

Introduction

International policies and in particular EU and US policies towards Hamas and Hizbollah have had multiple and interlocking effects in the last two years. Most visibly, western policies have impacted upon the two movements themselves, on the domestic governance systems in Palestine and Lebanon, and on the relations between Hamas and Hizbollah and their respective domestic political rivals. In turn, they have also had an impact on the conflicts between Israel and Palestine/Lebanon, and on the mediating roles of the international community. The balance sheet is far from positive. Paradoxically, western policies have often hampered the quest for international peace, democracy and good governance, as well as inter- and intra-state reconciliation. This Policy Brief offers a comparative analysis of the impact of western policies on three principal domestic and international dimensions of the Middle Eastern conundrum:

- the transformation and popularity of Hamas and Hizbollah,
- Lebanese and Palestinian governance and
- intra-Lebanese and Palestinian reconciliation.

The impact of western policies on the transformation and popularity of Hamas and Hizbollah

Western policies have not succeeded in their intention to weaken Hamas and Hizbollah, and have on the contrary entrenched their popular legitimacy. Both Hamas and Hizbollah are mass political movements with large-scale and growing popular bases, a fact that western policies seem to have willingly ignored.

Hizbollah first emerged as a highly ideological/religious and internationalist resistance movement.¹ The party was established in the context of the Israeli invasion of Lebanon in 1982, which hit Lebanon's south – densely

¹ Talal Atrissi (2007), *Hizbollah and Political Islam in Lebanon*, CEPS Working Document, forthcoming, CEPS, Brussels.

What Went Wrong? The Impact of Western Policies towards Hamas and Hizbollah

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populated by Shiites. In articulating its resistance identity, Hizbollah opted for an ideological, internationalist and revolutionary outlook, taking as its inspiration the Iranian revolution, which over the years was consolidated through Iranian finance and training. Hizbollah's resistance identity persisted after the 1989 Taef accords, when it retained separate militias in the south, which ultimately contributed to Israel's withdraw from Lebanon in 2000.

Yet beyond resistance, Hizbollah gradually also developed into a Lebanese political force. While its 1985 'open letter' placed primary emphasis on Hizbollah's international rather than Lebanese character and rejected participation in Lebanon's institutions, Hizbollah's identity progressively changed with and after its participation in the 1992 elections. This entailed a growing focus on Lebanese rather than international problems. Hence, Hizbollah refocused its attention exclusively on Israel's continuing occupation of the Sheba farms post-2000 rather than of Palestinian territories. It also entailed a growing acceptance of the specificities of the Lebanese political system and in particular its confessional nature, which it had hitherto opposed. In turn, Hizbollah renounced any aspiration to enforce Islamic law in Lebanon and accepted that Lebanon could only be governed through a delicate inter-confessional balance.

This transformation in the nature and strategy of Hizbollah was determined above all by changing Middle Eastern politics and power balances. Just as the Iranian revolution and its success in overthrowing the Shah had inspired Hizbollah's early internationalist and revolutionary outlook, the death of Khomeini coupled with the post-cold war and post-Gulf war reconfiguration of the Middle East induced Hizbollah to redirect its attention to Lebanon. At the same time,

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Israel's occupation of Lebanon until 2000, its ongoing occupation of the Sheba farms and its war in Lebanon in the summer of 2006 continued to feed Hizbollah's resistance identity, even while it was abandoning its revolutionary character. Finally, the 2003 war in Iraq, the 2005 assassination of Refik Hariri and the ensuing Syrian withdrawal from Lebanon have all strengthened the rationale for Hizbollah's tightening ties with Iran and Syria – political, financial and, in the case of Iran, ideological. Western policies do not appear to have had a discernible direct role in these developments, beyond naturally influencing the wider Middle Eastern spectrum.

In contrast to Hizbollah, Hamas has transformed itself into, rather than being born as a resistance movement. Hamas emerged in the 1980s as a social movement conducting charity-based social work, and only later developed into a militant group in the 1990s. Like Hizbollah, by the turn of the century, Hamas also shifted into the domestic political arena, entailing its growing co-option into Palestinian political dynamics. Moving away from its rejection of both the PLO² and the PA, Hamas has participated in municipal elections since 2004, in the 2006 parliamentary elections and in the ensuing PA governments. It has also officially requested to be included in the PLO since the March 2005 Cairo Declaration. Hamas' co-option into the Palestinian political system has led to an incremental change in its political strategy. Its participation in the PLC (Palestinian Legislative Council) and the PA since 2006 meant that its outright rejection of the Oslo accords (by which the PA was legally founded) was no longer tenable. Likewise, its claims to enter the PLO, whose 1988 Charter endorsed a two-state solution, meant that its categorical non-recognition of the State of Israel became more nuanced. This gradual co-option into the Palestinian political system is by no means irreversible. Far more than Fateh, which particularly during Arafat's era was highly centralised, Hamas, like Hizbollah, has a diversified leadership. There are several currents within Hamas pushing the movement in different directions. These can be roughly sub-divided between currents closer to the Muslim Brotherhood, currents that are more pragmatic and technocratic in nature, and currents that are more prone to confrontation and violence. In other words, Hamas' transformation is the product of the movement's changing internal balances.

The reasons for Hamas' transformation lie first and foremost in domestic Palestinian politics. Hamas' entry into the domestic political arena is the product of domestic political calculations, i.e. its growing popularity due to the failure of the Oslo process and Fateh's failures in governance and the peace process with Israel.³ As in the case of Hizbollah, western

policies played no role in inducing Hamas' transformation into a mass domestic political force. Western policies did not even influence noticeably the progressive shift in Hamas' political strategy, and in particular its growing implicit acceptance of a two-state solution, which was consolidated with the February 2007 Mecca agreement. According to all interlocutors in the region, the principal reasons for these shifts lie in Hamas' decision to enter the PA and the PLO, and Hamas' awareness of the necessity to compromise with Fateh in order to do so.

