

Web Commentary

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The Peace Process Has No Clothes

The Decay of the Palestinian Authority and the International Response

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One month before the most vicious round of intra-Palestinian fighting in Gaza, Lieutenant General Keith Dayton, the American security coordinator in the Israeli-Palestinian arena, testified before Congress, seeking to justify American intervention on the side of Fatah using the terms that have grown familiar over years of Israeli-Palestinian diplomacy. He explained that the United States sought to back the legal presidential security forces—who were working to meet Palestinian obligations under the Road Map—against the forces of disorder. The statement may have made sense according to some logic followed in the U.S. capital, but it was utterly disconnected from realities in the region.

Fatah—as much if not more than Hamas—bears deep responsibility for the deepening chaos in Palestinian society. And American policy has deepened that chaos in some fundamental and absolutely deliberate ways. There is no peace process for Hamas and Fatah to fight over. The Road Map was already anachronistic when it was announced in 2003 and is not pursued seriously now by any of the concerned parties. Even General Dayton’s description of the legal situation was simply wrong: the Palestinian constitution was amended in 2003 at American insistence to make internal security a cabinet responsibility and not a presidential one. While officials spoke of peace and order, American policy in effect—and sometimes by design—supported the political disintegration of Palestinian society and the slide toward civil war.

General Dayton is hardly alone in pretending to live in a world in which an Israeli-Palestinian peace process is still leading—with some unfortunate detours and unexpected challenges—to a negotiated two-state reality. Testifying at the same hearing, Assistant Secretary of State David Welch did admit that “the GDP in the West Bank and Gaza has dropped 40 percent in the past seven years, over 60 percent of Palestinian households live below the poverty line, meaning they survive on less than \$2.40 per day, and 50 percent of Palestinians rely on food assistance to feed their families.” But having acknowledged such bitter realities, he then spoke optimistically of promising international diplomacy (such as an Arab initiative that the U.S. government had ignored for five years). He explained that the United States was working to help the Palestinian

people but not the Hamas-led government, a bizarre claim at a time when crippling international sanctions on the government had led to the disastrous political and economic conditions Welch had himself so starkly portrayed. And he spoke like General Dayton of supporting President Mahmoud Abbas's "efforts to restore law and order in the Palestinian territories and to build a partnership with Israel in seeking peace." As the Palestinian territories sank deeper into violence, anarchy, poverty, and despair, Welch explained that "our goal is to help create conditions conducive to advancing Israeli-Palestinian peace via the Road Map—that means supporting security, stability and prosperity in the Palestinian territories, and empowering Palestinian moderates."

It is difficult to see how the Hamas takeover of Gaza, the effective political partition of the West Bank from Gaza, and the insoluble Palestinian political crisis serves any of these goals. And indeed, those who propagate these illusions are no longer even fooling themselves. They cling to the language and concepts of the past not out of conviction or naïve hope but instead because of a combination of inertia, cynicism, and fear of the alternatives. The result is a policy that is based on short-term ad hoc measures in pursuit of no realistic set of long-term goals.

It is time to step back, acknowledge some unpleasant realities, consider what options actually exist, and then move forward based on a realistic set of strategic objectives.

All Actors Adrift

In the sixteen months since the election of a Hamas majority in the Palestinian parliamentary elections, international actors have combined severe sanctions and ameliorative half-measures married to no long-term policy or strategic vision. A boycott of most parts of the Palestinian Authority (PA) has been coupled with an emergency aid program for some of its employees that manages to keep many institutions barely afloat and many salaries half-paid. In other words, international actors facilitated slow decay instead of immediate political collapse. Having staked out a harsh position immediately after the January 2006 Palestinian elections, the United States and Europe then sought to soften the edges off the measures without rethinking the strategy behind them. As Palestinians slid toward civil war, the international actions only eased the way.

To be sure, international diplomacy and meetings have continued but without a clear vision or purpose other than an illusory one: that it is capable of undermining Hamas without making either Palestinian society or its institutions feel any negative effects. U.S. diplomatic engagement—markedly low throughout most of the Bush Administration—did finally pick up but in the service of no discernable strategy nor even a clear set of tactics.

The Israeli government is similarly adrift, compliant with but clearly unconvinced by American diplomatic efforts and uncertain on how to respond to the challenge posed by Hamas. And the Palestinian leadership itself betrays deep fragmentation and lack of initiative, with Hamas leaders themselves only a partial exception. Indeed, it is no longer clear how much the term "Palestinian leadership" refers to anything viable at all. Those who lead routinely find themselves following their foot soldiers. Certainly the Hamas takeover of Gaza was centrally coordinated, but it is not clear by whom or why. The

disorder has allowed armed groups associated with the two main blocs to act with only limited coordination (especially on the nationalist side but also among the Islamists). The only time the various camps of Palestinian society regain some coherence is when they are fighting each other. And more alarming still is the emergence of shadowy radical groups that may make even Hamas seem pragmatic.

The ad hoc international coalition known as the Quartet (the United States, the E.U., the UN, and Russia) has backed a strict set of conditions for the Palestinian government to meet in order to receive international recognition (and direct financial assistance). In the meantime, it has barred all direct international assistance to most of the Palestinian government. The United States has blocked all official contact with any Palestinian affiliated with any part of the Palestinian government that is overseen, even indirectly, by an official deemed connected to Hamas. And it has threatened all public and private actors against any transfer of funds to any Palestinian body that it regards as under Hamas influence. When the Palestinians formed a national unity government in March, the international reaction was slow and limited, effectively undermining what was admittedly a shaky experiment.

