some Palestinian criticism.

Mahmoud Abbas's age (b. 1935) and reports of deteriorating health have contributed to speculation about who might lead the PA and PLO upon the end of his tenure. There are a number of possible successors. Majid Faraj (arguably the adviser most trusted by Abbas), Saeb Erekat (the PLO's top negotiator), and Salam Fayyad (a previous PA prime minister) have major profiles internationally, but limited domestic popular support. Mohammed Shtayyeh (PA prime minister since March 2019 and a close Abbas confidant) is an internationally visible Fatah insider. Other key Fatah figures include Mahmoud al Aloul and Jibril Rajoub. Marwan Barghouti attracts significant popular support, but has been imprisoned by Israel since 2002. Muhammad Dahlan enjoys support from some Arab states, but was expelled from Fatah in 2011.

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. Yahya Sinwar, Hamas's leader for Gaza, came from Hamas's military wing.

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 Israel, and Israeli military strikes largely decimated Gaza's infrastructure. The actions on both sides exacerbated a conundrum for third-party countries and international organizations that seek to rebuild Gaza's infrastructure without bolstering Hamas.

Difficult living conditions for Palestinians in Gaza persist and are exacerbated by uncertainties regarding external funding. This has led some international observers and Israeli officials to warn of a crisis, and some Members of Congress to call for a resumption of U.S. assistance to help alleviate suffering. Israeli-approved cash transfers from Qatar since late 2018 have provided some relief for Gazans. To the extent that outside contributions replace funding from the West Bank-based PA—whose actions suggest some ambivalence over taking responsibility for Gaza—they could undermine prospects for West Bank-Gaza unity. According to the World Bank, Gazans' real per capita incomes fell by one-third between 1994 and 2017, owing partly to Israel and Egypt's tight controls on goods and people transiting Gaza's borders.

Violence flares regularly between Gazans and Israel's military, periodically escalating toward larger conflict. However, Hamas largely refrained from involving itself in exchanges of fire between Israel and Palestine Islamic Jihad militants that occurred in November 2019. Some observers have argued that this restraint might demonstrate interest by Hamas in a years-long calm with Israel, though action toward that end could lose Hamas support from Palestinians who warn against abandoning armed resistance to Israel.

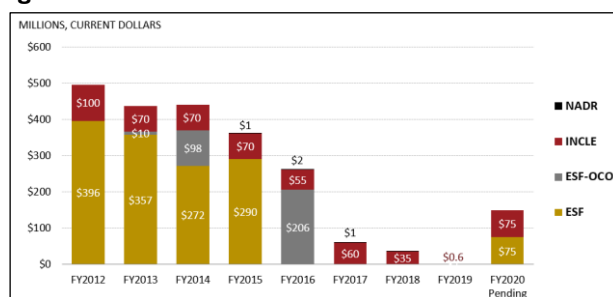
Fatah and Hamas have reached a number of Egypt-brokered agreements aimed at ending the West Bank-Gaza split. However, problems with implementation have left Hamas in control despite PA responsibility for some civil services.

Key U.S. Policy Issues

The Trump Administration has clashed politically with Mahmoud Abbas and the PLO/PA. After President Trump recognized Jerusalem as Israel's capital in December 2017 and announced his intention to relocate the U.S. embassy there, Abbas broke off high-level political contacts with the United States and turned to other international actors.

Since then, the Trump Administration significantly reduced bilateral aid to the West Bank and Gaza, discontinued contributions to UNRWA for Palestinian refugees, closed the PLO's representative office in Washington, DC, and subsumed the U.S. consulate general in Jerusalem within the U.S. embassy to Israel.

Figure 1. U.S. Bilateral Assistance to the Palestinians



Sources: U.S. State Department and USAID, adapted by CRS.

Notes: All amounts are approximate. Amounts stated for FY2020 reflect pending appropriation amounts from the H.R. 1865 joint explanatory statement. NADR = Nonproliferation, Antiterrorism, Demining, and Related Programs, INCLE = International Narcotics Control and Law Enforcement, ESF = Economic Support Fund, OCO = Overseas Contingency Operations.

Congress enacted the Anti-Terrorism Clarification Act in 2018 (ATCA; P.L. 115-253). Under ATCA, as of February 2019 the PA refused to accept any U.S. bilateral aid in the West Bank and Gaza—including nonlethal security assistance that Israel supports—because doing so might subject the PLO/PA to legal liability in U.S. courts. Section 903 of H.R. 1865 (an FY2020 appropriations bill), if enacted in December 2019, could amend ATCA by removing U.S. aid as a trigger for potential PLO/PA legal liability. The amendment could lead to U.S.-PA discussions on possibly resuming some aid (per **Figure 1** for FY2020), despite other potential liability triggers and (per the Taylor Force Act, Title X of P.L. 115-141) possible limitations on economic (including humanitarian and development) aid.

The Trump Administration claims that it has prepared a peace plan, but numerous delays have led to doubts over whether it will be released. Citing U.S. statements that may favor Israel's positions on a range of contested issues, including the legality of West Bank settlements, Palestinian leaders claim that the Administration has aligned itself with Israel to predetermine key diplomatic outcomes.

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