If western policies have had any impact on either Hamas or Hizbollah and their respective roles in Palestinian and Lebanese societies, they have been, in this author's view, counterproductive. The US, in particular, and to a lesser extent, the EU have opted for a strategy of hard negative conditionality towards both movements, i.e. the threat of inflicting punishment (such as sanctions) or withdrawing benefits (such as aid or diplomatic contacts) unless certain conditions are met. Hizbollah is included in the US terrorist list, while Hamas is considered a terrorist organisation by both the EU and the US. In addition, since Hamas entered the PLC and the PA, both the US and the EU in the context of the Quartet have insisted on three 'principles' (see below), which evolved into becoming de facto conditions for their having contacts with the Hamas government, and the delivery of aid to it.⁴

In view of the inclusion of Hamas on the EU and US terrorist lists, some form of conditionality was necessary. Most evidently, for normal diplomatic contacts to take place, Hamas would have to be removed from the terrorist lists and to do so it would have to demonstrate its disavowal of terrorism. Yet the US and the EU, and in turn the rest of the Quartet, went much further, a mere five days after the Palestinian elections. On 30 January 2006, the Quartet announced that only if Hamas i) renounced violence, ii) accepted previous agreements and iii) recognised Israel (or according to some, Israel's right to exist as a Jewish state), would the Quartet deal with the PA government.

With the exception of the conditionality on violence, these political conditions are legally dubious, a fact whose seriousness is magnified by the participation of the UN, in the Quartet. The conditionality on Israel's recognition has no legal grounding in so far as only states (and at most the PLO as the internationally recognised representative of the Palestinian people, of which Hamas is not yet part), and not political parties, can recognise other states. Furthermore, as Palestinians promptly note, the peace process between Israel and other Arab states has never been made conditional upon the Arab world's recognition of Israel or its right to exist. Yet this demand was placed on the PA, leaving

² See for example Hamas' condemnation of the PLO's secular nature in Article 27 of its Charter.

³ Interview with expert involved in Hamas' electoral campaign, Birzeit, May 2007.

⁴ On the evolution of this policy, see Alvaro de Soto (2007), End of Mission Report, May 2007, reprinted in *The Guardian*, 14 June, pp. 17-19 (<http://www.guardian.co.uk/frontpage/story/0,,2101676,00.html>).

unanswered the key question of on which borders should Israel be recognised, not to mention the fact that the PLO's recognition of Israel in 1988 hardly brought with it tangible gains for the Palestinians. Moreover, little attention was paid to the fact that the same conditions had been flouted by Israel over the years. The international community has in fact repeatedly condemned Israel for its disproportionate use of force harming Palestinian civilians and its violation of international law and previous signed agreements. Regarding the acceptance of previous agreements in particular, it was Sharon's government in March 2001 – and not the PA – that first claimed it would only 'respect' rather than 'accept' previous agreements, adding to this that its respect would be conditional on the conduct of the other side.⁵

Predictably Hamas, the Hamas-only and the ensuing National Unity Government (NUG) did not fully endorse the three conditions. While refraining from the use of suicide attacks against Israel since the 2005 Cairo Declaration, Hamas and the NUG – on the basis of Article 3 of the May 2006 prisoners' document – did not renounce the use of violent resistance. Neither did Hamas nor the PA 'accept' previous agreements, but rather agreed to 'respect' them at Mecca. While Khaled Meshal has repeatedly declared that "[i]t is true that in reality there will be an entity or state called Israel on the rest of Palestinian land",⁶ the Hamas leader has also stated that "[t]he agreement reached at Mecca does not mean recognition of the Israeli entity".⁷ In response, the US, the EU, and surprisingly also the UN boycotted the PA, and the EU and the US withheld assistance to it.⁸

In punishing Hamas and Hizbollah, the Bush administration seems to have aimed at weakening or defeating the two movements. Others, principally in Europe, hoped to induce their 'moderation' or 'cooptation'. Both aims have failed, and their failure appears rooted in the lack of understanding of the two movements and their roles in their respective societies. Aiming to defeat Hizbollah or Hamas through violence, sanctions and boycotts misses the key political reality that – unlike global jihadist groups – both are mass nationalist movements, which are by now deeply engrained in Lebanese and Palestinian societies. As such they cannot be eradicated through targeted negative international policies.

Neither have western policies weakened the two movements. On the contrary, by supporting Israel, undermining democratic processes, and imposing

⁵ Akiva Eldar (2007), "The Syrian secret Sharon did not reveal to Olmert", *Haaretz*, 20 March.

⁶ Orly Halpern (2007), "Experts question wisdom of boycotting Hamas", *Forward*, 9 February.

⁷ "Behind the headlines: Hamas-Fateh agreement does not meet requirements of the international community", *BBC Arabic Service*, 16 February.

⁸ For a critical assessment of the UN's approach see Alvaro de Soto (2007), op. cit.

sanctions on a democratically elected government and a population under occupation, Western policies have discredited their legitimacy and enhanced the resistance images Hamas and Hizbollah in the region. Hizbollah's resistance to Israel, unstopped for 34 days by the international community (and indeed encouraged by some quarters in Washington), or Hamas' persistence in government despite international sanctions and Israel's attacks and imprisonments, have at the very least left the domestic popularities of these two movements untarnished. In fact, these policies have most likely raised support for the two movements.⁹ In the case of Hamas, it is also important to note that amongst the most harshly hit by Western sanctions have been PA employees, the vast majority of whom are Fateh supporters.

Finally, while both Hamas and Hizbollah have become increasingly co-opted into their respective political systems, this has occurred in spite of rather than because of Western policies. Indeed, especially in the case of Palestine, far from inducing Hamas to accept the Quartet's conditions, western policies could re-empower currents within Hamas that are more prone to violence and refuse engagement with Israel. Hamas' take-over of Gaza suggests that these developments may well already be happening. As the honeymoon of the NUG came to an end in May-June 2007, in view of persistent international boycotts and stalemate on the reunification of the security apparatuses, the more extreme fringes within Hamas (largely not represented in the NUG and thus not having a stake in it) routed the PA's security apparatus in Gaza after violent fighting in mid-June 2006.

