

Update Briefing

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Toward a Lasting Ceasefire in Gaza

I. Overview

More than seven weeks after the most devastating war yet waged in Gaza, its underlying causes remain unresolved. Hamas did not achieve an end to Gaza's closure; Israel did not attain the demilitarisation of the Strip or Hamas. The Palestine Liberation Organisation (PLO) remains unrepresentative and its credibility continues to fade. Fatah's popularity has sunk while Hamas's has increased to levels unseen since its 2006 electoral victory. Small steps toward reconciliation between Hamas and the PLO have been taken, but they are very distant from the end goal of a unified, representative Palestinian leadership. But in reconciliation lies the only hope of achieving a sustainable ceasefire and, more broadly, of bringing Palestinians in Gaza and the West Bank under one authority.

Israel, much of the PLO and the international community fear the possible consequences of integrating Hamas into the Palestinian national movement, as is called for in the Hamas-PLO reconciliation agreement signed on 23 April 2014. At the same time, many recognise that thwarting even the partial implementation of that agreement pushed a desperate Hamas toward war. So they, together with Hamas, have settled for the time being on a temporary fix, which is forestall robust PLO reform while permitting some significant but limited steps toward Palestinian reconciliation, including allowing the new Palestinian Authority (PA) government, formed on 2 June 2014, to regain formal control of Gaza, patrol its borders, staff its crossings, and pay salaries to employees previously paid by Hamas, all while leaving Hamas's military wing as the strongest power within Gaza and the true guarantor of security there.

This arrangement, should it crystallise, would allow all parties to pursue their short-term interests. Hamas would be able to rebuild its military capabilities (albeit faced with greater obstacles than in the past), and Gaza's population would receive aid and reconstruction. The Palestinian Authority would have the opportunity to gain a foothold in Gaza. The PLO, though concerned that it will be helping to strengthen Hamas and reward its violence, will secure increased Western support and be able to more credibly claim that it represents all Palestinians. And Israel would enjoy quiet for a period of unknown but longer duration than in the past, as it and Hamas prepare for the next battle.

With Gaza and Israel having fought their third war in six years, a more lasting respite would be welcome. Of course avoiding another eventual war requires a longer-term strategy that helps establish a Palestinian state. But with two-state negotiations

in hiatus, the best the parties can hope for today is a more stable, durable ceasefire. This will depend not only on ensuring that the reconciliation agreement is implemented, but also on a significant change in Israeli policy toward Gaza. There are nascent indications of a belated realisation among policymakers that constricting the territory has compromised Israel's security and helped bring about the war. The extent of these indications will be crystallised in indirect ceasefire talks between Israel and Hamas, scheduled for late October. Another set of upcoming negotiations, between Hamas and the PLO, will be no less important, as Gaza cannot hope for real change if the PA's technocratic government of national consensus does not take up its responsibilities – at least regarding Gaza's borders and the payment of its government employees.

If a stable *modus vivendi* is not reached, the new PA government is at risk of collapsing, and with it, reconstruction, development and short-term stability for Israel and for Gaza. To prevent this, the parties should:

- ❑ **Address the salary crisis by ensuring the bulk of civil servants hired since 2007 are paid.** A Swiss-Norwegian-UN mechanism, which provides for paying these civil servants during a three-month period while they are vetted to exclude militants and the payroll rationalised, should be prioritised and implemented quickly. After the vetting process, donors should ensure a sustainable way to pay these employees.
- ❑ **Consolidate the national consensus government.** While the Palestinian Authority's dependence on Western funding means that reconciliation can advance only in adherence with Quartet Principles, much can be done: PLO reform, addressing social aspects of reconciliation (including the resolution of disputes over deaths and injuries from Hamas-Fatah fighting in 2006-2007), increasing personal and political freedoms for Fatah in Gaza and Hamas in the West Bank, reactivating the Palestinian Legislative Council, and overseeing Gaza reconstruction by a committee comprised of representatives of all factions.
- ❑ **Facilitate the movement of goods and people into and out of Gaza to enable reconstruction and stabilise daily life.** So long as cement can be accounted for under the rigorous mechanism established to monitor so-called dual-use materials, and assurances provided that it is not being diverted for uses other than those intended, Israel should not block the functioning of the mechanism even should it discover tunnel construction that has utilised cement acquired through some other means. Donors should make ensuring the smooth functioning of the mechanism a priority.
- ❑ **Increase travel through the Rafah crossing, Gaza's primary outlet to the outside world.** Egypt will continue to make any changes at the Rafah crossing subject to its national security considerations, but it has long stated that it will greatly reduce restrictions once the PA's security forces have begun working at the crossing and along the Gaza-Egypt border. The international community should encourage Egypt and the PA to live up to their pledges.

