

# HOUSE IN DISORDER: HOW EUROPEANS CAN HELP PALESTINIANS FIX THEIR POLITICAL SYSTEM

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## SUMMARY

- Thirty years after the Oslo accords, Israel's annexation of Palestinian territory is entrenching open-ended conflict and what is increasingly recognised as apartheid.
- A third *intifada* is simmering in the West Bank amid expanding Israeli military raids, growing settler violence, and the resurgence of Palestinian armed groups.
- Conflict in the West Bank and East Jerusalem is further destabilising Gaza and southern Lebanon, risking a serious interlocking regional crisis.
- A weak and unpopular Palestinian Authority, combined with deepening rivalries among Palestinian leaders and factions, are increasing Palestinian political dysfunction, and exacerbating instability.
- Confronting Israel's international law violations remains key. But Europeans can help mitigate negative dynamics by leveraging their funding relationship with the PA to revive Palestinian institutions and reverse the PA's authoritarian slide.
- The EU should work with Gulf monarchies to reconfigure post-Abraham accords diplomacy in support of Palestinian rights and national representation.

## A resurgent conflict

Thirty years after the signing of the Oslo accords, the Middle East peace process has given way to a one-state reality of inequality and open-ended conflict. Palestinians are now living under modern-day apartheid. In the absence of any prospect of reaching a negotiated end to Israeli occupation, violence is escalating across Israel and the occupied Palestinian territory, reaching levels not seen since the second *intifada*. The deteriorating situation has been years in the making and is being exacerbated by Israel's hard-right government. Led by veteran prime minister Binyamin Netanyahu, it has expanded Israeli military operations deep into West Bank towns and set its sights on the formal annexation of Palestinian territory.

Palestinian political dysfunction is making matters worse. The absence of national elections since 2006, together with an unpopular and authoritarian leadership, is sapping the dwindling legitimacy of the Palestinian Authority (PA). Created by the Oslo Accords, the PA was intended as a temporary stepping-stone towards full Palestinian statehood. But it has been largely subsumed as part of Israel's matrix of control over Palestinians. Combined with fierce internal political rivalries and hardline Israeli policies, this is further fuelling instability and energising militant groups which now control many West Bank neighbourhoods and refugee camps. With growing numbers of Palestinians supporting armed resistance, a new uprising against Israel seems ever more likely. More violence and instability will be unleashed as members of the ruling Fatah party vie to succeed Mahmoud Abbas as Palestinian leader.

Spiralling Israeli-Palestinian violence also threatens to destabilise neighbouring countries as Israel and Iran expand their regional proxy war against each other. In April, Palestinian armed groups responding to Israeli violence on Jerusalem's Haram al-Sharif/Temple Mount ignited the most serious outbreak of fighting between Israel and Lebanon since their destructive war in 2006. Israeli security officials believe another full-blown conflict on Israel's northern border to be only a matter of time. While these interlocking local and regional dynamics will be difficult to dismantle, their contribution to broader regional destabilisation underscores the urgent need to revive international efforts to end a metastasising conflict.

European attention has drifted away from the conflict due to wariness over the protracted stalemate in diplomacy and shifting geopolitical priorities following Russia's illegal invasion of Ukraine. The United States too has largely forsaken its traditional role in brokering Israeli-Palestinian negotiations. But Europeans and Americans must now urgently re-engage. It remains vital to challenge Israel's international law violations and move its public opinion towards support for de-occupation. A unified and democratic Palestinian leadership that can command public support is also critical and the one area where the most immediate progress

can be made.

The European Union and its member states should leverage their financial clout as the PA's largest donor and work with Arab states to promote joint efforts to reboot the Palestinian political system. At the heart of this should be the holding of national elections and efforts to advance intra-Palestinian reconciliation. The increasing escalation makes this an urgent path to pursue – to contain tensions, prevent further descent into militarisation, and begin to restore the prospect of viable Israeli-Palestinian negotiations to end the conflict.

