

Trump Wants to Help Israel by Cutting Aid to Palestinians. Why Are Some Israelis Worried?

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Articles & Testimony

Top IDF officials believe cuts could deepen the economic crisis in the West Bank and Gaza, put thousands of Palestinians out of work, and ultimately lead to violence.

In early 2014, workers for the United Nations Relief and Works Agency (UNRWA), the seven-decade-old body that provides basic services for Palestinian refugees, went on strike in the West Bank and Gaza Strip. The cause was an internal battle between management and teaching staff over budget cuts and layoffs. For two months, across the refugee camps of the Palestinian territories, UNRWA schools shut down, garbage piled up in the streets, and health care clinics remained closed. Officials on all sides expressed concern about the strike, but none more stridently than Israeli military officers. “This is a security interest for all of us,” one senior officer from the military unit that runs the West Bank told me at the time. “We don’t want kids to be bored, and to start throwing rocks.”

Now, the Trump administration seems determined to end all U.S. funding to UNRWA (<https://foreignpolicy.com/2018/08/28/middle-east-palestinian-israel-pompeo-trump-kushner-u-s-to-end-all-funding-to-u-n-agency-that-aids-palestinian-refugees/>) and cut other aid to the Palestinians. Some of Trump’s closest advisors, including his son-in-law, Jared Kushner, believe the refugee agency undermines Israeli interests and stokes the refugees’ hopes for repatriation in Israel. As with Trump’s decision last year to move the U.S. Embassy in Israel to Jerusalem, the withholding of aid money is seen as one more way that the U.S. government, the historic peace process mediator, is aligning itself with hard-line elements within Israel.

But while Israeli Prime Minister Benjamin Netanyahu basks in the unmitigated support he gets from Trump, top Israeli security officials are worried. Some of them told the Israeli Cabinet that the move could backfire badly on Israel, “setting fire to the ground,” according to a report on Israeli television this past weekend. Others are cautioning

that the void created by any decline in UNRWA services **would be filled by the Islamist Hamas group** (<https://www.haaretz.com/middle-east-news/.premium-trump-s-hardball-palestinian-policy-will-blow-up-in-israel-s-face-1.6413844>).

The reasons for the concern are not difficult to discern. As an international diplomat in Jerusalem once told me, UNRWA is effectively a “quasi-government” in the West Bank and Gaza Strip, providing education, health, and other essential services to some 2 million people.

In the West Bank alone, nearly 800,000 Palestinians are registered as refugees, many residing in the 19 refugee camps scattered across the territory (camps is a misnomer; these days they are urban concrete slums usually connected to major Palestinian cities). Almost 50,000 pupils study at the 96 schools UNRWA operates, with the agency **responsible** (<https://www.unrwa.org/where-we-work/west-bank>) for an additional 43 health care centers, 15 community rehabilitation centers, two vocational training centers, and 19 women’s program centers.

The situation in Gaza is even more acute. One million Palestinians, half the population of the blockaded coastal enclave, depend on UNRWA for food aid; a quarter million refugees study at the agency’s 267 schools; some 21 health centers dispense care to a war-ravaged population. In a territory with a 40 percent **unemployment rate** (<http://gisha.org/updates/4388>), the highest in the world, UNRWA employs almost 13,000 staff—many of them registered refugees themselves.

The U.S. government, historically UNRWA’s biggest donor, provides more than a quarter of the agency’s budget. Its plan to eliminate \$350 million in funding will leave UNRWA with a massive shortfall and has already forced layoffs. The school year is set to start on time, but **officials at the agency** (<https://foreignpolicy.com/2018/08/22/one-cannot-simply-wish-away-five-million-people-pierre-krahenbuhl/>) can’t guarantee that it will extend past the end of September. Gaza in particular is of utmost concern, with the territory already on the brink of a **humanitarian catastrophe** (<https://www.thedailybeast.com/how-gaza-became-hell-on-earth>) and Israel and Hamas teetering on the edge of war. Israeli security officials have consistently described Gaza as a “ticking bomb”—one that Israel and Hamas (which rules the Strip) are now trying to defuse via indirect talks.