The international community will have a big role to play. Donors must do more than merely pledge money, which will achieve little if projects they fund cannot be implemented. Donor states must press both Israel and the Palestinian Authority to do their part. This requires supporting at least minimalist Palestinian reconciliation, a

sine qua non of PA activity in Gaza, which in turn is necessary for reconstruction, without which a durable ceasefire is unlikely to hold.

In this new Arab era, this necessity holds no less for regional powers such as, on one side, Saudi Arabia, the United Arab Emirates and Egypt, and, on the other, Qatar and Turkey. With the region polarised into Islamist and anti-Islamist camps – and with Hamas, an offshoot of the Muslim Brotherhood, sitting directly on the fault line – Western reluctance to engage Hamas and encourage a joint Palestinian agenda is now but one among several large obstacles standing in its way. That in the current moment Israel seems to have more interest than many of its Arab neighbours in boosting Gaza is certainly an ironic complicating factor – but so too does it offer an opportunity that should be grasped.

II. A War to Change the Status Quo

Following the ouster of President Mohamed Morsi and the Muslim Brotherhood, conditions in Gaza steadily worsened.¹ The new Egyptian regime viewed Hamas as an extension of its domestic enemy, the Muslim Brotherhood. Egypt greatly restricted travel at the Rafah crossing, Gaza's primary gateway to the outside world. It destroyed most of the tunnels connecting Gaza to Egypt.² Taxes levied by the Hamas government on the goods coming through these tunnels had been used to pay the majority of salaries to government employees in Gaza.

Isolated economically and politically, Hamas agreed in April 2014 to reconcile with the Fatah-led PLO on terms overwhelmingly favourable to Fatah.³ In exchange for Hamas's concessions in formally relinquishing control over Gaza – in the make up of the new government, which did not contain a single Hamas-affiliated individual and retained numerous ministers, including close Abbas associates, from the previous government; and in accepting the entry of PA security forces into Gaza – the Islamist movement expected two things: first, increased freedom of movement for Gaza residents through the Rafah crossing, and, secondly, for the new Palestinian government to assume responsibility for the payment of salaries to all employees in Gaza, including the roughly 43,000 (26,000 according to Hamas) hired during the nearly seven years of Hamas rule and hitherto paid by the Gaza government.

Thus far the PLO has avoided taking responsibility for these salaries, fearing not only that this could elicit Israeli sanctions and jeopardise U.S. and perhaps EU funding but also that it would be on the hook to continue paying the salaries after temporary funding sources had run dry.⁴ Neither of Hamas's expectations materialised, creating an increasingly intolerable and highly unstable situation in Gaza in the weeks preceding the July-August war with Israel.

¹ For background, see Crisis Group Middle East Report N°149, *The Next Round in Gaza*, 25 March 2014 and Briefing N°39, *Gaza and Israel: New Obstacles, New Solutions*, 14 July 2014.

² An Israeli security official said that Egypt estimated it had destroyed 80-85 per cent of the tunnels. An Egyptian official provided a similar estimate. Crisis Group interviews, Jerusalem, Cairo, September 2014.

³ For background, see Nathan Thrall, "Whose Palestine?", *The New York Review Blog*, 19 June 2014.

⁴ PLO officials point out that payment of these salaries was not mentioned in the April agreement. Hamas counters that the agreement was a vague and general document that refers back to a much more detailed reconciliation agreement signed in May 2011. Crisis Group interviews, PLO officials, Hamas officials, Ramallah, Gaza City, September-October 2014.

