

Is the Wolf at the Gates This Time? Addressing the Crisis in Israeli-Palestinian Ties

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Brief Analysis

The drastic new declaration by Palestinian Authority president Mahmoud Abbas (Abu Mazen) abrogating the PA's commitments to its political agreements with Israel, including security cooperation, has aroused great concern among both Israelis and Palestinians. The crux of the matter is this: will it be just one more of the many such threats announced over the years, with no real intention of being carried out, or will this latest "cry wolf" become real?

What is sure is that this new threat by Abu Mazen is more concrete than ever, reflecting his dire strategic straits. It comes after a decade of relative calm in the West Bank, despite a series of severe bilateral crises: three wars in Gaza, the "knife intifada" starting in late 2015, the U.S. embassy move to Jerusalem in 2018, and the release this past January of President Trump's "Deal of the Century" plan. This analysis concentrates on the PA and the West Bank, leaving the details of the separate but [equally troubling situation with Hamas in Gaza](#)

[\(<https://www.washingtoninstitute.org/policy-analysis/view/coronavirus-on-the-israeli-palestinian-scene-part-2-the-gaza-strip>\)](https://www.washingtoninstitute.org/policy-analysis/view/coronavirus-on-the-israeli-palestinian-scene-part-2-the-gaza-strip) to a separate discussion.

Over the past decade or so, the relative calm in the West Bank can be attributed to a combination of several restraining factors—many of which have waned recently:

Economic. The West Bank has experienced a decade of relative stability, thanks in part to Israel's wide-ranging policies in this area. At its center is the regular transfer of tax and customs revenues, which account for 60 percent of the PA budget, enabling it to pay its extensive public sector salaries. Israel's support or easing of restrictions on Palestinian commerce, industrial development, and the increasing commercial activity of Israeli Arab citizens in the West Bank has also helped business in this area.

Political. The PA leadership's deep strategic attachment to the political approach to relations with Israel, along with a fundamental avoidance of the "armed struggle" alternative, has kept relations relatively stable. This has held true even as this political approach has made no progress, and has been long frozen between the two sides.

Civil. Most of the West Bank's inhabitants have experienced a stable fabric of daily life, with many perceiving this as a rare and prized possession when compared with the situation in the rest of the region—including Gaza—these days. Relative calm has sharpened an awareness of the high price they would pay for “armed struggle.”

Popular attitudes. The Palestinian public's traumatic memories of the Second Intifada's effects have so far contributed to curbing any widespread violence. However, this consciousness is less influential among the younger generation born after the year 2000, who do not share the collective recoil of their parents' generation to the same degree.

Coordination and contact with Israel. Abu Mazen has previously viewed the close and continuous coordination between Israel and the PA security apparatus as a central, existential ingredient for the PA, even previously labeling it as “sacred.” This coordination occurs alongside Israel's own effective and continuous terrorism-prevention measures. In addition, there exists far-reaching civilian economic coordination touching all areas of life in the West Bank, based on the 1994 Paris Accords.

The international arena. These actors have for many years evinced a strong interest in the Israeli-Palestinian conflict, and have long provided significant aid to the PA. Yet it now appears that the emergence of grave political and economic crises around the globe in recent years, along with the implications of the current epidemic and the Trump peace plan, are incrementally constricting international interest and involvement in the Israeli-Palestinian dispute.

The Arab arena. Similarly, these players were once deeply interested and influential in the Palestinian establishment, providing it with broad economic assistance and political backing. Against the backdrop of recent regional upheaval, Arab states are increasingly focused on internal issues and on other regional conflicts—primarily the one pitting much of the Sunni Arab world against Iran. They have thus narrowed their involvement with the Palestinian cause. This step back can also be attributed to the deep freeze in the peace process, and of their frustration over revelations of corruption in the Palestinian government.

As noted, these basic ingredients of strategic stability—some already weakened in the past few years—have had to absorb tough shocks in recent months. The economic component, which has served as the cornerstone of the existing order in the West Bank, has especially frayed in the face of a global economic crisis. The pandemic and its repercussions have caused the steepest economic decline in the Palestinian arena (particularly in the West Bank) in nearly two decades.

This crisis is made apparent through a series of worrying phenomena. According to the PA Statistical Bureau, out of 142,000 small and medium enterprises in the Palestinian Territories, close to 100,00 have almost entirely ceased functioning. These closures have intensified the unemployment problem, especially among youths. In the West Bank, the average unemployment level has now doubled, from 17 to 35 percent; in Gaza, it has increased as well, from an already miserable 45 percent to a majority—52 percent. These statistics mean that of approximately one million Palestinians in the labor force, around 300,00 have now joined the ranks of unemployed: 200,000 from the Palestinian private sector and 100,00 who worked in Israel.

As such, the West Bank's circle of poverty is expanding; just since the start of the coronavirus crisis, 120,000 more families have dropped below the official poverty line. On top of it all, humanitarian institutions are also in jeopardy—in part because of **Israeli pressure on Palestinian banks (<https://www.washingtoninstitute.org/policy-analysis/view/violence-targeting-palestinian-banks-comes-at-a-sensitive-time>)** to close accounts that process payments to Palestinian terrorist prisoners and their families.