## No process, no peace

### The Oslo accords 30 years on

The Oslo accords, signed by Israeli and Palestinian leaders in Washington, DC, in September 1993, turn 30 this year. But almost a decade since the last US-brokered talks, the Middle East peace process launched by the accords no longer exists beyond official US and European communiqués. Instead, successive Israeli governments have continued to expand Israel's settlement project, eroding the potential for a negotiated two-state solution and fragmenting Palestine geographically, economically, and politically.

Israel's rejection of Palestinian self-determination and accelerating annexation has confined some 5 million Palestinians in disconnected enclaves under open-ended military rule. Denied an independent state of their own, or the same rights as their settler neighbours who are Israeli citizens, they must contend with what the EU has described since 2017 as a “one-state reality of unequal rights, perpetual occupation, and conflict”. Leading human rights organisations call this modern-day apartheid.

Since its election in November 2022, a hard-right coalition led by Netanyahu has exacerbated the situation as it supersizes Israel's settlement project and displacement of Palestinians in the West Bank. This has seen the allocation of approximately €1 billion to expand Israeli settlement infrastructure with the goal of doubling the West Bank settlement population from 500,000 to 1 million.

During the first six months of this year, 20,000 settlement housing units were advanced in the West Bank and East Jerusalem – the highest number on record since at least 2002. [1] This includes areas identified by the EU and its member states as “red lines” for preserving the two-state solution – such as Givat Hamatos and Har Homa – which would jeopardise the possibility of a Palestinian state with East Jerusalem as its capital. This has been accompanied by a sustained campaign to demolish Palestinian property and retroactively legalise settlement outposts

– built without government approval under Israeli law.

Israel's right-wing government is also transitioning to de jure annexation of Palestinian land. The subordination of Israel's Civil Administration – responsible for administering Palestinians in Area C of the West Bank – to a civilian minister, instead of a military commander, represents a bureaucratic step in this direction. This comes as the Knesset continues to pass legislation directly applying Israeli laws to the settlements – another move towards de jure annexation even without a formal declaration of sovereignty over the West Bank.

For the ever more emboldened and radicalised settler movement, the current government coalition offers an unprecedented opportunity to realise its decades-long dream of a Greater Israel between the Mediterranean Sea and Jordan River based on Jewish biblical claims. This is increasing Palestinian insecurity and driving escalation. Often acting in collusion with Israeli soldiers and right-wing government ministers, attacks by settlers rose 123 per cent last year compared to 2020. This includes regular attacks on livestock and property, and destructive rampages through villages such as Huwara, Burqa, and Turmus Ayya. Israeli security chiefs, the US, and the EU have all denounced these acts as “terrorism”.

The conduct of Israeli settlers and security forces is boosting widescale popular resistance to the occupation and re-energising Palestinian armed groups, including those tied to Abbas's ruling Fatah party.[2] In Israel, government efforts to weaken the judiciary have triggered mass ‘pro-democracy’ protests. But these have mostly ignored Israel's treatment of Palestinians in the occupied territory. The message from centre-left leaders such as former prime minister Ehud Barak is that “Palestinians should be patient” while Israelis fight for their own democracy – even as Israel's settlement project continues to eat away at whatever is left of the two-state solution. In truth, democratic backsliding in Israel is a corollary of the illiberal policies pursued for decades against Palestinians, who will likely to be the most impacted by a weakening of Israeli judicial oversight.

## The Abraham accords and the missing Palestinians

Since their launch in September 2020, the Abraham accords – which normalised Israel's relations with the UAE, Bahrain, and Morocco – have brought tremendous political, economic, and security benefits to its members. The Biden administration has made deepening Israel's regional integration the centre-piece of its Middle East policy. European states have also championed this development, with the European Commission promising at least €10m to support “triangular” cooperation between the EU, Israel, and Arab members.