Yet at the same time, the Quartet called upon Israel to release Palestinian tax funds impounded since the Palestinian elections. And the E.U. devised a “temporary international mechanism” (TIM) to pay partial salaries (euphemistically termed “social allowances”) directly to some Palestinian Authority employees in the health and education sectors. But to be paid by the TIM, an employee must have his or her name on a list compiled before the January 2006 elections. And only those who have accounts in a bank that has not been charged with financial dealing with Hamas may be paid. More recently, Finance Minister Salam Fayad convinced even the United States to allow funds to move through an account controlled by the PLO rather than the PA.

The TIM prevented the sudden collapse of the PA, and the PLO account will similarly stave off a complete political breakdown. In the West Bank, Palestinian institutions will continue to operate, however weakly. But the result has been a dangerous drift in which Palestinian society is increasingly atomized and Palestinian institutions undermined but barely sustained as an international charitable project. Those who pay the bill regularly assert that their generosity cannot continue indefinitely. But the mechanisms they have designed seem to be entrenching themselves in the long list of temporary measures, peace-keeping forces, monitoring mechanisms, and diplomatic processes that litter the Israeli-Palestinian arena.

And these measures are based on the barely articulated fiction that a collection of bureaucratic actors throughout the world can carefully calibrate fiscal, diplomatic, and military pressure on Palestinian society, leaders, and institutions in order to bring them back into a peace process leading to a two-state solution.

While the international community thus mixes extremely severe sanctions with barely effective life support for some institutions, Israel has vacillated between constrained military confrontation, slow strangulation, and grudging willingness to entertain calls for limited ameliorative measures. Israeli policy was not always characterized by inertia and indecision. Under the Labor Party from 1992 to 1996 and again from 1999 to 2000, Israel treated the PA as a partner, albeit with considerable ambivalence and suspicion. Under the Likud (from 1996 to 1999), Israel froze the “peace

process” with the Palestinian leadership. When it returned to power under Ariel Sharon in 2001, the Israeli government actively worked to isolate and undermine national Palestinian institutions in any manner the international environment would allow. When the international sponsors of the PA worked instead to reform it, Israel did not object, but it showed little enthusiasm for the idea that a reformed PA was its partner. Israel’s closest international ally, the United States, focused only on a highly personalized version of reform amounting to undermining Palestine’s leader, Yasser Arafat.

At the end of Sharon’s premiership, this Israeli approach was coupled with a unilateral withdrawal from Gaza and the suggestion of further unilateral withdrawals from the West Bank. But Sharon’s successor Ehud Olmert has not been able to build on this vision or produce any other. When Hamas won the parliamentary elections in January 2006 (and formed a cabinet two months later), Israel froze the transfer of Palestinian tax receipts (collected by Israeli authorities since Palestinian imports pass through Israeli ports of entry) and responded to subsequent provocations by arresting parliamentary deputies and cabinet ministers, shutting down civil institutions in the West Bank suspected of having connections with the Islamist movement, and launching occasional punishing raids. While combating Hamas through these efforts, Israeli Prime Minister Olmert reluctantly cooperates with American efforts to arrange periodic meetings with Palestinian President Mahmoud Abbas. And when the United States or the Quartet issue calls for Israel to remove road blocks or release tax revenues, Israel responds politely (though rarely positively). Israel is unlikely to find itself off the hook, however, if the United States begins a muscular effort to support the remnants of the PA controlled by Fatah in the West Bank.

The present Israeli approach thus shows clear dismay at the situation but no sense of a long-term way to respond. Hamas, which has struck such deep roots in Palestinian society, and Fatah, which was so deeply implicated in the second intifada and so disorganized and weak, seem to offer Israel no alternatives. As a result, Israel has no clear military or political path to follow to either defeat the Palestinians definitively or negotiate with them.

The situation on the Palestinian side is not much better. Hamas has clearly failed at governing. In some ways, its decision to seize control in Gaza is a product of its inability to govern through the PA. In pointing to their achievements a year after forming the government, Hamas leaders had nothing concrete to show; they boasted only that they had held on to their “fixed principles”—something they presumably could have done without running a single candidate. Hamas in power has produced only strikes, civil war in the civil service, deteriorating public services, and a legislative record that is virtually empty and a parliament that hardly ever meets. It is true, as many Palestinians are quick to point out, that the international financial sanctions make it impossible to succeed. And the problem is far more than fiscal. If Hamas wished to use its parliamentary majority to pass a law, it could not do so because so many deputies have been captured by Israel that it would be outvoted. Cabinet ministers associated with Hamas (even those who deny they are members) resident in the West Bank have been arrested as well.

But even Palestinians who angrily denounce what they call the “international blockade” do not spare Hamas for failing at governing. After the elections, no Hamas cabinet ministers or legislators showed any evidence of the slightest preparation or

thinking about what to do with the authority they had won. Unlike many of its sister Islamist movements—where cadres of leaders participated in local government, student associations, or professional bodies— Hamas had no such body of expertise to summon. The movement had promised to be honest and clean and seemed convinced that this would solve most problems of Palestinian governance. But earnestness and a sense of dedication to the public good, while in short supply under Fatah, are hardly enough. And Hamas has even found its reputation for integrity sullied, unfairly or not. When Hamas ministers tried to hire some of their own supporters, however much such appointments may have been consistent with a democratic change of government, they were charged with exploiting public service for private gain.