This swift economic decline is taking place against the background of fraying in the political/diplomatic restraints that have long proved integral to the PA's commitment to adhere to its agreements with Israel. The PA is intensely concerned with **possible Israeli annexation plans (**

analysis/view/did-pompeos-visit-shift-the-annexation-debate-in-israel-and-washington) in the West Bank, intended to change the facts on the ground and create a new fait accompli in that territory. From the Palestinian perspective, the move would be an attempt to exploit the current global preoccupation with the coronavirus and the exceptionally tight ties between the Israeli government and the current U.S. administration.

In this context, there could emerge an explosive combination of the widespread Palestinian popular frustration with the deterioration of the quality of daily life, and the acute political crisis sparked by the Palestinian leadership in response to the “Deal of the Century” and its annexation concept. In general, most of the Palestinian public demonstrates but little interest in political crises; yet under these circumstances, it is likely that a larger number of Palestinians will feel the desire to join a cycle of confrontations.

Erosion in the security sphere, manifest in the threats to end coordination with Israel, can now also be compounded on the severe aggravation in the economic and political realms. The matter has not yet found wide practical expression, but it is liable to become rapidly concrete.

Within this framework, a variety of threats are likely to develop: starting with scuffles arising from Palestinian attempts to prevent the entry of Israelis into PA areas, as has occurred routinely until now; through a decrease in the motivation of Palestinian security components to act against terror cells planning attacks against Israel; and ending up in increasing extremism among some Palestinian security (and Fatah Party) cadres, interpreting their leadership’s militant declarations as a green light to promote violence against Israel on their own.

The PA is aware that such developments could result in a severe escalation with the potential to trigger the PA’s own collapse; it has thus adopted a very cautious stance in this regard. Yet in the current situation, dynamics on the ground could prove more powerful than the leadership’s calculations, escalating even if the latter has neither desired nor planned for it. Early signs of this potential are evident lately among the ranks of the Tanzim, the Fatah militia units in the field.

Domestic political uncertainties further contribute to the atmosphere of crisis. There is a profound uncertainty about the future Palestinian political arena, compounding with the fraught relationship between the leadership and the public. True, the past few months have witnessed an improvement in the PA’s public image due to its successful management of the corona crisis. Still, as that crisis eases, criticism of the PA is resuming, manifesting primarily in complaints about corruption, limits on free expression, and failure to advance internal Palestinian reconciliation (including with Hamas and Gaza).

These factors are combined with continuing questions on **“the day after” Abu Mazen** (**<https://www.washingtoninstitute.org/policy-analysis/view/palestinian-politics-after-abbas>**)—an issue that remains shrouded in deep uncertainty and provokes concern about the future among many Palestinians. In recent months, this question has been further complicated by new tensions between other PA leaders and PA prime minister Mohammad Shtayyeh, ironically in reaction to the many media accounts that his response to the coronavirus crisis has helped strengthen his internal standing.

The juxtaposition of the aforementioned trends suggests the erosion of the whole web of restraints that have so far prevented a far-reaching escalation in the Palestinian milieu. We may now face a more explosive reality than in the past, one liable to yield a wider escalation that both sides will find hard to control. The situation could develop beyond or even in direct opposition to their plans or desires. In other words, escalation this time is more likely either because of the partial or complete fulfillment of the PA’s threats, or because of an unintended dynamic of escalation liable to emerge from the current situation in the Palestinian arena.

Nevertheless, whatever political path one might choose, Israel probably still has the ability to maintain a degree of calm and preserve the distinction between acute political crises and behavior on the Palestinian street—provided it

does not actually implement annexation measures in the West Bank.

In the economic realm, this requires several immediate steps:

1. Ensure regular financial support for the PA, even if this will be more difficult than before due to the severe political crisis in relations
2. Consider postponing any penalties in the economic area, justified and legitimate as they may be (such as withholding of funds to the families of “terrorists”) by finding a legal solution
3. Ensuring the rapid return of Palestinian workers to Israel
4. Encouraging the mobilization of outside aid to the PA

Beyond addressing the current economic instability, we recommend that Israel take additional steps to preserve stability in the Palestinian arena:

1. Maintain, to the greatest extent possible, the channels of coordination in all sectors—especially in security—and of dialogue at the political level (even if this takes place in secret)
2. Publicly signal to the Palestinian population that Israel intends to preserve a stable fabric of daily life in the West Bank
3. Closely coordinate with international and regional actors, particularly Egypt, Jordan, and the Arab Gulf states
4. Explore possible means to promote rapprochement between the U.S. administration and the PA. It should be recognized that the existing rupture poses a threat to Israel, notably by disabling the instruments of influence and possible pressure on Ramallah

Implementing the above recommendations would probably buy Israel a few months of temporary stability in the West Bank, mainly in relation to the Palestinian public. And yet, with the passage of time, the effectiveness of such stabilization efforts will decline. Moreover, they are liable to lose much of their influence in the event of practical annexation measures in any West Bank territories. In this case, the calculations and behavioral characteristic of the Palestinian leadership—and even more so the Palestinian street—are likely to become more extreme, to the point that it will be difficult to calm the area with just civilian measures. ❖

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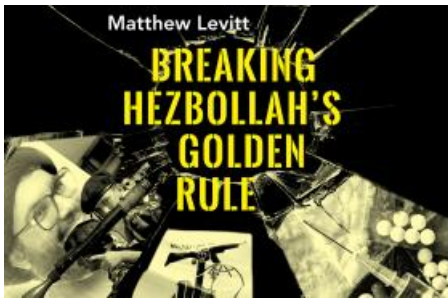
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