But this normalisation process is undercutting the 2002 Arab Peace Initiative (API), which conditioned full peace between Israel and the Arab world on the establishment of an independent Palestinian state. Israel's ability to benefit from expanding ties without having to make any positive movement towards Palestinian independence is reinforcing a dangerous belief that it can bypass the decades-long conflict with the Palestinians. By failing to impose any real consequence over Israel's escalating use of violence in the West Bank and erosion of Palestinian rights, the accords are ultimately feeding a sense of Israeli impunity in the occupied territory and weakening Palestinian negotiating positions.

Arab signatories to the accords have expressed unease with the actions of a far-right government in Israel. However, the strengthening of ties will not be easily affected given overarching political, economic, and security interests. Nor have these Arab states shown any inclination so far to leverage their new relations with Israel to help protect Palestinian rights and create the conditions for credible peace talks. Even the UAE – which in the summer of 2020 publicly conditioned normalisation on Israel refraining from formally annexing the West Bank – has done little to oppose more recent Israeli moves in this direction. In fact, it has included the settlements in bilateral agreements with Israel, contrary to international law and UN Security Council resolution 2334. \_

The White House has now set its sights on an Israeli-Saudi normalisation deal in time for the US presidential election at the end of 2024. Saudi Arabia has already been pursuing discreet security, political, and financial contacts with Israel for several years. However, it has downplayed prospects of formally recognising Israel without receiving big US deliverables, such as nuclear energy technology, advanced weaponry, and a formal defence treaty. It has also underscored the importance of making significant progress on the Palestinian issue within the context of the API as a condition for future normalisation. This offers an opportunity to reconnect Arab and Palestinian tracks, which have run largely separately from each other since the signing of the Abraham accords. Stronger Arab involvement, especially from Saudi Arabia, could positively influence dynamics in both Israel and Palestine, including supporting intra-Palestinian reconciliation and strengthening national institutions.

## Brewing intifada

In this wider context, a third *intifada* – a mass uprising against Israel – is simmering in the West Bank. With little prospect of Israel ending its decades-long military occupation through peace talks, growing hopelessness and anger among the Palestinian public are strengthening support for armed resistance. While much Palestinian violence has been individualistic, armed groups have seized on popular anger at mounting Palestinian casualties to mobilise

young recruits and launch regular shootings against Israeli soldiers and settlers. In total, Palestinian violence has claimed the lives of 50 Israeli civilians and soldiers since the start of last year.

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The Israeli army has steadily expanded its military operations against militants, deploying 25 military battalions to the West Bank, up from the 13 that are usually stationed there. This has, in turn, incurred a high cost in Palestinian lives. Last year, Israeli forces killed 191 Palestinians (including many civilians), making it the bloodiest 12 months in the West Bank since 2004, when the second *intifada* was still raging. This year will be even deadlier.

The Israeli military's two-day invasion of Jenin refugee camp in July 2023 deepened the West Bank's political and security crisis. Israeli officials maintain that their actions were a necessary response to Palestinian militancy, including the increasingly potent use of improvised explosive devices (IED) against Israeli forces. [3] But having survived to fight another day, Jenin's armed groups have emerged emboldened in spite of their losses.

Violence is also on the rise in occupied East Jerusalem, which was illegally annexed by Israel in 1980. Tensions have been driven by the demolition of Palestinian homes and increasing settler attacks against Christian communities and their properties, including the vandalism of churches and cemeteries. A campaign of arrests, residency revocations, and collective punishment by Israel's hardline minister of national security, Itamar Ben-Gvir, combined

with violent anti-Palestinian marches, have further fuelled communal tensions.

The disproportionate use of violence by Israeli security forces on the Haram al-Sharif/Temple Mount against Muslim worshippers, and increasing numbers of visits by right-wing Jewish activists contrary to the status quo agreement with Jordan, regularly sparks escalation. This trend has grown due to the personal involvement of Israeli ministers such as Ben-Gvir – whose wife is a member of the Temple Mount Movement, which encourages Jewish visits to the Holy Esplanade and lobbies for Muslim sites there to be replaced with a Jewish temple.