The impact of western policies on Lebanese and Palestinian governance

Western policies towards Hamas and Hizbollah have also had a problematic impact on the evolution of democracy and governance in Palestine and Lebanon.

In the case of Palestine, both the US and the EU have repeatedly called for democracy and good governance, and indeed the Bush administration made the reform of the Arafat-led PA a *sine qua non* for the resumption of the peace process in 2001-02. Beyond declarations, the EU in particular has supported democracy and good governance in Palestine in several ways. In 2001-05, it carefully conditioned its budgetary assistance to reforms in the fiscal, judicial, executive and administrative domains of the PA, and it provided financial and technical support for elections and technical reforms.

Yet subsequent policies towards Hamas since 2006, by trumping all other aims, have undercut the West's own professed aims in Palestine. Hamas' electoral victory presented the international community with critical challenges and opportunities. First, Hamas' participation in elections offered the opportunity to overcome a major

⁹ Interview by author with independent member of the PLC, Jerusalem, May 2007.

anomaly in Palestinian political life: the existence of an increasingly popular mass movement operating outside the legal confines and control of the Palestinian political system, and carrying out acts of violence, including war crimes, in its struggle against Israel.¹⁰ Including Hamas in the legal Palestinian political system could have opened the prospect for a much-needed Palestinian re-think of their national liberation strategy within the confines of the law. This all the more so given that Hamas itself, far from expecting a landslide electoral victory and not quite knowing how to handle governance, had invited Fateh to join a coalition government in January 2006. Second, Hamas' victory presented the opportunity for a healthy transition of power in Palestine, a critical transition in view of the symbiosis between the PA and the PLO's political class, represented principally by Fateh and constituted predominantly by returnees from Tunis.¹¹ This transition not only offered the scope for greater democracy and better governance, but it could also have provided the necessary stimulus for the rejuvenation of Fateh. Related to this, this transition of power could have added momentum to the reform of PA institutions. Capitalising on Fateh's ill-governance, Hamas' 14-page 'Change and Reform' electoral platform, and its clean-hands reputation in the governance of municipalities could have provided an additional push in the reform efforts supported by the West.

Unfortunately, however, none of this occurred. Following Hamas' rejection of the Quartet's principles, the West boycotted the PA government, withheld aid to it, and the international community froze international bank transactions in Palestine in view of the US Congress' Palestinian Anti-Terrorism Act.¹² In addition, Israel, in violation of previous agreements and international law, has withheld Palestinian tax revenues since January 2006 (approximately \$50 million per

¹⁰ During the second intifada, Hamas was associated with a wave of suicide attacks against Israel, which have been defined by the international community and international NGOs as war crimes. The last suicide attack carried out by Hamas was on 18 January 2005, at the Gush Khatif checkpoint. At the March 2005 Cairo Declaration, Hamas accepted a *tahadia*, or lull in violence. While stopping suicide attacks, Hamas has nevertheless engaged in shooting and rocket attacks from the Gaza Strip into Israel, particularly since the summer of 2006. By contrast, the last suicide attack carried out by the al-Aqsa Martyrs brigades, affiliated to Fateh, together with Islamic Jihad, was carried out on 29 January 2007 in Eilat.

¹¹ In this respect it is interesting to note that Hamas' political class is considerably younger than that of the PLO/Fateh, and it is constituted predominantly by Palestinians indigenous to the OTs. On this see Benoit Challand (2007), "Il 67 e la trasformazione del baricentro palestinese: potere e confine sociali e politici", paper presented at SESAMO, *Sei Giorni e Quarant'Anni*, 12 May 2007, Florence.

¹² <http://www.govtrack.us/congress/bill.xpd?bill=h109-4681>

month amounting to one-third of the PA's monthly revenues), it has repeatedly arrested dozens of Hamas ministers and parliamentarians, and it has restricted their movement both between the West Bank and Gaza and within the West Bank and Jerusalem. In addition, the PA government has also been boycotted from the inside. In view of the symbiotic relationship between Fateh and the PA, the new government took office in a hostile internal environment in which the vast majority of public employees were affiliated with Fateh. This culminated in the 4-month strike by public sector employees in the fall of 2006, which paralysed the crumbling PA. In other words, western sanctions, coupled with Israel's policies and internal power politics, made Western pleas for democracy and good governance in Palestine appear only as a stunning illustration of the notorious double standards.

But not only have western policies contributed to a paralysis of the PA, the resumption of assistance since June 2006 has contributed to a reversal of the few steps forward made in Palestinian governance in 2002-05. In early 2006, international and Israeli policies were pushing Palestine to a dangerous humanitarian and economic brink, setting off alarm bells from UN agencies, the World Bank and international NGOs.¹³ In response, at the EU's instigation, the Quartet agreed on a Temporary International Mechanism (TIM): a mechanism through which funds would be channelled to the Occupied Territories (OTs) while bypassing the PA with the exception of the presidency. The TIM indeed pulled the OTs back from the brink, providing social allowances (rather than full salaries) to almost 90% of non-security public sector employees and emergency assistance and food aid for approximately 73,000 low-income households. It also provided direct financial and material support to the health, education, water and social sectors, channelled through international agencies and NGOs, as well as funds to pay fuel bills (principally to Israeli providers) after Israel's destruction of the power-plant in Gaza. The TIM, coupled with the growing need for humanitarian assistance, led to a critical rise in western assistance to the OTs. Between 2006 and 2007, in the words of UN envoy de Soto, "Europeans have spent more money in boycotting the PA than what they previously spent in supporting it".¹⁴ Indeed EU aid to the OTs (including member states) rose by 30% in one year, totalling €700 million in early 2007.