However unfair Palestinians feel the international boycott has been, most still recognize that Hamas has had absolutely no effective response. In the year it governed without Fatah, all Hamas could do was to gather pledges from controversial friends (including Iran, an ally that makes some Palestinians uncomfortable). And because those pledges could not be paid through legal banking channels, funds were transported in cash into Gaza in suitcases, sharply limiting the amounts and undermining not only the dignity but also the transparency of Palestinian finances.

Prior to entering the 2006 parliamentary elections, Hamas leaders had debated intensely whether or not to participate, with some arguing that what they called the “politicization” of Hamas—its willingness to participate in the political process—would undermine its declared mission of serving as a resistance organization. Hamas’s sister Islamic movements urged it not to work to win the parliamentary elections but instead to accept a minority role. Yet those concerns were decisively drowned out by those who argued that politicization and resistance were compatible—and who then invested so successfully in the electoral effort that they won a strong parliamentary majority. Ultimately the critics of politicization may have been proven correct. As one leading Jordanian Islamist told me in May 2007, “Hamas swallowed the bait.” Hamas’s reaction to victory seems confused. The movement has attempted to combine a cease-fire with episodic attacks; it has held tight to the reins of governmental power without showing any ability (or even interest) in using them.

Hamas did seek to square the circle by forming a national unity government, hoping the greater international respectability of other Palestinian political leaders would break its isolation. But it failed at this task for over a year. Indeed, Hamas was willing to pay a significant price to be joined in the government by its sometime deadly rival, Fatah, at one point even offering to relinquish the premiership. Instead, in the end, it had to suggest compromise not so much on position as on principle. It agreed to enter into a government that “honored” (without agreeing to be “bound by”) UN and Arab League resolutions, thus implying some kind of recognition with Israel. But having signed on to such language, Hamas leaders then rejected any arguments that the movement had implicitly opened the door to recognition of Israel. The agreement still proved extremely divisive within the organization with one Hamas leader taking the unprecedented step of publicly criticizing the movement’s decision after he had lost the internal debate.

In the wake of the formation of the national unity government, Hamas’s strategy became murkier: was it to move toward some kind of *modus vivendi* with Israel? to undermine the international boycott and strengthen itself for inevitable fighting with

Israel? to end fighting with Fatah that undermined Hamas's reputation among Palestinians? to prepare the groundwork for assuming control not only of the PA in the West Bank and Gaza but also the PLO, which represents Palestinians throughout the world? or perhaps to combine some or all of these goals at once? Hamas leaders showed some signs of disunity over purposes, so that even if individual leaders may have had definite visions, it was not clear if the organization as a whole was moving in a coherent direction. Of course, its recent moves in Gaza are all too coherent, but they do not reverse the image of a confused movement that seeks international recognition and national unity one day and spits out fiery language and executes Fatah prisoners the next.

But Hamas's disarray could not possibly compete with Fatah's. Fatah's initial reaction to its electoral humiliation in January 2006 was to go into opposition. It rejected a national unity government and appeared to hand over the reins of power peacefully. Leaders promised that they would begin the process of rebuilding the party from the ground up, culminating in the party's first general congress since 1989.

But as time went on, various party leaders and activists showed a very different face. The focus shifted from gradual party reform to shoving the party back into power immediately. The president threatened to overturn the constitutional order by dismissing the parliament and calling new elections; he also claimed to have an authority (invisible in the text of the law) to ask for a referendum on a document that Fatah and Hamas prisoners in Israel had negotiated to try to settle their differences. Civil servants working in various parts of the government sometimes worked to make their new Hamas ministers fail. Public sector unions, often led by Fatah members, struck against the government (on the admittedly very plausible grounds that they were not receiving their salaries). More dangerously, Hamas- and Fatah-affiliated forces began bloody attacks, chiefly in Gaza. The formation of a national unity government in March 2007 seemed to offer at best a momentary respite from factional fighting.

Meanwhile, the process of rebuilding Fatah proceeded in a chaotic and uneven fashion, with local party branches carrying a process of registering members and electing leaders under the supervision of warring oversight committees from the central party. And whatever process of party reform eventually takes place on paper may be powerless to confront a reality in which local Fatah units are composed not merely of civic-minded activists but also armed gangs refusing to acknowledge any central command structure.

Given these grim realities, it is no surprise that most major actors react by simply going through the motions of carrying out measures set by past policies. The United States treats Hamas solely as a terrorist threat to be suppressed by any means—legal, illegal, and even violent. But U.S. tools resemble those that could only have been designed by committees: it gives “non-lethal” assistance to security forces under presidential command; suggests that the Jordanian and Egyptian regimes—not subject to the same limits—supply arms; meets with some Palestinian ministers but not others; blocks the transfer of funds for some public purposes but encourages it for others; withholds funds for any municipality headed by a Hamas mayor but speaks of avoiding making the Palestinian people suffer; and works to undermine any of the fairly successful measures it had earlier supported to ensure fiscal accountability by PA entities. The United States sponsors periodic meetings between the Palestinian president and the Israeli prime minister, pretending that both speak authoritatively on behalf of entities

committed to a peace process. It is difficult to argue with the conclusion that the United States effectively aided the slide toward civil war without giving the side it favored any tools to win it.