Events on the Holy Esplanade often reverberate beyond Jerusalem. Escalation there in April and May 2021 sparked mass protests by Palestinian citizens of Israel, followed by rocket fire from the Islamist movement Hamas, and a renewed conflict in Gaza. This spring, during the holy periods of Ramadan and Pesach, Israeli violence on the Haram al-Sharif/Temple Mount sparked rocket fire against Israel by Palestinian groups based in Syria and Lebanon – with the backing of Iran and the Lebanese armed group Hizbullah.

Gaza itself has at times given the illusion of being an oasis of stability in an increasingly volatile Palestinian territory. The Hamas-governed Strip remains mired in a deep socio-economic crisis caused by repeated wars and a decades-long Israeli siege. But a fragile ceasefire between its Hamas rulers and Israel has provided for a limited easing of restrictions and increased humanitarian funding from Qatar in return for Hamas's pledge to maintain calm.

This equation has mostly kept the peace as Hamas concentrates on the burdens of governing and the needs of some 2 million Palestinians living under its rule. In July, it was confronted with rare public protests over the lack of electricity and gas, and allegations of Hamas corruption. However, the last fighting between Palestinian factions in Gaza and Israel in May 2023 is a stark reminder that, without a sustainable political solution, Gaza will remain locked in a cycle of conflict.

The Strip will also remain vulnerable to escalation as Hamas and Islamic Jihad expand their confrontation against Israel as part their strategy of “uniting the fronts”. In April, 34 rockets were fired on northern Israeli towns from southern Lebanon – marking the largest escalation between the two countries since the end of the 2006 war. No group claimed responsibility, but the Israeli military soon blamed Hamas and Islamic Jihad. The day before, both had warned that Israeli violence against Muslim worshippers in Jerusalem's al-Aqsa mosque by Israeli security forces would lead to escalation. Israel's response was to retaliate against Gaza.

## Regional destabilisation

Instances of escalation in the West Bank, East Jerusalem, Gaza, and Israel's northern borders connect to and feed off each other; they point to a dangerous source of regional instability. April's flare-up on Israel's border with Lebanon was bookended by an unprecedented IED attack in March at Megiddo Junction in northern Israel – which the Israeli military attributed to Hizbullah – and rocket fire from Syria – attributed to Islamic Jihad. Sporadic fire from Lebanon has continued since then.

At present, none of the parties appears to be looking for a full-blown multi-front conflict as they build up their military capacities. Israel and Hizbullah also appear to be held in check by the mutual destruction that a new war between them would have in northern Israel and southern Lebanon. However, Hizbullah's leader, Hassan Nasrallah, has threatened Israel with a “grand war” should it make the “wrong calculations”. Israel's security officials believe a large-scale conflict on the northern border to be a matter of time.

Palestinian infighting is another threat to Lebanon's stability. In July, Ain al-Hilweh – the largest Palestinian refugee camp in the country – witnessed five days of fierce fighting between Fatah and Salafi Jihadi groups which left at least 12 dead and displaced many of the camp's residents into the surrounding town of Sidon. As the Lebanese army prepared to intervene to restore order, the country's prime minister, Nagib Mikati, accused Palestinian factions of violating Lebanese sovereignty and “sowing panic” among the population. This month a shaky ceasefire between factions broke down, sparking renewed intra-Palestinian clashes.

Across the board, this deteriorating security landscape is the product of worsening Israeli and Palestinian dynamics. However, the expansion of the regional proxy war between Iran and Israel is adding another layer of instability. Tehran views its support for non-state armed groups such as Hamas and Islamic Jihad as a means of extending its regional influence and generating an asymmetrical threat against Israel. Destabilisation along the Israel-Lebanon border and in the West Bank offers the potential means to pressure Israel as it threatens military action against the Iranian nuclear programme.