The war was unlike previous escalations between Israel and Hamas. During the confrontations in November 2012 and in December 2008-January 2009, both parties were prepared to claim some achievements and return to the status quo ante.⁵ But in the recent conflict, Hamas viewed a return to the status quo as unacceptable, and for that reason it was willing to fight much longer and harder, even at the cost of more suffering in Gaza.⁶

Three other factors also helped prolong the fighting. First, once hostilities began, many in the Israeli coalition, as well as in the public at large, felt that reaching a ceasefire agreement that included concessions to Hamas would be tantamount to succumbing to extortion through rocket fire. Secondly, Hamas accurately assessed that, whatever the mood of the Israeli public, the prime minister and defence minister had no desire to reoccupy Gaza, so the movement never saw the war as posing an existential threat.⁷ Thirdly, the perceived symbolism of the conflict – as a potential defeat or victory not only for Hamas but also for the Muslim Brotherhood, of which it is an offshoot – also helped prolong it, with the Muslim Brotherhood's opponents (Egypt, Saudi Arabia and the United Arab Emirates) and its supporters (Qatar and Turkey) pushing and pulling Hamas, and the mediation process, in different directions. Palestinians and Israelis were caught in the regional tug-of-war.⁸

The result was unprecedented destruction in Gaza. According to the UN, some 18,000 housing units were destroyed or severely damaged, leaving approximately 108,000 people homeless.⁹ Seventeen out of the Strip's 32 hospitals were damaged, as were 45 of its 97 primary health-care facilities.¹⁰ 26 schools were destroyed and 122 were damaged. 20 to 30 per cent of water and sewage networks were damaged, as was 30 to 50 per cent of household water storage capacity.¹¹

During the fighting, Hamas resisted proposals that would restore calm without addressing underlying grievances.¹² It sought a ceasefire that would both avoid call-

⁵ For background on the 2012 and 2008-2009 conflicts, see Crisis Group Middle East Reports N°133, *Israel and Hamas: Fire and Ceasefire in a New Middle East*, 22 November 2012; N°85, *Gaza's Unfinished Business*, 23 April 2009; Briefing N°26, *Ending the War in Gaza*, 5 January 2009.

⁶ For background, see Crisis Group Middle East Briefing N°39, *Gaza and Israel: New Obstacles, New Solutions*, 14 July 2014.

⁷ Crisis Group interviews, Hamas leaders, Gaza City, August-October 2014. A senior Israeli security official said: "The reason we did not consider at any stage going all the way in Gaza was not that we would absorb greater casualties. It was that we did not and do not want to sit in Gaza for years, providing food to people and getting shot at". Crisis Group interview, Jerusalem, September 2014.

⁸ An Israeli security official said: "When this thing broke out we realised from the very beginning – not everyone in the government but many of us – that this was not going to be as easily stopped as the 2012 war. Because it was playing right on the regional fault line, with [Qatari-owned television news channel] Al Jazeera and the Muslim Brotherhood on one side and Egypt and the Gulf on the other". Crisis Group interview, Jerusalem, September 2014. Several Israeli officials also stated that by indicating a willingness to entertain a ceasefire proposal put forward by Qatar in consultation with Hamas, the U.S. helped prolong the fighting. A security official said: "Elements of the international community played a very unhelpful role in signaling to Hamas that they could get better terms than were in the initial Egyptian proposal if they kept fighting". Crisis Group interview, Jerusalem, September 2014.

⁹ According to UN estimates. "Materials monitoring project", Office of the UN Special Coordinator for the Middle East Peace Process, September 2014. On file with Crisis Group.

¹⁰ Ibid.

¹¹ Ibid.

¹² For background, see Nathan Thrall, "Hamas's Chances", *The London Review of Books*, 21 August 2014.

ing for its demilitarisation and enshrine new arrangements for Gaza. Above all, this would have required an end to Israeli, U.S. and European opposition to the provision of salaries to the employees currently administering Gaza, as well as a reversal of Israeli and U.S. opposition to further steps toward reconciliation, including, for example, permitting the Palestinian Legislative Council to function and serve as a check on the PA government.

It also would have meant, in the long run, easing restrictions on movement through the Gaza-Egypt border crossing at Rafah (though Hamas's expectations regarding the possible scope of such changes from Egypt were and are decidedly low);¹³ relaxations of Israeli restrictions on Gaza-West Bank travel, Gaza exports, access to border areas (many of them agricultural) inside Gaza and fishing areas; increased supply of materials for construction, the lifeblood of the Gaza economy and acutely needed after three destructive wars over the past six years; and a solution to the immense problems of power shortages, overflowing sewage, and the contamination of over 90 per cent of the water from Gaza's only aquifer.¹⁴