For its part, the E.U. works on the margins of U.S. policy, softening some of the harshness of U.S.-inspired measures. Indeed, the E.U. has actually increased the amount of assistance it gives to Palestinians. But such generous funding no longer goes to improve Palestinian lives but merely to replace a portion of the tax revenue now impounded by Israel. Privately, European officials worry that their policies enable a dysfunctional political situation to continue or be ignored.

Palestinian Realities

While external actors continue with a combination of policies aimed at bringing down Hamas and keeping the image of a peace process alive, what is actually happening on the ground in Palestine? Even before the recent events in Gaza, it is clear that international sanctions and factional fighting had severe effects on Palestinian society:

- The network of institutions, ministries, and bureaucracies under the control of the PA has effectively ceased operations in some sectors and barely limps along in others. Where international assistance is the greatest (health and education), viable national systems remain, but even they show signs of severe stress. Students have spent more days of the past school year out of class than in class. Some textbooks have not been printed and local infrastructure can be developed only where no Hamas mayor governs. Emergency medical services continue, but regular ongoing care is suffering. Teachers have periodically struck. Even now, when some salaries are getting paid, back salaries are owed, and the government has reacted by promising to make the payments over the summer (a time when teachers cannot react since schools are not in session).
- Employees outside of the health and education sectors have received some salaries through a combination of mechanisms. The head of the public employees union estimates that employees are now receiving between 30 and 80 percent of their salaries depending on grade. Fiscal transparency has been lost since the source of revenues is unclear even to those who collect salaries, their union leaders, or even many senior officials. In a recent trip to the West Bank, I asked several government employees who was depositing money into their accounts. I received only vague guesses and quizzical stares.
- Many of the institutional achievements of the Oslo period—the construction of a web of nongovernmental organizations and government offices characterized by greater levels of professionalism and competence—are in a state of advanced decay. NGOs that had contacts with PA ministries are often themselves subject to the international sanctions; others have been hurt by the switch in focus to basic service provision as donors struggle to ameliorate the humanitarian crisis caused by the sanctions. Those Palestinian officials with the training, competence, and connections to find work outside of official channels are increasingly interested in doing so, frustrated not only by the irregular salary payments but also by the futility of their work.

- Politically active segments of Palestinian society are increasingly polarized between a nationalist and an Islamist camp. The teachers union is already divided; the security forces clearly line up along party lines; party militias have turned their guns on each other. Meanwhile, unaffiliated Palestinians have shown strong signs of disgust with both camps (and indeed, this may be one of the main reasons Fatah and Hamas have managed to contain their fighting at times, realizing how deeply it alienates the broader Palestinian public). Hamas's public standing has unquestionably declined, but memories of Fatah's mismanagement, corruption, and incompetence prevent the formerly governing party from being the beneficiary.
- Fatah has taken few effective steps to reform itself. To be sure, it has sketched out impressive plans, but party leaders seem to be more intent on short-term maneuverings against Hamas and each other than the long-term viability of the party. Local units show a stronger interest in reform, but it is unclear whether they can impose their will on the party leadership. Indeed, with the leadership having lost much of its ability to reward members with patronage, any coherence of Fatah as a party—always its weakest feature—may be dissolving.
- Despite strong disillusionment and even despair among broad parts of the Palestinian public, no viable third force is arising. Nor is one likely to arise. Many individual independents with national prominence have joined the national unity government and therefore do not seem to offer any alternative. And none of these figures showed any ability to construct a third political force in the period leading up to the January elections. The existing social structures—the network of unions, NGOs, mosques, and other elements of civil society—are either polarized into the two main rival camps or are themselves in a state of decline so that there is no easy way to build a national constituency for a new political force even if there were dedicated leadership. The only new force that seems to be arising is a radical Islamist one, with groups mimicking al-Qaeda arising in Gaza and the radical if ineffectual Hizb al-Tahrir suddenly attracting followers in the West Bank.
- Adding to the disillusionment with politics is a deepening geographical fragmentation among Palestinians. The West Bank and Gaza have had different histories for half a century, but the distinction between them has never been politicized (even during the Oslo period, when there was occasional friction between leaders from the two regions). But increasingly party and governmental structures betray lack of coordination and even rivalry; the recent bloody factional fighting in Gaza provoked dismay in the West Bank but also an aloof reaction. Gaza has effectively been shut off from much of the West Bank for over a decade; since the beginning of the second intifada, even travel among West Bank cities has been hostage to the broader political environment.

Even Palestinians disgusted by Arafat's leadership in his lifetime now acknowledge that he not only thrived on disorganization but was also the one to limit it. No individual, group, or institution can play that role today.

In view of this situation, some have begun to speak of the end of the Palestinian national movement. But that clearly goes too far. It is true that all national-level

Palestinian political institutions are in a state of crisis—the PLO, the PA, the political parties, security services, militias, unions, NGOs, and even other institutions in the fields of education, media, and health. But while fragmentation and institutional decay on a national level are quite real, they will not continue without limits. Palestinian national identity, which arose and flourished without strong state institutions, has shown every sign of surviving the current chaos. And, on a local level, many of the structures of daily social and political life—and of what Palestinians term “resistance”—continue to limp along.