## Inside Palestine: Political stasis, national fragmentation

### The demise of Palestinian national leadership

A dysfunctional Palestinian system is exacerbating instability and insecurity. At 88 years old,



and reportedly in ill health, Mahmoud Abbas is approaching the end of his reign at the top of the PA, the Palestine Liberation Organisation (PLO), and Fatah. Over almost two decades, his efforts to consolidate and maintain power by edging out political rivals has hollowed out and delegitimised the Palestinian political system.

Once at the heart of the Palestinian liberation struggle and subsequent peace talks with Israel in its capacity as the internationally recognised representative of the Palestinian people, the PLO has become little more than a rubber stamp for Abbas's rule, and its role eclipsed by the PA. Its legislative body, the Palestinian National Council (PNC), meets only infrequently. On the rare occasions it does, it elicits little more than an uninterested shrug from Palestinians, who have little stake in the organisation.

PNC members are not directly elected by Palestinians, but rather divvied up between factions. Yet even most of these factions have been squeezed out of the PLO's top decision-making body – the Executive Committee. This is dominated by Fatah figures, independents, and small groups with only a limited public following – such as the Baathist Arab Liberation Front and Marxist-Leninist Democratic Front for the Liberation of Palestine – all of which show loyalty to Abbas.

Intra-Palestinian rivalries have further fractured Palestine's leadership and governance. Hamas has remained firmly ensconced in Gaza since the eruption of a brief civil war with Fatah in 2007. In the face of international sanctions, the Islamist group has developed its own institutions, including ministries, judicial systems, and security forces. Israel's policy of separation between Gaza and the West Bank – which restricts movement and trade between the two areas – has helped sustain this situation.

Repeated attempts to reunify the West Bank and Gaza have failed. A reconciliation agreement brokered between Fatah's secretary-general, Jibril Rajoub, and Hamas's deputy leader, Saleh Arouri, in Istanbul in September 2020 aimed to form a PA government of national unity between Hamas and Fatah, opening the way to reunify Palestinian institutions and rehabilitate Gaza. But the process collapsed eight months later when the president indefinitely postponed legislative and presidential elections.

A new deal between Palestinian factions, signed in Algiers in October 2022, to hold elections within a year has shown few signs of life in the absence of a presidential decree formally launching the electoral process. A subsequent meeting of Palestinian factions in the Egyptian town of al-Alamein in July this year proved similarly inconclusive. Instead, Hamas continues to castigate the PA as “an exclusive agent of the occupation”, while Fatah derides Hamas as a mercenary group serving the agenda of Iran. Separately, in August, Hamas announced its

desire to hold municipal elections in Gaza for the first time since 2005.

## Authority without state

Abbas's political life has been entwined with the Oslo peace process, which he helped launch, and the drive for Palestinian statehood. Having come to power in some of the first democratic elections in the Arab world in 2005, he will leave behind an authoritarian system beholden to Israel and its occupation. Through countless decrees, the president has eliminated the PA's parliament and the Palestinian Legislative Council (PLC), curbed the independence of the judiciary, and repeatedly postponed national elections which would see him voted out of office, according to opinion polls. Having consolidated executive, legislative and judicial power, his rule has also witnessed the proliferation of human rights abuses and the closing down of space for political expression.

Security forces regularly suppress protests and criticism of the PA. This includes the mass detention in August 2021 of civil society activists who had called for the prosecution of security members involved in the beating to death of anti-corruption activist Nizar Banat two months earlier. In November, the authority shut down a conference in Ramallah calling for PLO reform, and is now prosecuting members of the Coalition for Accountability and Integrity, which investigates official corruption, following a complaint by Abbas's office.