In the ceasefire agreement brokered by Egypt on 26 August, Hamas failed to achieve clear Israeli or Egyptian commitments to meet any of these demands – though Israel conditionally agreed to open its crossings, permit the entry of materials for construction and humanitarian relief, and extend the limit imposed on Gaza fisherman from 3 to 6 nautical miles.¹⁵ Egypt insisted on discussing changes at the Rafah crossing separately from ceasefire negotiations.¹⁶ Israel and Hamas, meanwhile, have postponed until late October the indirect ceasefire negotiations called for in the barebones 26 August ceasefire agreement.¹⁷

Hamas had insisted throughout the fighting that it would not stop for anything short of a full lifting of the blockade. But by the time of the ceasefire, Israel had withdrawn its ground troops, leaving Hamas to choose between an immediate ceasefire or a costly war of attrition that showed no sign of attaining its goals.¹⁸ As Palestinian negotiators in Cairo argued over the language of the ceasefire text, a senior Hamas leader in Gaza told Crisis Group that he and other leaders in Gaza had called for an end to the haggling and an immediate ceasefire: "Israel will implement what it chooses to implement anyway. The text is meaningless".¹⁹

¹³ A Hamas senior leader estimated during the fighting that in the foreseeable future, the maximum that could be expected from Egypt was to bring the number of people traveling through Rafah to the levels reached under former Egyptian President Mohamed Morsi in 2013. Crisis Group interview, 2 August 2014.

¹⁴ See "The Gaza Strip: The humanitarian impact of movement restrictions on people and goods", UN Office for the Coordination of Humanitarian Affairs, July 2013.

¹⁵ The 26 August 2014 ceasefire agreement has three points: (1) an inclusive and mutual ceasefire parallel to an opening of the crossings between Israel and the Gaza Strip, allowing the entry of humanitarian relief and reconstruction materials; (2) permitting fishing up to a distance beginning 6 nautical miles from the shore; (3) the continuation of indirect negotiations within one month of the ceasefire. Copy on file with Crisis Group.

¹⁶ Crisis Group interview, Egyptian official, Cairo, September 2014.

¹⁷ Crisis Group interview, Israeli security official, Jerusalem, 7 October 2014.

¹⁸ Israeli officials believe that Hamas leaders in Gaza pushed for a ceasefire in part because of the loss of three senior members of the military wing on 21 August and the destruction of several high-rise towers in Gaza City. Crisis Group interviews, Jerusalem, September-October 2014.

¹⁹ Crisis Group interview, Gaza City, September 2014.

III. Signs of Change in Gaza

Despite the absence of significant Israeli concessions in the ceasefire agreement, there have been signs that changes in Israeli policy toward Gaza are afoot. These were evident even before the fighting had ended, when, for example, the Israeli prime minister and defence minister made statements that seemingly reversed Israel's refusal to recognise the Palestinian Authority government formed on 2 June and welcomed the government exercising authority in Gaza.²⁰ During the war, the PA, with Israel's consent, made partial payments – the term “salary” was avoided – to employees in Gaza. This was another reversal of official policy, which had stringently opposed any payment by the PA to members of Hamas.²¹

An Israeli security official explained the shift:

The fact is that there was a bit of miscalculation on our part about how desperate Hamas's economic situation was in the year preceding the war. That's understood now: when you have somebody by the throat, you shouldn't be surprised when they knee you in the groin. We knew after closing the tunnels that the cage [around Gaza] had to have some more room, within limits of course. But we underestimated it.²²

Since the end of the war, and in particular in the days surrounding the 12 October Cairo donor conference for Gaza reconstruction, Israel made several changes in its policy toward Gaza.²³ They are minor in relation to Gaza's needs but some nevertheless are unprecedented in recent years. 5,000 work permits were given to Gaza labourers over the age of 35. 1,500 permits were granted to Gazans to visit Jerusalem's al-Aqsa Mosque during Eid al-Adha (Festival of Sacrifice). Israel announced that it would permit exports from Gaza to the West Bank (though on 14 October, the first attempt to do so failed, with two truckloads of dates and sweet potatoes turned back to Gaza, apparently because of bureaucratic misunderstandings).²⁴ On 14 October, Israel permitted tons of building materials destined for the private sector to enter Gaza, including steel, gravel and cement. This was enabled by a scrupulous monitoring mechanism established in agreement between Israel, the PA and the UN.²⁵

²⁰ On July 21, Defence Minister Moshe Yaalon told the Knesset Foreign Affairs and Defence Committee that Israel wished to see PA forces take control of Gaza's border crossings. “UN chief due in Israel to press for cease-fire”, *Haaretz*, 22 July 2014.

