



Economy and Politics: The American-initiated economic workshop in Bahrain as a test case for a possible agreement in the Gaza Strip

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The economic workshop in Bahrain

► The United States recently announced an economic workshop would be held in Manama, Bahrain (July 25-26, 2019). The concept motivating the workshop is that investments and economic initiatives will lead to prosperity for the Palestinian population in Judea, Samaria and the Gaza Strip, and thus it will be possible to promote an Israeli-Palestinian peace agreement (Trump's "deal of the century").

► **Palestinians of all political factions**, from the Palestinian Authority (PA) to Hamas and the Palestinian Islamic Jihad (PIJ), **rushed to reject the workshop in Bahrain**. Their refusal was fed by their concern that the objective of the workshop was to promote the "deal of the century," which they reject out of hand, even without knowing its details. The PA perception is that a significant improvement in the Palestinian economy may disrupt the achievement of the Palestinians' "national rights." Those rights are based on the establishment of an independent Palestinian state with the 1967 borders and Jerusalem as its capital, and the "right of return" of the Palestinian refugees. (See the announcement issued by Muhammad Shtayyeh, the Palestinian prime minister at the government meeting in Ramallah on May 20, 2019.)¹

In ITIC assessment, the strong Palestinian rejection of the American-initiated economic workshop in Bahrain may be **a test case which shows the fundamental difficulty inherent in the concept that significant economic support will necessarily lead to changes in basic political attitudes**. The concept guiding the Palestinians in the conflict with Israel, in the context of the economic workshop, is **the opposite: economic support is liable to be a distraction because it will swing attention away from the Palestinian political struggle to realize "Palestinian rights" and turn it towards raising the standard of living of the Palestinian population**.

¹ For further information, see the May 23, 2019 bulletin, "Strong Palestinian Authority rejection of the upcoming American economic workshop in Bahrain."

► In ITIC assessment, the Palestinian rejection is not merely theoretical, but also has a clearly practical aspect. The PA and Hamas have repeatedly proven **they have effective tools to undermine any economic or political move they oppose**. Their tools range from refusal to participate in political forums or to hold political dialogues with the United States, to threats against anyone who deviates from the rejectionist Palestinian consensus, to using violence and terrorism as a means to undermine or disrupt political measures. **Hamas spokesman Hazem Qassem**, referring to the American-initiated economic workshop in Bahrain, rushed to announce that the Palestinian people and the forces of the "resistance" (i.e., the terrorist organizations) **would not under any circumstances enable the implementation of the "deal of the century."** He added that the Palestinians would fight against it with all the means at their disposal, **with both marches and the next rounds of escalation against Israel (the so-called "occupation")** (Arabi21, May 20, 2019).

Why can the problem of terrorism from the Gaza Strip not be solved with massive economic support?

► **From Bahrain to the Gaza Strip:** with the end of the most severe recent round of escalation, the issue of **economic support for the Gaza Strip was again put on the agenda**. In view of the economic hardships in the Gaza Strip, the idea was again proposed that **giving the Gaza Strip massive economic support (Arab, international and Israeli) and opening the crossings ("lifting the [so-called] siege") would make it possible to reach a long-term ceasefire, and possibly even to promote a political agreement**. However, an examination of the 12 years of Hamas control of the Gaza Strip clearly indicates that relieving the economic hardships of the residents of the Gaza Strip is **not Hamas' top priority**.

► Hamas' genuine priorities are rooted in its ideology, which is based on **an uncompromising striving to destroy the State of Israel through violence and terrorism, even if it is done in stages**.² Therefore Hamas' strategy **gives priority to its military buildup and terrorist activities in the Gaza Strip, Judea and Samaria at the expense of rebuilding the civilian infrastructure and meeting the needs of the civilian population**.³

² For further information, see the May 8, 2017 bulletin, "The Goals and Significance of Hamas' New Political Document."

³ For further information, see the February 7, 2018 bulletin, "Hamas' strategic priority of military buildup over civilian infrastructure and population needs contributes greatly to the severe hardships in the Gaza Strip."

► Throughout the years of its control in the Gaza Strip, Hamas has openly implemented its set of priorities on the ground. In practical terms that means Hamas diverts funds and resources (such as concrete and steel), allotted to the Gaza Strip for civilian purposes, to the construction of its military infrastructure, especially the tunnel project, and to the rebuilding (after Operation Cast Lead and Operation Protective Edge) and improvement of its rocket arsenal. Given Hamas' priorities, in its day-to-day activities **it does not hesitate to sacrifice the needs of the civilian population to its military buildup, while blaming Israel for the economic hardships in the Gaza Strip.**

What can be expected from economic support given to the Gaza Strip?

► **A minimum level of expectation:** in ITIC assessment, despite the fundamental limitations of economic support as a way of solving basic political problems, **it is worthwhile to use it as one of the components of any policy dealing with the Gaza Strip and Hamas.** In principle, **easing the hardships of the residents of the Gaza Strip is valuable for soothing the situation in the long term, to a certain extent, even if there are no immediate results.** Moreover, economic support for the Gaza Strip **may have a positive influence on the chances of survival of a ceasefire between Israel and Hamas (even if it is fragile) and may increase Hamas' motivation (and ability) to meet its commitments to the agreements reached through Egypt mediation (even if they do not meet them absolutely).**

► **A high level of expectation:** in ITIC assessment, **expectations should not be raised too high regarding the effectiveness and results of pouring massive economic support into the Gaza Strip.** Given Hamas' ideology and strategy, to which can be added **Iran's interest in preserving constant tension in the Gaza Strip**, it will be impossible to advance measures to disarm Hamas, the PIJ and the other terrorist organizations, and **to make them abandon the path of terrorism and violence.** Eventually, if countries are found that are willing to invest substantial sums of money in infrastructure projects and promoting employment in the Gaza Strip, **they are liable to find that their investments were wasted because of a deterioration in the security situation and did not make a significant contribution to relieving the hardships of the Gazan population.** In addition, it should be taken into account that **some of the investments will find their way into the hands of Hamas and support its military buildup and the tightening of its control over the local population.**