

Funding Alternatives to Hamas

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Brief Analysis

On April 7, the State Department announced its plan for restructuring aid to the Palestinians in response to the formation of a government led by Hamas, which has refused Quartet demands to recognize Israel, cease violence and terror, and accept past diplomatic agreements. In order to target assistance toward the Palestinian people rather than the Hamas leadership, the United States will now provide the vast majority of its aid (some \$203 million) for humanitarian needs, including food, health, and education programs primarily administered by United Nations agencies such as the UN Relief and Works Agency (UNRWA), the UN Children's Fund (UNICEF), and the UN World Food Program. An additional \$42 million is allocated for "securing and expanding democracy," in an effort that "protects and promotes moderation and democratic alternatives to Hamas." Assisting the development of such a peaceful and democratic alternative -- as distinct from an immediate overthrow of Hamas -- will require the United States to support programs driven internally by Palestinians that can foster a broad-based political movement. Bolstering a centralized Fatah-like organization run by elites will only lead to further corruption and the continued alienation of the Palestinian public.

Fatah as an Alternative

There may be a great temptation by those seeking a rapid overthrow of Hamas to support the longtime leaders of Fatah who were soundly defeated in the January elections but who still represent the most obvious alternative to Hamas. Hoping to maintain the loyalty of their followers, who have traditionally benefited from an elaborate patronage system, Fatah leaders may start pleading for American funds to initiate their own social service programs as a means of supporting their constituents and competing with Hamas's established dawa charitable network. Even though some Fatah figures may ultimately return to power as a pragmatic political leadership, the United States should not disburse funds to Fatah until the movement, or some element of it, begins the comprehensive political reform and internal housecleaning it continues to avoid three months after suffering a humiliating defeat at the polls.

The United States can be helpful in furnishing technical expertise and assistance to those within Fatah focused on driving internal reform and rebuilding ties to their constituents so long as they are committed to Palestinian democracy, a two-state solution with Israel, and President Bush's 2002 formula of a leadership "not compromised by terror." Assisting party development should be distinguished from simply shifting the past patronage network of

Fatah to new faces. Once Fatah or any of its factions begins serious efforts at political reform, then aid can begin to flow to support the kinds of social welfare projects its members will be so keen to deliver to the general public. But aid furnished to Fatah leaders absent a parallel process of political revitalization will only be money thrown down the existing Fatah sinkhole.

Surveying the 'Alternative' Landscape

Before the United States begins large-scale funding of potential alternatives to Hamas, it is important to survey more concretely what organizations and individuals are currently undertaking projects focused on secular education, women's empowerment, advocacy of peace and nonviolence, or other objectives that counter those of Hamas. This survey should seek to measure precisely what is being done on the ground to affect political discourse and organization, how successful have these efforts been, how many people they represent and benefit, and to what extent can the most effective programs be developed and expanded.

Part of the need for such a comprehensive review of organizational performance is that international assistance in the last years has spawned an array of Palestinian nongovernmental organizations (NGOs) and civil society groups, most of which operate independently and receive independent funding. There is no central clearinghouse that keeps track of all these organizations and their missions, activities, and achievements. Consequently, the United States should work closely with international and Palestinian partners to form an independent survey team that can conduct such a review in all Palestinian municipalities over a two- to three-month period. This project should strive to evaluate all relevant programs and organizations, regardless of their sources of funding, and it should be staffed by individuals without personal stakes in the subjects of the enquiry.

Equipped with a database of existing efforts, the United States can maximize the impact of its democracy assistance funds by enhancing successful programs, expanding into previously ignored localities, and identifying where new organizations and programs will need to be initiated. A specific strategy should be designed to penetrate areas beyond Ramallah and into the Hamas strongholds in Gaza, Hebron, and Nablus, as well as the politically charged universities.

Concurrent with the work of the survey team, the United States should begin to develop the infrastructure for creating an independent, Palestinian-led body that can function as a vehicle for delivering grants and actively monitoring the activities of grantees. Programs should be evaluated based on a clear set of criteria aimed at developing moderate, democratic alternatives to Hamas and building the kind of politically open society in which competing ideas can thrive. The scheduled September expiration of the current U.S.-funded project for Palestinian small-grants delivery, Tamkeen, presents an opportunity to create a new body focused on seeking out fresh ideas from different grantees. Organizations that have previously received U.S. support for stale projects with minimal impact on the population will be forced to redesign their approach or seek funding elsewhere.

From Civil Society to Political Action

The real challenge of effectively spending \$42 million will not be building Palestinian civil society, which has developed significantly in recent years, but identifying and supporting programs that will fuel political movements capable of challenging Hamas and presenting the Palestinian public with a viable alternative to an Islamist government that favors terror over peace. To get a sense of the scope of what \$42 million can do in the field of democracy assistance, Tamkeen was a \$34 million project that supported 106 civil society organizations over five years. The democracy and governance portion of the U.S. Agency for International Development's West Bank and Gaza budget was \$13.4 million in 2004, \$23.3 million in 2005, and \$20 million in 2006.

Free media and communications is an area that requires substantial investment to enhance the ability of moderate organizations to affect the Palestinian public discourse. For organizations advocating nonviolence, democracy, and

reform to gain traction, they must have avenues to express their opinions openly and to challenge Hamas's policies and expose its failures through investigative reporting. Whether the most effective medium for engaging the public will be widely distributed listservs, blogs, text messaging networks, or more traditional outlets in print or radio, invigorating the internal Palestinian debate will be an essential component of any assistance package.

Finally, the United States should explore what independent governmental bodies exist that are free of Hamas control but essential for preserving Palestinian democracy. Assistant Secretary of State David Welch suggested in the April 7 press conference announcing the shift in U.S. aid policy that these institutions might include "municipalities, governorates, the central election commission, the attorney general, and judiciary." With the exception of the election commission, it may be nearly impossible to work with these entities, given Hamas's pervasive presence in Palestinian governance. However, if the objective of U.S. policy is to facilitate a peaceful transition of governance driven internally by Palestinians, then it will be necessary to find a way to back those institutions necessary for transferring power away from Hamas.

Ultimately, Palestinians themselves will have to determine whether they want to be governed by Hamas and the radical agenda that is increasingly isolating them from the international community. For those Palestinians seeking a moderate, secular, democratic alternative, the United States can play a dynamic role in enabling them to organize, connect with the population, and engage in the kinds of grassroots efforts essential to developing a vibrant constituency.

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