²¹ Crisis Group interviews, Israeli security officials, Jerusalem, August-September 2014.

²² Crisis Group interview, Jerusalem, September 2014.

²³ The conference resulted in some \$5.4 billion pledged to the Palestinians over the next three years. The sum includes regular budgetary support to the PA; only half was earmarked specifically for Gaza reconstruction. “Conference pledges \$5.4 billion to rebuild Gaza Strip”, *The New York Times*, 12 October 2014. Qatar pledged \$1 billion; Saudi Arabia \$500 million; Kuwait, Turkey and the United Arab Emirates \$200 million each. The U.S. pledged \$212 million. EU Foreign Policy Chief said member states collectively would donate \$568 million. “Donors pledge \$5.4bn for Palestinians at Cairo summit”, BBC, 12 October 2014.

²⁴ See “This is how, at the last minute, the first shipment of commercial goods from Gaza to the West Bank was canceled”, Gisha – Legal Center for Freedom of Movement, 14 October 2014.

²⁵ Within the UN, projects will be implemented by UN Operations (UNOPS) and the office of the UN Special Coordinator for the Middle East Peace Process. A coordinating body for monitoring, the High Level Steering Team, is made up of Israel's coordinator of government activities in the Territories, the PA prime minister, and the team's chair, the UN Special Coordinator for the Middle East Peace Process. “Materials monitoring project”, op. cit., on file with Crisis Group.

On 9 October, Israel granted entry into Gaza to Rami Hamdallah, the Ramallah-based prime minister of the PA government formed on 2 June, together with other cabinet ministers, the head of PA General Intelligence, and a large security entourage. Hussein Sheikh, the Palestinian civil affairs minister, announced that Israel had agreed to facilitate increased travel for Gazans to the West Bank and to permit used cars to enter Gaza and be resold there. On 9 October, in a private meeting between Prime Minister Hamdallah and Hamas senior leaders in Gaza, including former Gaza Prime Minister Ismail Haniyeh, PA officials said Israel had provided assurances that it would soon grant permission to Gazans to visit family members in Israeli prisons.²⁶

These steps by Israel fall well short of what Gazans consider an end to the blockade, which likely will continue for the foreseeable future. Indeed, from the perspective of most Gazans, little has changed since the end of the war. Fishermen complain that the Israeli navy shoots at them well before they approach the 6 nautical mile-limit imposed in the ceasefire agreement.²⁷ The 14 October cement shipment, the sole one since the war, was only 600 tonnes, which as of this writing remains secured and undisbursed in a warehouse; more generally it is a miniscule amount in comparison with the 1.5 million tonnes required for reconstruction, in addition to the 4,000 tonnes per day it requires for normal needs.²⁸ Palestinians widely deride the monitoring mechanism,²⁹ which Israel has said it will freeze in the event that, in the words of one of its officials, “tunnelling continues”.³⁰ The Rafah crossing remains closed. At most, Gazans have five to six hours of electricity every twelve-fourteen hours.

The slow start notwithstanding, senior Israeli officials have expressed their intention to establish a more stable ceasefire by recognising and facilitating the functioning of the new PA government of national consensus, removing objections to the payment of salaries to PA employees previously paid by Hamas, and making Gaza less constricted than it had been in the year that preceded the war this summer.³¹ Reflecting a widespread assessment, an Israeli security official said:

²⁶ Crisis Group interview, Hamas leader, Gaza City, October 2014. On 20 October, over 60 Gazans were permitted to visit family members in prisons in Israel for the first time since June. “Gazans visit relatives jailed in Israel for 1st time since June”, Ma’an News Agency, 20 October 2014.

²⁷ Crisis Group interview, fisherman, Gaza City, 18 October 2014.

²⁸ Crisis Group interview, Gaza Chamber of Commerce member, Gaza City, 21 October 2014.

²⁹ Palestinian civil society, as a leader put it, “is again being treated like children with the UN as their baby sitter” and feels that there is insufficient Palestinian input into the reconstruction process. There are also complaints about the mechanism lacking accountability, especially to those whose homes need to be reconstructed, and perpetuating dependency. Crisis Group interviews, Ramallah, October 2014. See also “PNGO calls to reject UN special envoy initiative and urges fully blockade lifting”, Palestinian Non-Governmental Organisations Network (PNGO), 2 October 2014. On file with Crisis Group. A Hamas leader said that the movement, in light of Gaza’s need, agreed to the monitoring mechanism “even though we know that it will let spies in”. Crisis Group interview, Gaza City, 16 October 2014.