While preventing a much-dreaded humanitarian catastrophe, the sanctions regime and the ensuing TIM

¹³ See, for example, the Office of the Special Envoy for Disengagement (2006), *Periodic Report*, April; United Nations (2006), *Assessment of the Future Humanitarian Risks in the Occupied Palestinian territory*, 11 April; or Oxfam (2007) "Poverty in Palestine: The human cost of the financial boycott", *Briefing Note*, April (http://www.oxfam.org/en/files/bn070413_palestinian_aid_boycott.pdf/download).

¹⁴ Quoted in Alvaro de Soto (2007) op.cit, p.31.

had catastrophic effects on Palestinian governance. In terms of civilian rule, the OTs increasingly resembled a semi-international protectorate, in which Palestinian institutions function predominantly as a skeleton allowing the international community to deliver aid to the population under occupation.¹⁵ This has had several detrimental effects. First, the PA no longer remotely resembles a state-in-the-making. As such, the PA is largely absolved from any responsibility towards its public regarding both governance and internal security. In this respect, a recent declaration by Khaled Meshal is revealing: “we are determined to make sure that the recent internal fighting, which appalled our people and dismayed their supporters around the world, becomes history. *We firmly believe that it would have never happened had it not been for foreign intervention and the brutal sanctions imposed on our people by Israel and its allies*”.¹⁶ Indeed, despite Hamas’ non-delivery on its ‘Change and Reform’ platform and the spiralling security situation on the ground, Palestinians have by and large not held Hamas responsible.¹⁷

Second, the sanctions and the TIM have reversed the few steps forward made in PA governance reform in previous years. The bypassing of official institutions with the exception of the presidency has led to a re-centralisation of powers in Abbas’ hands. This situation drew much criticism from the West during Arafat’s rule. It has also generated an increasingly unaccountable and opaque management of the available PA funds. It is revealing that when Salam Fayyad, former Finance Minister under Ahmed Qureia’s governments, was re-nominated minister under the 2007 NUG, he set out to repeat the fiscal reforms he had implemented three years earlier.¹⁸ Finally, the TIM and its focus on humanitarian rather than development assistance has generated a dangerous culture of dependence in the OTs. Whereas for example in 2005 only 16% of EU aid to Palestine constituted humanitarian assistance, this rose to 56% by the end of 2006.¹⁹

Finally, western policies have contributed to Gaza’s dangerous slide into chaos and lawlessness. Beyond the boycott of the PA, the EU and US have not held Israel accountable to its legal obligations, including the

delivery of tax revenues, the easing on restrictions on movement and its implementation of the November 2005 Movement and Access Agreement. Admittedly, the EU has repeatedly called upon Israel to deliver,²⁰ yet neither the EU nor the US has followed up its words with action. The EU has also not objected to carrying out its border monitoring mission at Rafah according to Israel’s decisions (thus accepting the border crossing to be closed over 40% of the time, and permanently so since the end of the NUG in June 2007). The ensuing absence of effective Palestinian government and Israel’s hold over the Gaza Strip have created fertile ground for criminal mafia-style gangs and al-Qaeda-like cells to operate in Gaza’s open-air prison.²¹ Beyond threatening Gazans (e.g. the bombs planted in Gaza’s internet cafés) and international staff (such as the kidnapping of BBC journalist Alan Johnston), the growth of criminal gangs and Islamist cells also poses a threat to Hamas. The emergence of small Islamist groups cages Hamas in. On the one hand, having been co-opted into the PA, extremist militant groups appeal to disaffected and radicalised segments of Hamas’ constituency. On the other hand, Hamas is further delegitimised by the international community by being associated with these al-Qaeda-like groups by the West. It is notable that in a May 2007 statement, the Quartet jointly condemned in the same sentence “Hamas and other terrorist groups in Gaza”.²² Since the end of street fighting in Gaza and Hamas’ take-over of the Strip in June 2007, the internal security situation has improved. In particular, Hamas’ executive force succeeded in liberating BBC journalist Alan Johnston, captured by the jihadist group Jund al-Islam, linked to the Dagamush clan in the Strip. Yet while law and order may have improved, it is unlikely that Hamas can restore governance, let alone development, in Gaza without a reversal of Western and Israeli policies towards Hamas. Since June 2007, the Rafah crossing has remained closed, entry access for humanitarian assistance remains limited and salaries to Hamas affiliated public employees remain unpaid.²³

Turning to Lebanon, the EU in particular has placed much emphasis on democratic and governance reforms. Especially since Lebanon was included in the European Neighbourhood Policy in 2003 and the EU published an ENP Action Plan for Lebanon in 2007, the Commission has carefully spelled out in agreement with the Lebanese government a wide array of reform priorities across different policy fields. The Action Plan includes

¹⁵ The principal difference between the OTs and an international protectorate, lies in the fact that while the occupying power has (quite willingly) delegated its civilian obligations to the international community, it retains full control over security-related rights and obligations in both Gaza and the West Bank.

¹⁶ Khaled Meshal (2007) ‘Our unity can now pave the way for peace and justice’ *The Guardian*, 13 February.

¹⁷ Interviews with Palestinian analysts, Jerusalem and Ramallah, May 2007.

¹⁸ Chris Patten (2007), “Time to judge Palestine on its results”, *Financial Times*, 13 March, Opinion..

¹⁹ Steven Erlanger (2007), “Aid to Palestinians Rose despite Embargo”, *New York Times*, 21 March.

²⁰ EU General Affairs and External Relations Council (2007) *Conclusions on Middle East Peace Process*, 23 April, Luxembourg, 2796th Meeting, paragraph 6.

²¹ On Israel’s persisting control over the Gaza Strip following disengagement, see Gisha (2007), “Disengaged Occupiers: The Legal Status of Gaza”, January.

²² Office of the Spokesman (2007), *Joint Statement of the Quartet*, Potsdam, Germany, 30 May.