Palestinian politics is emerging as a dangerous brew: a continuation of a strong sense of nationalism and deep injustice among Palestinians, the inability of any authoritative institutions to govern and speak for them; and the ubiquity of (often atomized) armed groups who are often a slight provocation away from attacking each other. Nobody outside of Palestine seems to know how to react to this development.

And what of Hamas? It might be said that there are some in the movement who desire this situation. Indeed, when Hamas won the parliamentary election, all that it wrested from Fatah was a set of structures that Hamas had always devalued.

From this perspective, Hamas’s main achievement has been to prevent Fatah from building a set of governing institutions. And Hamas has made it impossible for Fatah’s leaders to negotiate with Israel. Those leaders may claim authority on the argument that the PLO—the remains of which are still in Fatah’s hands—is the designated interlocutor for negotiations, not Israel. And indeed, the national unity government recognizes this view. But there is no way that President Abbas can claim credibly to speak in the name of most Palestinians in current circumstances.

Yet while its election victory allowed it to veto any move it does not like, Hamas was unable to follow any positive (rather than merely negative) agenda. The movement was also not immune to the growing chaos. Its various wings agree on general policy but sometimes struck out in different directions in a manner that suggests poor coordination at best. Before the recent round of fighting in Gaza—which Hamas leaders either cheered on or kept silent about—its leaders had often called for an end to fighting without having its followers obey. And personal rivalries seem to have broken out in a movement that has always prided itself on avoiding the egotistical contests that have paralyzed Fatah. Hamas is still a relatively coherent organization and its central decision-making processes seem to have survived, but the experience of attempting to combine “resistance,” governing, diplomacy, and mass mobilization has placed strains on the organization and allowed some of its internal disputes to break into public view. Most of all, it has shown signs of trouble in managing its various constituencies, with various supporters criticizing the movement for having gone soft and others for its failing to manage power.

Some observers who follow Hamas closely claim to see signs among these conflicting trends that portions of the movement are inching toward acceptance of a two-state solution. This is almost certainly the case for some within the movement, but the significance of this development should not be exaggerated. Hamas has issued signals that confuse not only its enemies but also its followers. This is a product not only of the movement’s openly acknowledged tendency to try to appeal to various external constituencies through creative ambiguities but also because of its desire to paper over

internal differences. And the movement's posturing is even more deeply aggravated by its deep determination—in almost every single strategic and tactical move—to do the precise opposite of what Fatah did. While many Israelis and some Americans view Fatah as having been insincere in its commitment to the peace process, in Palestinian terms, one far more frequently hears precisely the opposite criticism: Fatah and its discredited leaders are held responsible for jumping through every international hoop presented to them with little to show for their pliancy. If Hamas does bend—and it may very well not—it will likely do so while desperately claiming it is doing nothing of the kind. And the recent takeover of Gaza will certainly be a setback to those who wished to edge Hamas toward acceptance of a two-state solution.

Those who believe that the movement has shown no signs of budging would be hard pressed to explain why a prominent movement leader, Mahmoud al-Zahhar, the departing foreign minister, denounced the agreement producing the national unity government on the floor of the Palestinian parliament. But those who believe that Hamas has undergone an implicit shift to accepting a two-state solution would be hard pressed to explain why all of its leaders continue to reject bitterly the idea that they will recognize Israel. Indeed, in June 2007 the movement issued a truculent statement proclaiming that its acceptance of a state on the June 1967 borders did not indicate that the movement would ever accept a loss of Palestinian sovereignty on any portion of Palestinian land.

There are some ways to split these hairs (having Hamas participate in a government that will recognize Israel without having the movement itself formally change positions; or devising a two-state solution that somehow does not involve mutual recognition). Some observers openly explore these ideas and some within the movement have hinted at or whispered about them. But however Hamas's various statements can be parsed, there is no doubt that the movement is having trouble delivering on its promise of marrying resistance and political participation.

In this situation, the national unity government was clearly not a way to resolve Palestinian differences but merely to contain them for a while and allow political leaders in Palestine and outside to postpone difficult choices. The government was simply unable to transform armed groups and security forces into a unified structure. Indeed, it was not clear that anybody wanted such unification to happen.

How to Respond? Alternative Visions

Thus, Palestinian realities make talk of a peace process, institution building, the Road Map, and security reform seem anachronistic indeed. The international processes set in motion in the 1990s were based on the presumption that the Israeli and Palestinian leaderships could negotiate a solution acceptable to both sides in an authoritative manner. That is clearly not possible at present. To continue with a version of the policies and vocabulary of the 1990s, with a significant measure of anti-terrorism measures thrown on top, amounts only to a holding pattern. Actually, to call it a holding pattern is too kind: the current policies will likely allow the situation only to deteriorate further rather than improve. It does no good to continue pretending that the international community is assisting the construction of a Palestinian Authority and sponsoring a viable diplomatic process. Even before the Gaza crisis, the PA was being slowly undermined and there was no viable diplomatic process. It is time to admit that the peace process has no clothes.

But honest admission of this stark reality does little to help in the search for alternatives. Many observers and participants in the conflict have begun to acknowledge that existing frameworks are leading nowhere. But the international sponsors of the moribund peace process—chiefly the United States and Europe—need to find a new, long-term strategic vision to motivate their efforts. The problem is that the choices range from the risky to the unreal.

The Jordanian Option?