³⁰ According to an international aid official involved with the mechanism, Israel stated that it would do so even if all cement imported through the mechanism is accounted for. Crisis Group email correspondence, 21 October 2014. There is precedent for this: Israel halted imports from 11 October to 13 December 2013 after it discovered a tunnel that it alleged had been constructed with cement imported by the UN Relief and Works Agency (UNRWA), even though UNRWA claimed it could account, through its own monitoring system, for the usage of the cement it had imported. When coordination of imports resumed in December, Israel required that all previously approved projects be reapproved. Crisis Group interview, UNRWA official, October 2014.

³¹ An official in the Israeli prime minister’s office stated: “A mechanism can be found for the salaries. I suspect that it will be a temporary one, lasting for a few months, and then we will see. Some

We are now willing to allow more into Gaza than before, to allow exports to the West Bank if the PA is in Gaza, and to deal with the Hamdallah government and the payment of salaries. The presence of the Hamdallah government in Gaza is necessary to allow Israel to backtrack on some of these issues. Otherwise it looks as though Hamas achieved gains by firing at Israel. Abbas may be reluctant to facilitate some of these changes [which will require his cooperation in bringing the PA back to Gaza], because improvements in Gaza will be perceived as a Hamas victory. But he needs to see that there is an opportunity for him here. And, if not, he can be prevailed upon.³²

Hamas leaders and Egyptian officials expressed similar concern that the PA may be reluctant to fully cooperate in facilitating improvements in Gaza, on the grounds that such improvements would be perceived as a reward to Hamas for its militancy and a defeat for the PA's program of non-violence.³³ These concerns may be especially acute given Hamas's strong showing in post-war polls, which indicate for the first time in years that Hamas would win a presidential election if it were held today.³⁴ PA

politicians will try to make a fuss about the salaries but there is not a problem regarding payment of salaries at the very top of this government". Crisis Group interview, Jerusalem, September 2014. Another Israeli official stated that in waiving its objection to the payment of salaries, Israel may make a distinction between members of the security forces and other employees. He said that of the roughly 43,000 employees paid by Hamas, Israel had no objection to the new PA government paying all employees but those in the security forces, whose number this Israeli official estimated to be roughly 17,000. Crisis Group interview, Jerusalem, 7 October 2014. A Swiss diplomat said the Swiss-Norwegian-UN plan to provide temporary payment for these civil servants during a three-month period; it would start with the education and health sectors, continue to the civil police and end with the security forces, and that it would eventually rationalise the payroll and exclude militants. Of the 43,000 total, the Swiss diplomat estimated that about 24,000 are security personnel. Crisis Group interview, Swiss diplomat, Jerusalem, October 2014. Estimates of the number of security personnel on the Gaza government payroll differ considerably. A Hamas official said that of the 43,000, 26,000 were permanent employees hired by the Hamas government following the June 2007 takeover of Gaza. The remaining 17,000 are temporary employees or employees of the PA who refused to boycott the Hamas government, as called for by the PA, and continued to work after the takeover. The core problem is reaching understandings about the fate of the 26,000 permanent employees – two-thirds of whom worked in the security forces, according to the Hamas official – hired since June 2007. Crisis Group interview, Gaza City, 20 October 2014. Furthermore, Hamas and the PLO have yet to agree on the fates of the so-called "military" parts of the Gaza government security forces (including internal security, border police, the national security forces, security for high-level personnel, and the coastal police, but excluding civil, traffic, and criminal police). Their future employment and payment are to be decided by a special committee, not yet formed and to be overseen by Egypt. Crisis Group interviews, Hamas leaders, Gaza City, October 2014. The Qassam Brigades, Hamas's armed wing, seem willing to accept the plan, in part because they hope that without the burden of government and with improvements in Gaza, Hamas will be able to pay them. Crisis Group interview, Qassam member, Gaza City, October 2014. Some stable solution will be necessary, as an Israeli official affirmed: "Those seeking a durable ceasefire need to pay attention particularly to the interests of the ones holding the guns". Crisis Group interview, Jerusalem, October 2014.

³² Crisis Group interview, Jerusalem, September 2014.