²³ UN Office for the Coordination of Humanitarian Affairs (OCHA) (2007), *Gaza Humanitarian Situation Report*, 28 June-5 July.

priorities in the fields of democracy (e.g. reform of the electoral law), human rights and the rule of law (e.g. the adoption of a human rights strategy) and institution-building (e.g. security sector reform). To support these nationally-agreed reform priorities, the Union has declared its willingness to offer Lebanon a “stake in the single market”, enhanced political cooperation and dialogue and support in legislative approximation aimed at reducing trade barriers. Most significantly, at the January 2007 donor conference for Lebanon, the EU pledged \$520 million, France a further \$650 million and the US \$1 billion in assistance.²⁴ In addition, the European Investment Bank has committed €60 million in loans. EU funds have been earmarked for political and economic reforms, economic recovery, reconstruction, infrastructure rehabilitation, de-mining and assistance to Palestinian refugees.

In presenting these reform priorities and the policy and financial instruments to support them, the West, and in particular the EU, has repeatedly underlined the need for a national and inter-confessional understanding and agreement. The Commission stated that “[o]nly if the reform process is backed by a national pact, encompassing all political forces as well as religious and ethnic groups, and thereby overcoming political rivalry, vested interests and clientelism, will it have a chance of actually being implemented”.²⁵ Indeed this appeared to be the case when, after the 2005 Lebanese parliamentary elections, an inter-confessional governing coalition was established between the Future Movement (Sunni), the Progressive Socialist Party (Druze) as well as the two Shiite parties, Amal and Hizbollah. It was during this period that negotiations between the EU and Lebanon on the Action Plan were carried out. Although the Action Plan was agreed in January 2007, it largely responded to the Government of Lebanon’s Ministerial Declaration of July 2005, a declaration made at a time when Hizbollah was represented in the Lebanese cabinet and parliament. Negotiations on the Action Plan were in fact carried out before May 2006, that is, before Hizbollah’s walk-out from the government in November that year. EU officials involved in the negotiations have privately noted Hizbollah’s constructive attitude in these talks.²⁶

Notwithstanding the western appreciation of the need for a national pact, at no time did EU actors or the US express reservations regarding Hizbollah’s exit from government and its formation of an opposition front with Michel Aoun’s Free Patriotic Movement in the fall of 2006. More worryingly, no action has been taken by

the West to resolve the Lebanese impasse following the demonstrations and strikes organised by the 8 March opposition front in December 2006, the ensuing freeze in regular parliamentary activity and the ongoing political tensions and violence.

The weakening of Lebanon’s governance due to the domestic stalemate between Fuad Siniora’s government and the Hizbollah-Aoun opposition front has been exposed and imperilled further by the confrontation with Fateh-al Islam in Nahr al-Bared and Jund-al Sham in Ain al-Helwa in May-June 2007. Similar to the situation in the Gaza Strip, Lebanon’s pockets of lawlessness and widespread poverty (notably in Palestinian refugee camps) have provided fertile ground for small al-Qaeda-like cells to establish themselves and threaten both the Lebanese government and the Hizbollah-led opposition, as well as the Lebanese state as a whole. The external dimension in this last tragic twist in Lebanese politics is difficult to assess. Some argue that Fateh al-Islam has been financed by Syria to counter the Siniora government. Others suggest that these Salafi groups are close to the Future Front and have been supported by Saudi Arabia and thus indirectly by the West as a means to expose the weakness of the Lebanese army and empower UNIFIL to disarm these groups and Hizbollah and to control the border with Syria (through which Iranian financial and material support to Hizbollah is provided).²⁷ The truth in these and other allegations is difficult to ascertain, and possibly both may be partly true. The only conclusion that can be drawn from these explanations is that whether Syrian and/or Saudi/American, the external dimension of the current violence in Lebanon is highly likely, and it is dangerously weakening the fragile Lebanese state.

Impact of western policies on intra-Lebanese and Palestinian reconciliation

The most worrying impact of western policies towards Hamas and Hizbollah is the polarizing effect they have had on intra-Palestinian and intra-Lebanese politics, polarisation that has led to tension and standstill in Lebanon and pushed the Gaza Strip into a bloody civil war and political separation from the West Bank.

Despite its Islamist identity and evident appeal to the Shiite community, Hizbollah has traditionally opposed Lebanon’s confessional system, which maintains a careful balance of power between confessional communities in government, parliament and civic administration. It accuses the system of fostering corruption and undemocratic practices and hindering

²⁴ “Donors in aid boost for Lebanon”, *BBC News*, 25 January 2007.

²⁵ European Commission (2007), “European Neighbourhood and Partnership Instrument, Lebanese Republic, Country Strategy Paper 2007-2013”, and “National Indicative Programme 2007-2010”, p. 11.

²⁶ Interview with Commission official, November 2006, Brussels.

²⁷ See Seymour Hersh (2007), “The Redirection: Is the Administration’s new policy benefitting our enemies in the war on terrorism?,” *The New Yorker*, 5 March; Jim Quilty (2007), “Winter of Lebanon’s Discontents”, *MERIP*, 26 January. See also Jim Quilty (2007), “The Collateral damage of Lebanese Sovereignty”, *MERIP*, 18 June (www.merip.org).

modernisation and reform.²⁸ Hizbollah often declares that its neighbour Israel – a confessional state – is its starkest reminder of why of a mono-confessional system should be avoided.²⁹ Indeed following the 2005 assassination of Refik Hariri, Hizbollah's leader Sayyid Nasrallah was amongst the first Lebanese actors to call for the resolution of the crisis through inter-confessional dialogue and elections. In the elections and government that followed, Hizbollah entered a cross-confessional government with the Future Movement, the Druze Socialist Party and the Shiite Amal. When Amal and Hizbollah left government, the ensuing cleavages between government and opposition continued to be cross-confessional, with the Shiite parties allying with Michel Aoun's Free Patriotic Movement. Furthermore, beyond Hizbollah's demands for a blocking (1/3) minority in government (i.e. 8 rather than 5 ministers in the 24 member Cabinet), amongst the official reasons for the walk-out was Hizbollah's demand for a national unity government that included Aoun, a demand which the Future Front refused to concede. The cross-cutting confessional split in Lebanese politics notwithstanding, the current political situation is highly polarised between the 14 March (government) and the 8 March (opposition) fronts, representing two political coalitions.