This comes amid the continued detention of political activists by the Fatah-controlled PA, particularly those from Islamist groups. While Islamic Jihad is gaining in military strength, it is Hamas that represents the biggest political counterweight to Fatah. In May, Hamas won student elections at al-Najah and Bir Zeit universities, which are important bellwethers for the national mood. Were national elections to be held now, it could well win a plurality of legislative seats, although it has indicated it would not lead a government nor field a presidential candidate.[4]

Without a viable path to independence or political renewal, the PA has been effectively reduced to enforcing Israeli control over the West Bank. As Netanyahu himself has noted: "Where it succeeds in operating, it does the job for us." Key to this has been close security coordination with Israel, including the exchange of intelligence information. [5]

As part of ongoing PA security cooperation with Israel, Palestinian security forces regularly stand aside to allow Israeli incursions deep into West Bank towns in Area A – which the Oslo accords placed under full Palestinian control. Together with stepped-up efforts by the PA to arrest militants following Israel's operation in Jenin, this is further undermining the PA's standing by reinforcing public perceptions of collusion with Israel to suppress popular

resistance. Berating the prime minister, Mohammad Shtayyeh after a settler riot, a villager from Turmus Ayya reflected popular frustration with PA policies: “Either protect us or give us weapons. You have 70 thousand soldiers. What are they doing?!”

By cancelling Palestine’s first elections in 15 years, Abbas missed an important opportunity to re-legitimise Palestinian institutions and advance national reconciliation. In the absence of any avenue for political contestation, much of the public has become alienated from the established political order. Today, around half of Palestinians want to dissolve the PA, while 80 per cent want Abbas to resign.

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To the extent that it has provided Palestinians living in Areas A and B with limited self-governance, the PA has served to partially mask the apartheid that Israel’s settlement policies have created. Nevertheless, even beset by these many problems and losing effective control on the ground, the PA still retains some value to Palestinians as a provider of services and public sector employment, which accounts for half of total government spending. The PA has used this vast patronage network to co-opt militants by offering them jobs, including in the security services, and protection from arrest or killing by Israel, if they lay down their arms.

This social contract between the PA and its citizens is threatened by a deepening budgetary deficit, which is expected to reach more than \$600m by the end of 2023. This has been caused by rising inflation, Israel’s restrictions on economic access to Area C, and confiscation of \$1.5 billion

in PA tax revenues since 2019, as well as an end to US funding and declining financial support from the Arab world.

These budgetary woes have been compounded by Oliver Varhelyi (the European commissioner for neighbourhood and enlargement from Hungary) and some members of the European Parliament who have been pushing to cut EU funding over poorly founded allegations that Palestinian educational textbooks promote violence and antisemitic motifs. Last year, opposition from Varhelyi delayed the transfer of €224m to the PA. This impacted on public sector salaries and medical referrals to East Jerusalem hospitals. Further withholding this funding risks further exacerbating problems in the West Bank.

In a worst-case scenario, PA bankruptcy could undermine the stability of Palestinian banks, which have provided extensive loans to keep the authority afloat. This could in turn precipitate a full-blown financial crisis that would impact millions of Palestinians and risk leaving an estimated 83,000 members of its security forces without pay.

Even under most best-case scenarios, the UN has warned that the PA will struggle to provide adequate services for a growing Palestinian population, particularly in health, education, and social support. This has already prompted the PA to reduce public sector salaries by 20 per cent since 2021, sparking nationwide protests by schoolteachers. It is planning to downsize its public workforce by half over the coming years. This comes despite a pay increase for PA security services.

## West Bank rising

One year ago, the government of Yair Lapid and Naftali Bennett launched Israel's "Break the Wave" military campaign in response to a spate of Palestinian 'lone wolf' attacks against civilians in Israeli cities such as Tel Aviv and Be'er Sheva. Having sought to crack down on militancy in Jenin, from where some of the attackers originated, Israel's disproportionate use of violence has inflamed popular resistance in numerous other towns and villages.