³³ Crisis Group interviews, Cairo, Gaza City, September–October 2014. A Hamas member said that "the corruption that will surely take place with the PA administering Gaza reconstruction won't be such a bad thing. It will remind everyone in Gaza why they didn't like PA rule all those years". Crisis Group interview, Gaza City, October 2014.

³⁴ Though Hamas's showing was stronger in the first polls conducted after the war, Hamas and its deputy leader Ismail Haniyeh continued to outperform Fatah and Abbas in polls conducted one month later. "Palestinian public opinion poll No -53", Palestinian Center for Policy and Survey Research, 10 October 2014, www.pcpsr.org/en/node/498.

leaders, for their part, express the opposite concern. Sceptical that the participation of Ramallah will meaningfully mitigate Gaza's misery or dislodge Hamas, an Abbas adviser was as fearful of failure as success: "Many Palestinians look at the return of the PA to Gaza as a trap that will sink the PA there".³⁵

Whatever the reason for the PA's hesitation, it is no surprise that Western diplomats characterise President Abbas as dragging his feet.³⁶ U.S. officials, expressing frustration at the slow pace at which the PA had moved to begin planning for a return to Gaza, said a draft UN Security Council Resolution enshrining the ceasefire, which during the fighting went so far as to call for placing EU monitors within Gaza, was gradually diluted after the fighting and ultimately abandoned because of PLO concerns.³⁷ These included objections to a clause specifying that the PA would take responsibility for Gaza (and therefore for the rocket fire that comes from it),³⁸ as well as a sense that the resolution would distract attention from their own draft UN Security Council Resolution calling for an end date to Israel's occupation, which they have stated that they plan to submit by the end of October, allowing a vote to take place following the U.S. mid-term elections.³⁹ Yet the prolonged delay of reconstruction holds another risk for Abbas: that Gazans blame him for not even trying.⁴⁰

Despite the conflicting calculations of the PA regarding the reconstruction of Gaza, doing so well is imperative for a durable ceasefire as well as for President Abbas's political reputation. So far at least, steps toward partially implementing the April reconciliation agreement have been somewhat encouraging.⁴¹ And during that time Israelis saw virtually no projectiles coming their way from the Strip.⁴²

IV. Conclusion

Neither Israel nor Hamas nor the PA wish to see renewed fighting in Gaza, and all understand that the return of the PA to Gaza is necessary to facilitate reconstruction, greater freedom of movement, and a change in the conditions that helped precipitate

³⁵ Crisis Group interview, Ramallah, 18 October 2014.

³⁶ Crisis Group interviews, Jerusalem, Ramallah and Tel Aviv, September-October 2014.

³⁷ Crisis Group interviews, Washington DC, September 2014.

³⁸ Crisis Group interviews, European and U.S. diplomats, Jerusalem, Washington DC, October 2014.

³⁹ Crisis Group interviews, Washington DC, October 2014. A U.S. official remarked: "For once we had the Israelis actually pushing for a UN Security Council resolution, only to have it quashed by the Palestinians. We're used to the opposite". Crisis Group interview, Washington DC, October 2014.

⁴⁰ Crisis Group interview, political analyst, Gaza City, 16 October 2014.

⁴¹ On 25 September, Hamas and the PLO agreed in Cairo on a set of vague understandings concerning the implementation of the agreement. These consisted primarily of reaffirming commitment to what had already been agreed upon in previous reconciliation agreements. But they also included commitments by Hamas and the PLO to cooperate with the UN on reconstruction, to permit the PA security forces to act in all Gaza and West Bank areas under PA jurisdiction, to task the PA with guaranteeing financial payments to civil servants in Gaza, and to form a new Legal and Administrative Commission to vet all Gaza employees (in a process of rationalising two separate workforces, one consisting of the roughly 43,000 employees paid by Hamas and the other of the 70,000 former workers in Gaza, all of whom were paid during the past seven years by the Ramallah-based PA and roughly 60,000-62,000 of whom were instructed to stay home in order to boycott and weaken the Hamas-led government that took control of Gaza in June 2007).

⁴² Two media reports about mortar fire were denied by the Israeli Defence Forces (IDF).

the last war. Hamas has abandoned its demand for an end to the blockade, and Israel realises that its previous demand of quiet-for-quiet, without any changes in Gaza, is not feasible. True, there is a wide gap between the desire of Gazans to open the Strip completely and the intention of Israel to make the blockade more bearable, and therefore more sustainable. But within that gap there is space for a workable arrangement. Forging one will require finding a *modus vivendi* between conflicting interests in two spheres.