It is perhaps the surest sign of desperation that some very old solutions to the Israeli-Palestinian conflict have been raised anew, sometimes by some surprising parties. One idea that has attracted some attention in recent years is the revival of what the Israeli Labor party used to refer to as the “Jordanian option”—a negotiated settlement involving Israeli transfer of responsibility for governing (or at least policing) Palestinians to Jordan. Some similar ideas have been raised for creating a composite force from Arab states that would govern Gaza as well.

What makes this idea particularly interesting is the range of parties hinting at some aspect of it. The Israeli right—which actually blocked any pursuit of the idea in the 1980s and which has objected vociferously for forty years to any attempt to turn the clock back to the situation before 1967—has suddenly discovered the virtues of a restored Jordanian role. Some Jordanian politicians have also floated the idea, though the official Jordanian position is that any talk of Palestinian-Jordanian confederation has to be postponed until after a Palestinian state is established. Some Arab intellectuals have raised the idea of the broader Arab force. And, perhaps most strangely, the bonds between Hamas and the Islamic movement in Jordan actually still exist in formal institutional terms (the Muslim Brotherhood on the West Bank, assumed into Hamas in the late 1980s, remains formally part of the Jordanian Muslim Brotherhood because of their links prior to 1967). And the Islamic movement rejects the legality of King Hussein’s 1988 unilateral decree to disengage Jordan from the West Bank. When Khalid Mishal, the head of Hamas’s political bureau, wrote recently to the Muslim Brotherhood international movement requesting that the Palestinian movement be regarded as independent of the Jordanian movement, he set off speculation that he may have been trying to forestall some strange Islamist variant of the Jordanian option.

But while the Jordanian option thus provokes curiosity, it is not clear how it solves any problems. How would Jordan be able to govern the West Bank without the agreement of the parties there? And why would the parties there agree to a renewed Jordanian presence after decades of working to establish a separate Palestinian presence in international affairs? The Israeli-Palestinian conflict already has deep repercussions for domestic Jordanian politics; why would any Jordanian leadership be interested in importing more problems? Why would Israel have faith that the Jordanian army could do what the Israeli army has failed to do over four decades? Why would Arab states wish to take on responsibilities in Gaza that could involve them in divisive political disputes there (with possible domestic reverberations for them)? It is possible to think of some limited roles for Arab observer forces, but a full return of Palestinian territories to Jordan would cause many more problems than it would solve.

A One-State Utopia

Another curiosity—though one that attracts far more enthusiasm in some quarters—is a “one-state” solution involving both Israelis and Palestinians living as equal citizens of the same state. This idea has always existed on the margins of Israeli political discourse (even before the creation of the state). It has also received echoes on the Palestinian side—for a long time, the PLO pursued a “secular, democratic” state, and the formal position of Hamas favors a single Islamic state in all of what Palestinians term “historic Palestine.” With the declaration of Palestinian independence in 1988, the PLO moved toward a two-state solution and the bulk of the nationalist leadership still favors that approach, but on the Palestinian left, the proposal has attracted renewed interest, especially given the failure of the two-state approach. And in the Islamic camp, while Hamas hints at acceptance of a state within the 1967 borders for an undefined period, the formal position of the movement has not changed. And quite recently, a leading member of Egypt’s Muslim Brotherhood mooted the idea that a single secular state might be the most appropriate solution, though his remarks were quickly disavowed by the movement’s head.

A single state—whether Islamic, secular, or consociational—can appeal to different parties for different reasons. If it is to be pursued through negotiation rather than military victory, it would have to involve a secular, consociational, or binational state. The advocates of such solutions generally fall into the trap of holding out an admirable utopian solution without analyzing what such a state would be like in practice or how deeply entrenched adversaries could ever construct such a state. All utopias seem preferable to current realities, and in the Israeli-Palestinian arena current realities can be so vicious that it is not surprising that utopian ideas are raised. In this way, a one-state solution resembles communism—a system that sounds quite preferable to current realities but which in practice may be unrealizable and the pursuit of which can lead to horrifying results. Indeed, the most realistic advocates of a one-state solution offer it not as a strategic vision but as a distant hope that may eventually emerge as more viable over the long term.

The same might be said for suggestions for some kind of international administration. It is possible to conceive of some role for external actors in guaranteeing a settlement, but only in a limited way and with the agreement of the parties operating on the ground. To ask a coalition of international actors to act collectively to impose order, security, and a governance structure without such a settlement is hopelessly ambitious; it suggests that a multinational force with limited means and political motivation could succeed where the Israeli army would not even wish to go.

Dissolving the PA

In recent years, Palestinians living in the West Bank and Gaza have spoken increasingly of a third option, born more of despair and petulance than hope: dissolving the Palestinian Authority and returning responsibility for its administration back to Israel. Various Palestinian actors have threatened to dissolve the PA at various times (including some Hamas leaders and those in the national camp), motivated by a combination of domestic and international motives. Few have taken such threats seriously. But increasingly Palestinians who do not occupy leadership positions advance the argument

that the Palestinian Authority at its most viable showed few signs of leading to an independent state and is now crumbling, surviving only as a mask for direct occupation. Palestinians argue that dissolving the PA would present Israel with a stark responsibility under international law for providing for order and the operation of those civic institutions and basic services that are slowly decaying under PA control. Direct occupation, they argue, would reveal to the world the realities of Palestinian life as well as shoulder Israel with the administrative and fiscal burdens of Palestinian governance they have avoided since the PA was created.