In principle, the West and the EU in particular supports the reconciliation between Lebanese forces, as stated, inter alia, in UNSC resolutions 1559 (2004), 1701 and 1680 (2006). More specifically, EU High Representative Javier Solana has called upon "the different leaders of the different forces [to] work together for all that supposes progress", while Commissioner for External Relations and the ENP Benita Ferrero Walder has advocated a "pro-Lebanon

²⁸ Confessionalism is a [system of government](#) that distributes political and institutional power proportionally among religious communities. Posts in government and seats in the [legislature](#) are apportioned amongst different groups according to the relative [demographic](#) composition of those groups in society. Proponents of confessionalism cite the confessional system as an effective way to secure the peaceful co-existence of diverse religious and ethnic communities by empowering each according to its 'weight'. Critics instead point out that such a system may actually deepen conflict between ethnic groups. They argue that whichever group holds the most [political power](#) may use government to favour itself at the expense of other groups, or even to oppress rival groups. Also, as demographics change, the positions and power held by a particular group may no longer appropriately reflect the size of that group. For more on Lebanon's confessional system, see Julia Cooucair (2006), *Lebanon: Finding a Path from Deadlock to Democracy*, Carnegie Paper No. 64, Carnegie Endowment for International Peace, Washington, D.C., pp. 4-6.

²⁹ Interviews with Hizbollah representative, Beirut, June 2007.

consensus" amongst Lebanon's political class, free from external interference by great powers.³⁰

But alas, western policies have exacerbated this polarisation and the ensuing stalemate in governance. Beyond the disagreements on domestic power-sharing, representation and Hizbollah's disarmament, the political split between the two fronts largely reflects their different views regarding Lebanon's international alliances. The Future Front instead accuses Hizbollah of accepting Syrian and Iranian meddling in Lebanese affairs and thus hindering Lebanon's much-sought sovereignty and independence. Hizbollah instead accuses the Future Front of acting as a western stooge and tacitly accepting Israel's 2006 attack as a means to achieving Hizbollah's disarmament. It also resents the American and French support for Siniora's anti-Syrian coalition, and the one-sided approval by the Western media to the February-March 2005 demonstrations (dubbing these a 'cedar revolution'), in contrast to their relative silence over the 2006 Hizbollah strikes and demonstrations. Indeed, amongst the triggers for Hizbollah's government walk-out was the controversy over the UN Security Council resolution establishing an international tribunal for Hariri's assassination and Hizbollah's resentment towards Siniora for not having appropriately discussed the draft within the government.

This resentment grew in view of Hizbollah's reservations about the broad powers for criminal prosecution the UN draft entrusted to the international community, resulting, in Hizbollah's view, in a crucial limitation of Lebanese sovereignty and a legally sanctioned forum to prosecute Syria. Moreover, by passing the resolution under Chapter 7 of the UN Charter, Hizbollah is concerned that the powers entrusted to the international community would ultimately empower the West to forcefully disarm Hizbollah itself. This is a prospect that Hizbollah believes the Future Front is actually pushing for in view of its disappointed reaction to UNIFIL's limited mandate under Chapter 6.³¹ Prominent government leaders such as Walid Jumblatt (Socialist Progressive Party) have in fact openly called for a revision of UNIFIL's mandate to 'implement' the provisions of the Taef accords and thus Hizbollah's disarmament. Finally, Western aid to post-war Lebanon has also fuelled cleavages between government and opposition in view of the government's refusal to share western funds with Hizbollah in order to reconstruct the devastated south, inducing Hizbollah to rely on Iranian funds to undertake

³⁰ Press statement of Javier Solana, EU High Representative for the CFSP in Beirut, 16 July 2006, S203/06; Statement by Benita Ferrero Walder, Commissioner for External Relations and the ENP (2006), "Lebanon – Breaking the Impasse", 16 December (<http://www.dellbn.cec.eu.int/en/whatsnew/06/dec06.htm>).

³¹ Amal Saad Ghorayeb (2007), "In their own words: Hizbollah's strategy in the current confrontation", *Carnegie Policy Outlook*, January.

these tasks, thus exacerbating the intra-Lebanese political divide.

In the case of Palestine, polarisation took far graver proportions culminating in the slide towards civil war between Hamas and Fateh. The principal actors in this confrontation are concentrated in the security sector, and indeed a major source of division lies precisely in the control of the security services. The roots of this conflict lie in the 1990s, when Fateh's Mohammed Dahlan and Jibril Rajoub, heads of the Preventive Security Forces in Gaza and the West Bank, respectively, undertook a series of arrests of Hamas militants in view of the wave of suicide attacks that followed the 1996 Hebron massacre.

This latent conflict came to the fore after Hamas' 2006 electoral victory, when Fateh – in shock over its electoral defeat – refused to devolve power to the new government as well as to participate in a coalition with Hamas, fearing this would reinforce and legitimise Hamas further. In particular, despite the fact that reforms in the 2002-05 period had partly shifted control of the Palestinian security forces from the presidency to the Interior Ministry, Fateh refused to devolve security competences to the Hamas-controlled Interior Ministry. In turn, Hamas established its own security apparatus, linked to its militant wing, the Iz'at al-Qassam (the Executive Forces), and pitching these against Abbas' presidential guard led by Dahlan and linked to Fateh's al-Aqsa Martyrs Brigades. More generally, key elements in Fateh set out to make the Hamas government fall in order to return to power without having to compromise with it. In May-June 2006, President Abbas engaged in a series of ploys, including the call for a referendum on the 'prisoners' document' and early elections in order to alter Hamas' policies with respect to the conflict.³² In the autumn, (predominantly Fateh-affiliated) PA employees went on a four-month strike, which, together with international sanctions, paralysed the Hamas-led PA.

