

Point of View No. 66

The PA - Between Institutionalization and Collapse

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Palestinian PM Haniyeh said that the dissolution of the Palestinian Authority (PA) will be considered if the international boycott continues (**Maan News Agency**, 5/4/07).

Similarly, Palestinian Information Minister Mustafa Barghouti warned that the fall of the Unity Government would result in the total collapse of the PA (**Maan News Agency**, 5/2/07).

The Reut Institute asks: What is the expectation of the 'Three Demands Policy' of Israel and the international community towards the Palestinian Unity Government? Is Israel prepared for the possibility of the National Unity Government's fall and the political chaos liable to be created by such an event?

What is the Issue?

- Israel's 'Three Demands Policy' was formulated as a reaction to the formation of the Hamas government in the PA (3/06). Within the framework of this policy, political, economic and military pressure was placed on Hamas to coerce it to explicitly recognize Israel, ratify existing agreements and cease violence (hereafter, 'Three Demands Policy').
- The 'Three Demands Policy' achieved international support and created an ongoing economic boycott of the PA.
- The Palestinian National Unity government was established following intra-Palestinian agreement in Mecca (2/07) in order to bring political stability, lift the international boycott and erode the 'Three Demands Policy'.
- However, the 'Three Demands Policy' has not been updated since the establishment of the Unity Government. Israel maintains its policy unaltered and pressurizes the international community to follow suit.

Why is this Important? Why Now?

- On one hand, the PA is undergoing a process of structural and political institutionalization. This process began with Hamas' entry into the Palestinian political system (5/05), the holding of elections and the organized transfer of powers from Fatah to Hamas (3/06). It reached its peak with the establishment of the Palestinian National Unity Government (2/07).
- The institutionalization of the PA poses a dilemma for Israel: While the PA may consolidate into an address, institutionalization also signifies the establishment of a Palestinian political entity led by Hamas.
- On the other hand, processes for dissolving the PA's collapse are ongoing: Anarchy is increasing and calls for dissolving the PA are returning to the center of Palestinian discourse (see above).
- The dissolution of the PA is liable to have far-reaching and long-term consequences for Israel, among them: (1) **Renewing Israeli Responsibility** for the residents of Gaza and intensifying the burden of controlling the West Bank; (2) **Damaging Sustainable Separation** between Israel and the Palestinians; and (3) **Undermining the Principle of the Two State Solution** (See Dissolution of the Palestinian Authority – an Emerging Trend).

- Since March 2006, there has been no change in the 'Three Demands Policy' despite the changes in the PA and the unlikelihood of this policy achieving its aims. Moreover, maintaining the 'Three Demands Policy' increases the pressure to dissolve the Palestinian National Unity Government.

Policy Options

- Israel should assess the possibility of the Palestinian National Unity Government's collapse. In such a case: How would Israel respond if the Hamas government was re-established? What would happen if the PA was abandoned without a functioning replacement government? If a decision to hold new elections is taken, how would they be carried out?
- Currently, it does not appear that Hamas and Fatah are interested in a comprehensive confrontation. However, if such a confrontation does develop, is Israel prepared to deal with its consequences and to help Fatah win?
- Does an alternative to the 'Three Demands Policy' exist? The Reut Institute proposes an alternative 'Policy of Exposure', in which Israel can 'accompany' the Unity Government through a 'corridor of difficult decisions' that would place in conflict the ideology of the government (and of Hamas within it) and its responsibility for the population (see Inversion towards the Occupation: a New Challenge to Israel's National Security Concept, paragraphs 46-47, and Corridor of Difficult Decisions for the PA: Cancelling the Customs Envelope?).

End.