Washington also seems bent on stripping millions of Palestinians across the region of their status as refugees—a highly evocative issue tied to the Palestinian “right of return” demand. Critics contend that this refugee status (imparted as well on descendants of those Palestinians who fled during Israel’s creation in the 1948 war) artificially perpetuates the conflict, impelling refugees to believe they may someday return to their homes inside Israel. “This relates to the core of the Palestinian narrative,” Lt. Col. Alon Eviatar, a retired Israeli intelligence officer with long experience in Palestinian affairs, told me. “It could have even more dramatic implications than the budget cuts.”

The Trump administration, though, hasn’t just stopped with UNRWA. Late last week, the State Department announced that it was cutting \$200 million in aid to Palestinians in the West Bank, primarily development and infrastructure projects run through USAID. Beyond the larger damage to the Palestinian economy of stopping these initiatives—roads, sewage, electrical transmission, water and the like—there is a more personal and immediate problem. All told, tens of thousands of West Bank Palestinians benefit, whether directly or via extended family circles, from employment in these projects. “In terms of work, there aren’t alternatives for all these people,” Eviatar said. “If you cut one hand then you have to make sure the other hand feeds [them],” he said, alluding to the wider danger of a political vacuum.

Tellingly, the United States refrained from slashing direct aid (\$60 million) to the Palestinian Authority security forces, a sign that Washington does value their work, **especially the tight cooperation** (<https://www.washingtoninstitute.org/policy-analysis/view/the-hush-hush-deal-that-keeps-the-middle-east-from-exploding>) with their Israeli counterparts. Yet even if continuing this funding were politically tenable for the

Palestinians—an open question given the tattered state of their relations with the Trump administration—this is arguably a **limited understanding of security** (<https://www.washingtoninstitute.org/policy-analysis/view/state-with-no-army-army-with-no-state>).

For more than two years, the Israeli military has aggressively promoted a policy of economic development in the West Bank, in an effort to disincentive violence against Israel and allow Palestinians to live reasonable, undisrupted lives. As one senior Israeli security official told me last year, “I very much value the civilian and economic component...it was the reason why there wasn’t a Third Intifada.” In two fell swoops, the Trump administration may undo much of this hard-won stability, potentially putting untold numbers of Palestinian workers, students, and refugees out onto the streets. “It’s clear to me that there will be a storm and [these steps] may lead to a wave of terror,” Col. Grisha Yakubovich, a retired Israeli military officer who served in the unit that oversees civilian affairs in the Palestinian territories, told me.

The administration is clearly hoping that the economic pressure will get the Palestinian Authority back to the negotiating table, pressure Hamas in Gaza, and force reforms on a bloated and inefficient UNRWA. But Eviatar, the retired Israeli intelligence officer, said the chances of success were not high. “They’ll get the opposite result,” he told me, referring to the Trump team. “The Palestinians won’t come back to the table. It just won’t happen.”

Kushner, meanwhile, doesn’t seem to mind if the collapse of UNRWA and these other intricate moves cause collateral damage. “Our goal can’t be to keep things stable and as they are...Sometimes you have to strategically risk breaking things in order to get there,” he said earlier this year in an internal email [leaked](https://foreignpolicy.com/2018/08/03/trump-palestinians-israel-refugees-unrwaand-allies-seek-end-to-refugee-status-for-millions-of-palestinians-united-nations-relief-and-works-agency-unrwa-israel-palestine-peace-plan-jared-kushner-greenb/) (<https://foreignpolicy.com/2018/08/03/trump-palestinians-israel-refugees-unrwaand-allies-seek-end-to-refugee-status-for-millions-of-palestinians-united-nations-relief-and-works-agency-unrwa-israel-palestine-peace-plan-jared-kushner-greenb/>) to *Foreign Policy*. An easy thing, perhaps, for someone thousands of miles away to say, but a different proposition altogether for all those on the ground—Palestinians and Israelis both—who risk getting broken in the process.

Neri Zilber is an adjunct fellow with The Washington Institute and coauthor (with Ghaith al-Omari) of the paper [State with No Army, Army with No State: Evolution of the Palestinian Authority Security Forces, 1994-2018](https://www.washingtoninstitute.org/policy-analysis/view/state-with-no-army-army-with-no-state) (<https://www.washingtoninstitute.org/policy-analysis/view/state-with-no-army-army-with-no-state>). ❖

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