This is not to say that the two fronts were inevitably set for confrontation. There are important forces within each faction who supported reconciliation, as evidenced by Abbas' support in 2005 for Hamas' participation in elections, Hamas' invitation to Fateh to join a coalition government in January 2006, and above all the two factions' acceptance of the February 2007 Mecca agreement and the ensuing formation of the NUG. The latter was represented principally by Fateh (with six ministers, including the deputy prime minister) and Hamas (with nine ministers, including the prime minister) as well as by independent representatives nominated by either one faction (e.g. Fateh nominated the Foreign Minister – Ziad Abu Amr) or another (e.g. Hamas nominated the Interior Minister – Hani al-Kawasmeh). There were strong forces pushing in favour of the Mecca accord. First and foremost was the impending threat of intra-Palestinian violence and civil

³² Interview with UN representative, Jerusalem, May 2007.

war in Gaza, which in December 2006-January 2007 had claimed over 100 lives.³³ According to one analyst, rather than national unity, the Mecca accord offered the scope for 'national salvation'.³⁴ Both factions in fact realized that internal violence would completely discredit them vis-à-vis their constituencies.³⁵ Hamas in particular appreciated the fact that it could not counter the rising lawlessness and extremism in Gaza without a strong and united Palestinian security force. It also realised that unless it reached a compromise with Fateh, it would be unable to govern. Fateh instead seemed to appreciate that regaining power by force was not an option. Second, both factions were receptive to Saudi Arabia's role and influence. Fateh saw this as a means to revive the Arab peace initiative and not appear as a western puppet in the eyes of its electorate, while at the same time compromising with Hamas without losing face with the US. Hamas saw the Saudi role as a means to gain legitimacy and standing in the Arab world.

Interestingly, not a single interlocutor attributed the sanctions regime with having a direct impact on the incentives of the two factions to reach a national unity government. At most, some argued that sanctions contributed indirectly and in extremely costly ways to this outcome. By weakening Hamas' capability, the sanctions – it is argued – contributed to a (bloody) balance of power between Hamas and Fateh, whereby a disgruntled and unmotivated Fateh would not completely 'lose' to Hamas given that the latter was being weakened by external forces. This balance of power meant that the internal conflict could not be resolved through confrontation, but would require compromise. Yet in contrast to arguments suggesting that sanctions weakened Hamas into a compromise, one should note that it was Fateh and not Hamas that refused to form a coalition government a year earlier.

The general view thus seems to be that a national compromise was reached in Mecca thanks to Saudi mediation in spite of rather than due to western policies. Yet, the reaction of the West would be pivotal in determining the fate of the newborn government. All interlocutors made two principal points. First and most intuitively, the government could only survive if it was allowed to function. In order for this to happen in a non-state, aid-dependent and occupation-ridden situation, western aid would have to resume and Israel would have fulfil its legal obligations by delivering Palestinian tax money, easing restrictions on movement and releasing imprisoned Palestinian law-makers and ministers. Second and most challengingly, Palestinian security forces, effectively operating as militias for either one faction or the other, would have to be reunited, in order

³³ This was the principal factor raised by all interviewees across the political spectrum in Jerusalem and Ramallah, May 2007.

³⁴ Interview in Jerusalem, May 2007.

³⁵ Interviews with Fateh, Hamas and independent representatives in Jerusalem and Ramallah, May 2007.

to foster reconciliation between the factions and allow the PA to restore law and order. Third, the government would have to show its electorate it could deliver some, even if marginal, successes in its relations with Israel, such as for example a prisoner exchange.

None of this happened. Europeans, including the Commission and several member states initially showed cautious relief and optimism following the formation of the NUG. Indeed the Mecca accord and the NUG could have provided the much-sought route to escape the bind the Quartet 'conditions' had imposed upon them, and out of which they attempted to extricate themselves from through the TIM. But the tune from Washington remained unchanged, as the US (and Israel) soon made clear that the Mecca agreement and the ensuing NUG fell short of meeting the Quartet principles.³⁶ With the exception of non-EU states such as Norway or Switzerland which indeed opened formal contacts with Hamas, Europe followed Washington, muting its initial support for the NUG and retaining its boycott and aid block on the PA. The Union only marginally deviated from Washington's stance by establishing contact with non-Hamas ministries.³⁷ Taking the cue from this line, the Commission reactivated its technical assistance to the Palestinian Ministry of Finance under the leadership of Salam Fayyad in June 2007. The EU's policy reversal was thus marginal as well as ill-thought out. In the event that the NUG worked cohesively, the EU's choice of dealing exclusively with non-Hamas members would be purely abstract, in so far as each and every member of the government would represent the NUG as a whole. In the event that the NUG failed, as turned out to be the case, the EU's choice of one-sided contact and assistance would sow further divisions between Fateh and Hamas.

More gravely, Israel continued withholding taxes to the PA, with the exception of \$100 million allegedly delivered by Israel to the presidential guard (Fateh).³⁸ It also maintained movement restrictions and arrested further Hamas parliamentarians and ministers in the West Bank. Finally, the US continued to provide military assistance and training to Fateh militias.³⁹ Since Hamas' electoral victory, strong currents in the US have been fomenting confrontation between the two factions, hoping to see Fateh's return to power through

a hard coup if need be.⁴⁰ In early 2007, the US delivered \$60 million in training and non-lethal weapons to the presidential guard and the newly founded National Security Council under Dahlan's leadership. This had the effect of removing any incentives to unify the security forces under the PA Interior Ministry.⁴¹

All was set for a new round of confrontation in May-June 2007. Over the course of a few weeks, Interior Minister Hani al-Kawasmeh resigned following Abbas' refusal to unite the security forces, hundreds of US-trained forces loyal to Mohammed Dahlan entered the Gaza Strip from Egypt, unprecedented street fighting and political violence re-erupted and Hamas violently took control of the security forces in the Strip. The violence culminated in mid-June 2007 with Hamas' 'victory' in Gaza, the flight of Fateh militants (including Mohammed Dahlan, Rashid Abu Shabak and Samir Mashharawi) to either the West Bank or Egypt, and Abbas' dissolution of the NUG and nomination of a non-Hamas government in the West Bank under the premiership of Salam Fayyad. In response, the West, far from reversing its strategy, has reinforced it. It has immediately stated its willingness to work with the (unelected) Fayyad government in the West Bank and resumed aid and assistance to it. Israel has also declared its willingness of devolve approximately \$300-400 million of withheld PA tax money to the West Bank government.⁴² In Gaza instead the West appears intent on defeating Hamas through a tightened boycott and isolation on the Strip.