First, the Hamas-Israel front. If the basic aspects of life in Gaza are not significantly improved (including the provision of water, electricity, sanitation, building materials, exports, freedom of movement and salaries delivered at least to government employees with no connections to Hamas's military wing), Hamas may do what it has done in the past: in order to force concessions, tactically refrain from preventing smaller groups from firing at Israel. Among the most important measures that Israel can take to prevent a recurrence is to maintain the smooth functioning of the mechanism for importing building materials. So long as assurances can be provided to Israel that the imported materials have not been diverted from their intended uses, the mechanism should continue to function even in the event that it discovers new tunnelling has utilised cement acquired through some other means.⁴³

Engaging in brinkmanship today would be risky, now more than ever. Rocket fire, which Israel has signalled clearly it will not tolerate, would be politically embarrassing to the government, which claims to have deterred Hamas at least for several years. Domestic political considerations could lead Prime Minister Benjamin Netanyahu to reply forcefully, particularly given that he will face challenges from his right.

The proposition that Hamas has been cowed is both untested and dangerous to assume. While Hamas leaders have acknowledged the severity of the destruction caused by the war and suggested that the next fight will probably not come for some time, other leaders have pointed out that trimming Hamas's arsenal does not take away its military option, since "with several missiles in Tel Aviv and several more in Jerusalem, the whole country can be paralysed".⁴⁴

Indeed, several Israeli army officials have stated that Hamas already has resumed building its capacities for the next confrontation.⁴⁵ This sounds less like deterrence than Hamas's self-interested restraint while it rebuilds. The international community should not mistake recuperation for deterrence. Israel is unlikely to do so: rearming and rebuilding are precisely what Prime Minister Netanyahu promised his country would not occur during this ceasefire, as in the past. Should this happen on a meaningful scale, Israel could act, even in the absence of a clear provocation. The challenge will be to ensure such prolonged and stable quiet from Gaza that Israel is deterred from sacrificing it.

Secondly, the Hamas-PLO front. With Palestinian reconciliation on the slow track, it is unlikely to unify the ranks and yield a united leadership any time soon. Half steps could help to strengthen the fragile process. These include addressing the social aspects of reconciliation, embarking on PLO reform, opening personal and political space for Fatah in Gaza and Hamas in the West Bank, reactivating the Palestinian Legislative Council, and overseeing Gaza reconstruction by a committee comprised of representa-

⁴³ With 15-20 per cent of the tunnels under Gaza's border with Egypt still functioning, cement for military and other uses could still be smuggled into the Strip. See fn. 2.

⁴⁴ Crisis Group interview, Gaza City, 18 October 2014.

⁴⁵ "Senior source: Hamas rebuilding Gaza terror tunnels", Ynet, 7 September 2014.

tives of all factions. But even should these issues remain unaddressed, Hamas and Fatah must still preserve a minimalist arrangement that enables salaries to be paid and the PA to deploy at Gaza's borders. Without it, the new PA government, and as a result the ceasefire, is likely to fall apart.

In the longer term, achieving the more distant goal of a reformed PLO would enable a more empowered and representative group of Palestinians to solidify their national front and with it, the prospects of peace and ending the occupation. With virtually the entire international community – including the U.S., Europe and Arab states, in addition to Israelis and Palestinians – increasingly despairing of the likelihood of reaching a final-status agreement in the foreseeable future, a representative Palestinian leadership also could better pursue a medium-term goal: a long-lasting ceasefire with Israel, or a long-term truce or interim agreement should it so choose, rather than the short period of quiet that current arrangements are designed to secure.

No ceasefire will hold indefinitely without ending the occupation and resolving the underlying political conflict. A prolonged period of stability and relative prosperity could provide the opportunity to rethink the diplomatic process, which, as Crisis Group has argued, will be necessary for any true peace.⁴⁶ Whatever Israelis and Palestinians decide, they will need representative, accountable leaders who appreciate the costs of renewed violence and have the vision to seek solutions – even if imperfect – to avoid it.

Gaza City/Jerusalem/Ramallah/Brussels, 23 October 2014

⁴⁶ Crisis Group Middle East Report N°122, *The Emperor Has No Clothes: Palestinians and the End of the Peace Process*, 7 May 2012.

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