What international legal basis such an argument might have is utterly vitiated by political realities: Israel may not wish to see a PA hostile to Israel, but it has no interest in collecting garbage, running schools, and paying health inspectors. And it will not do so. The construction of the wall and travel restrictions on Palestinians make the connection between Palestinian living conditions and Israeli well-being seem far more remote than it did a decade and a half ago when the system of travel restrictions and roadblocks was first developed.

Palestinian political leaders might still take the step of declaring the PA dissolved. Hamas might do so if it feels forced from power, though it is not clear what effect such a declaration would have. Fatah might do so either as an anti-Hamas measure or to force international intervention. Since it controls the PLO, the body from which the PA draws its legitimacy in domestic Palestinian politics, Fatah has a stronger claim than Hamas to such authority. But such steps, even if possible, are unlikely since they would probably only result in deepening the institutional decay that is already fairly far advanced.

Another Kind of Two-State Solution

The Hamas takeover of Gaza has sparked talk of a different kind of “two-state solution:” one that would involve allowing Hamas to govern Gaza (that is, acknowledging existing reality) while building up Fatah rule in the West Bank. Those who prefer Fatah to Hamas would reward it with funds and diplomatic concessions denied the Hamas government. In a sense, this would be an updated version of the earlier effort to back Abu Mazin against Arafat and the later Abu Mazin as president against the Hamas cabinet. The effort showed no sign of success on either occasion partly because Abu Mazin was a reluctant partner and partly because the effort to support him was not even half-hearted. Is this the time for a more robust attempt to reward a Palestinian leadership more to the international community’s liking?

This is not an impossible path, but it is a difficult one. It is unclear how effectively Fatah or the president could govern in the West Bank. It would be difficult to convince Israel to make real concessions (such as removal of settlements) to a weak and ineffective Fatah movement very much tainted by terrorism in Israeli eyes. And the track record of sustained international backing for fostering such Palestinian leadership is dismal. Finally, the path suggests no meaningful strategy for reintegrating Gaza, only the hope that Gazans would some day wake up and wish they had followed their cousins’ path.

The Default Option: Less of the Same

The options presented thus far range from the utopian to the risky. It thus becomes easy to understand the current international response, which is inertia. International actors go through the motions of a peace process, pretending that a diplomatic solution for the Israeli-Palestinian conflict exists in the short term, while effectively encouraging a military solution to the internal conflict among Palestinians. Donors supply just enough revenue to keep the PA from collapsing suddenly, watching passively as the situation deteriorates while pretending that some better alternatives will arise. The default option thus far only placed worse choices on the table. Actually, it has led to something like the political disengagement of Gaza from the West Bank discussed above. In a sense, the path of two separate Palestinian states that may be emerging is less a solution than it is a logical result of the lack of a solution.

Over the past year, many Palestinians have complained that the international community was allowing a conversion of the West Bank and Gaza into another Somalia through willful action and inaction. In retrospect, it is clear that criticism goes too far. There will be no sudden collapse but only slow decay, continued fragmentation, and episodic internal and international violence. Absent the adoption of any clear alternative, we are simply likely to see less of the same.

Can the Two-State Vision Be Revived? Rebuilding the Palestinian Leadership

One lasting achievement of the Oslo process was to give a more realistic idea of what a viable two-state solution would look like. And in recent years, portions of the U.S. leadership, as well as the center and left parts of the Israeli political spectrum, appear to have been coming to terms with some elements of that solution. But does this come too late?

It has often been said—and it is said increasingly often—that the two-state solution has been robbed of viability by changes on the ground. The network of Israeli settlements; the encirclement of some Palestinian cities; the construction of new road systems, and the construction of a wall inside the West Bank less permeable than many international borders all militate against the construction of a Palestinian state that would live side-by-side with Israel.

These obstacles are daunting and real. But they are also obstacles to the other solutions mentioned above—they make any resolution more difficult. The only scenario they enhance is the final one discussed above, deterioration in the status quo.

But the deeper obstacle to the two-state solution lies less in geography than in politics. For a decade there was a Palestinian leadership that was publicly committed to a two-state solution. That is no longer the case. But even more troubling is the deterioration in the ability for any Palestinian leaders or institutions to speak with legitimacy and authority for Palestinian society. There can be no negotiated solution of any kind without such institutions and leadership.

There is no escape from the fact that all parties to the conflict have shown a stunningly bad sense of timing. At the time when the Oslo process offered the possibility of moving toward a two-state solution, American officials refused to breathe a word in public on the possibility of a Palestinian state. Israeli officials supportive of such a

solution generally kept mum in public during the period while tolerating and even encouraging massive settlement in the West Bank.

It was not until the process collapsed and the parties entered into mortal combat that American and then some Israel leaders spoke boldly of the vision of Israel and Palestine living side by side. And the tin ear for timing continued. U.S. officials gave precious little support to Mahmoud Abbas when he was prime minister under a reform-minded Palestinian government. They simply watched as spectators as Israel announced its plan to withdraw from Gaza only after Abbas had resigned. Then, when Abbas won the presidency after Arafat's death, U.S. support was largely verbal. All along, whenever Palestinians spoke of elections, the United States held them off (with the exception of the presidential election of 2005) until Hamas had grown sufficiently strong that it won. And only at that point did the United States rush in with its talk of a "political horizon" and "strengthening Abbas"—at a time when such policies were unlikely to lead to positive results.