The future evolution of the OTs is difficult to predict. What can be safely concluded is that, unintentionally or not, western policies have contributed to this tragic outcome, having de facto fomented civil war and triggered a political, aside from the physical, separation between the West Bank and the Gaza Strip.⁴³ With this last tragic twist in events, the moribund two-state solution appears to have reached its final death-bed.

Conclusions

The international community and in particular the policies of the US and the EU have not achieved their intended results of weakening or 'moderating' either Hamas or Hizbollah. On the contrary, they have contributed to the stalemate in governance in Lebanon and the lawlessness and lack of governance in Palestine.

³⁶ Donald Macintyre (2007), "Israel at loggerheads with allies on boycott of Palestinian coalition", *The Independent*, 18 March.

³⁷ Adam Entous (2007), "Britain to talk with non-Hamas ministers", *Reuters*, 16 March.

³⁸ Adam Entous and H. Tamimi (2007), "Palestinian Abbas forces amassing arms", *Reuters*, 28 January.

³⁹ See Alastair Croke (2007), "Our second biggest mistake in the Middle East", *London Review of Books*, 5 July.

⁴⁰ "Elliot Abrams' uncivil war", *Conflict Forum*, 7 January 2007 (<http://conflictsforum.org/2007/elliott-abrams-uncivil-war/>).

⁴¹ "Abbas faces showdown as outlawed Hamas force increases", *Sunday Herald*, 7 January 2007.

⁴² Adam Entous (2007), "US, Israel plan to ease sanctions to boost Abbas", *Reuters*, 15 June.

⁴³ Helene Cooper (2007), "White House seems ready to let Hamas seize Gaza", *New York Times*, 15 June. See also Karma Nabulsi (2007), "The People of Palestine must finally be allowed to determine their own fate", *The Guardian*, comment, 18 June.

Western policies have also fuelled polarisation and confrontation within both Palestine and Lebanon, leading most dramatically to a civil war in Gaza, the ensuing political split between the West Bank and Gaza, and with it the disappearance of any realistic prospect for a ‘two-state solution’. In addition, western sanctions and boycotts have complicated further the prospects for Arab-Israeli peace. The West has de facto inserted preconditions into the Israeli-Palestinian peace process. In conflict situations, it is normally the international community that engages in diplomatic acrobatics and at times exerts hard-nosed pressure to ensure that conflict parties abandon preconditions and similar delaying tactics for their engagement in negotiations. This was indeed the case in the Middle East since 2000, when Israel insisted on a set of preconditions for its reengagement with the Palestinians. Through its ‘principles’, this role has now been taken over by the Quartet. Israel’s ongoing preconditions and its illegal withholding of Palestinian revenues are simply presented as acts of compliance with Quartet’s policies.

In doing so, the EU in particular has effectively outmanoeuvred itself from having effective influence on the two conflicts. This is because its influence principally derives from its disbursement of financial assistance contingent upon the recipient’s compliance with specified conditions and rules. In Lebanon, while assistance is disbursed and Hizbollah has not been subject to sanctions and boycotts, aid is not being made contingent on efforts at national reconciliation between the two fronts, without which effective reconstruction and reform cannot be easily achieved. The sheer amount of European assistance to the war-torn country could, however, if carefully conditioned, prove to be a critical incentive to achieve national reconciliation, reform and, in due course, Hizbollah’s disarmament.

In Palestine, the withholding of aid and the institutionalisation of the TIM have diminished the EU’s influence on the day-to-day development of Palestinian institutions and policies, entrenched its dependence on aid and undermined the reform process in the PA. The ensuing resumption of aid to the unelected Fateh government in the West Bank and continued boycott of the Hamas government in Gaza have entrenched the political separation between the West Bank and Gaza, while confirming in the eyes of the public the west’s lack of respect for democratic standards. If instead EU aid had been deployed on the basis of legally and politically sound conditions, it could have greatly contributed to inducing reconciliation between the factions, the development of a more coherent Palestinian national strategy and the establishment of good governance prior to the establishment of a Palestinian state.

These results are far removed from the EU’s policy intentions and objectives in the Middle East. The sentiment expressed by a US envoy to the Quartet who privately declared that he “like[d] this violence”, referring to the quasi-civil war in Gaza in early 2007, is certainly not shared by the vast majority of the public in the EU.⁴⁴ Most EU policy-makers closely involved in Middle Eastern affairs are also ready to recognise in private that the Union has often operated against its declared interests in the Middle East. The reason for this is largely rooted in the reality that, when decisions ultimately have to be taken, the EU is highly reluctant to break ranks with the United States. The same goes for the Quartet as a whole, which in de Soto’s words acts more as a “Group of Friends of the US” than as a mediating forum for the Middle East.⁴⁵ This has dramatically reduced the EU’s space for manoeuvre, confining it to working on the margins of US-dictated policies. There are voices within several member states that are agitating for the Union to give greater priority to its Middle Eastern interests alongside its transatlantic priorities. It is only if these voices can acquire greater weight within the EU that policy suggestions and indeed policy reversals can be contemplated and elaborated upon.

⁴⁴ As reported by de Soto (2007, op. cit., p .21): “a week before the Mecca agreement in February 2007, the US envoy declared twice in an envoys meeting in Washington how much “I like this violence”, referring to the near-civil war that was erupting in Gaza in which civilians were being regularly killed and injured, because “it means that other Palestinians are resisting Hamas.”

⁴⁵ Quoted in Alvaro de Soto (2007, op.cit, p. 24).

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