Those who wish to revive the two-state solution thus find themselves fighting increasing skepticism from all sides. The strongest argument in their favor is that all alternatives are either not viable or far riskier. But the desirability of a two-state solution does not make it likely or even possible. Today the task of reviving of a two-state solution depends not only on an Israeli leadership willing to make concessions and a US leadership willing to engage in intensive diplomacy; it also requires a Palestinian leadership that can actually lead. That implies a renewed focus on Palestinian institution-building.

There is a strong danger that the stress on Palestinian institution-building is itself too late—it was a far more viable option in the mid-1990s when Palestinian reformers first pressed for it, or even in 2002 when the Palestinian leadership reluctantly agreed to submit to domestic and international reform plans. At present, the path of reviving an authoritative Palestinian leadership would have to be based on ensnaring Hamas in the realities of governing, forcing it to replace the logic of resistance with an electoral logic, threatening it with being outvoted rather than militarily defeated. It would mean persuading Fatah's leaders that they will have to work to reground themselves in Palestinian society, forcing them to view the task of representing Palestinians as neither entitlement nor right but as something to be earned. And it would mean allowing the governing structures of Palestinian life to continue to operate, strengthening their professionalization and reach rather than encouraging them to atrophy.

Such an approach requires that a strong, well-rooted, and representative Palestinian leadership be fostered. Israel would have very strong qualms about the kind of leadership that would emerge. Those qualms simply cannot be dismissed; they are based on Hamas's words and its actions. Thus, there is no escape from the substantial risk that such a policy would only more deeply entrench a movement that rejects a two-state solution. Of course, current policy—which pretends to be following the path of strengthening Palestinian leadership while actually letting Palestinian governance structures to the brink of collapse—may carry even graver risks.

Besides requiring a tolerance for risk, this approach could not succeed without a shift from the short-term and reactive policies embraced in recent years to consistent

pursuit of a strategic objective. The approach of reviving Palestinian institutions would demand:

- An end to the international sanctions on the Palestinian government so that Palestinian institutions would regain a solid fiscal footing.
- An attempt to revive the national unity government so that Gaza and the West Bank could be politically reintegrated.
- A broader international effort that works with existing institutions—the PLO, the PA, the network of ministries and administrative bodies, NGOs, and political parties. Rather than pitting the various parts of the Palestinian entity against each other, starving and isolating those institutions controlled by Hamas and working to ensure that the “moderate” camp will defeat the “extremist” one by force of arms if necessary, this approach would demand that the various parts of Palestinian political life be developed and integrated, and clear and legitimate decision-making processes be fostered. Those who wished to aid certain segments of Palestinian society (especially political parties and NGOs), putting their thumbs in the scale of internal debates, cannot be prevented from doing so, but it makes far more sense for them to work not by arming Palestinian actors or turning them into corrupt patronage machines but to professionalize them and assist them in developing relationships with their constituencies.
- An ongoing cease-fire between Israel and the various Palestinian factions. Integration of the security services under unified command—and allowing them to take the place of the current militias and armed gangs—is a worthy goal but could only take place over the long term, as the governance structures of Palestinian life began to attract consensus support.
- The United States would need to take the lead on diplomacy, giving Palestinian society an opportunity to reconstruct its political structures with international assistance.
- A set of Israeli measures—acceptance of an interim cease-fire, release of Palestinian revenues it has confiscated, and toleration of indirect negotiations with Hamas over ways to undergird and patrol the cease-fire. Oddly, while this approach would entail far more risk to Israel than the United States, current public debate is far friendlier to the idea in the Jewish state than in the American capital.
- A continuation of the massive aid program. European states would probably have to finance the lion’s share, though they may be mollified that their funds could shift back from emergency salary assistance to long-term developmental and governance projects.
- A solid and sustained diplomatic initiative from Arab states to give diplomatic and ideological cover for the effort to rebuild a viable Palestinian government, assure Israel that there are tangible security benefits from cooperating, and resocialize emerging Palestinian leaders into the international system. International monitors (most likely coming in large part from the Arab world) might help in overseeing any cease-fire, though expecting them to enforce it is unrealistic.

- Serious monitoring of agreements, coupled with muscular and public diplomatic support for such monitoring. The alternative—allowing each side to work to impose their understandings of others’ obligations while ignoring its own—contributed greatly to the disintegration of the peace process of the 1990s and of public support for it.

These measures could only succeed by working to integrate or outmaneuver Hamas rather than vanquish it. And there is no escape from the possibility that they would only strengthen the movement without moderating it. A cease-fire in the West Bank, for instance, is absolutely necessary for a reemergence of authoritative Palestinian national institutions—yet it would also allow Hamas the same kind of free hand for organizing that it has enjoyed in Gaza. Israeli objections to a broad cease-fire are thus easy to understand.

Revival of a two-state solution is immeasurably complicated by the strength of Hamas. But Hamas will not easily be defeated. At this point, it is so deeply ingrained in parts of Palestinian society that it cannot be erased. It might be defeated in an election, but only if it clearly bears responsibility for its governance failures and viable other options arise.

Those who pretend that history is moving toward a two-state solution have actually hastened its demise. The most convincing argument for continuing efforts on the two-state path is the unattractive or unviable nature of the alternatives. That may make the mission more important, but it makes it no more likely.

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