Confronting Israel has given popular legitimacy and authority to armed groups which are now supported by 71 per cent of Palestinians – enabling them to fill a leadership vacuum at the local level created by the PA's collapsing standing. Militant leaders such as Fathi Hazem Abu Raad – a member of Fatah and former commander in the PA's military intelligence whose son killed three Israelis in Tel Aviv in April 2022 – now garner more support than the PA leadership.[6]

Palestinian armed groups are far from the height of their power during the second *intifada* and lack any real political agenda or ideology beyond the slogan of armed resistance. But they

are growing in popularity and strength. While some, such as the Lions' Den, appear to eschew factional affiliations, it is those associated with established factions such as Fatah and Islamic Jihad that have shown the greatest military capabilities and resilience against Israel.

Despite continuing tensions between their senior leaderships, and competition for popularity and funding, armed factions have shown a high degree of local cooperation, forming joint battalions in several cities. In an example of this, fighters from the nearby cities of Jaba, Tulkarm, and Tubas reportedly came to the aid of Jenin's armed groups during the intense fighting there in July.

## The return of armed groups

The Lions' Den group quickly became a national icon of popular armed struggle against Israel after its emergence in the Old Town of Nablus last year. Founded by local youths, it had between 100-200 members at its peak, and its popular standing has enabled it to instigate nationwide strikes. While the group endures despite repeated Israeli raids, the killing of successive leaders, including its charismatic co-founder Ibrahim al-Nabulsi, has weakened the Lions' Den and shattered its leadership.

Fatah's al-Aqsa Martyrs' Brigades has remained the dominant group in the West Bank since it emerged during the second *intifada* as a loose network with autonomous offshoots in most towns. While it has become much diminished over the last two decades, the group has made a comeback under the relative protection of the Fatah-dominated PA security services. The Brigades have claimed responsibility for many attacks against Israeli targets in the West Bank in the past year.

Islamic Jihad has been the greatest beneficiary of escalating fighting against Israel. In places such as Jenin's refugee camp – traditionally a bastion of Fatah power – Islamic Jihad flags and martyrdom posters are now as numerous as those of Fatah. [7] Despite losing several senior leaders in Israeli assassinations, its al-Quds Brigades continue to grow in strength, supported by an influx of funding from Iran. [8] During a meeting with senior Islamic Jihad leaders in June, Iran's supreme leader, Ayatollah Ali Khamenei, praised the group's growing capability. Having played a prominent role in countering Israel's July 2023 invasion of Jenin, its profile has skyrocketed.

Hamas has encouraged armed violence against Israel through its social media channels and reportedly funded other groups, such as the Lions' Den. [9] But Hamas's armed wing, the Izz al-Din al-Qassam Brigades, has been more inconspicuous in the West Bank and appears to have played only a marginal role during the Jenin battle. The relative quietism of Hamas has

earned it some public criticism and a rumoured decrease in Iranian funding. [10] As it faces increased competition from Islamic Jihad, it has shifted towards more active confrontation since claiming a car-ramming attack in Tel Aviv that killed an Italian tourist in July. This has seen it increase the rate of attacks against Israeli soldiers and civilians and show off its purported development of rocket fire against West Bank settlements.

## The limits and dangers of PA securitisation

During a brief visit to Jenin refugee camp in the aftermath of Israel's two-day invasion, Abbas warned locals that there is only one authority – the PA – and it would “cut off the hand” that hurts it. He has since ordered his security forces to reassert PA control in places such as Jenin and Nablus, leading to the arrest of at least a dozen militants, predominantly from Islamic Jihad. This has raised tensions and sparked angry protests by local residents and gunmen.

This comes after months of US and Israeli pressure on Abbas to restore calm and rein in Palestinian militancy. American plans seem to emulate a large-scale PA security campaign in 2007-8 targeting refugee camps in Jenin and Nablus. That operation succeeded in dismantling armed groups, including the al-Aqsa Martyrs' Brigades, which had been degraded from years of fighting Israel during the second *intifada*. This time, though, the PA will struggle to bring armed groups to heel, for two main reasons.

Firstly, the PA has avoided going after gunmen with links to Fatah and PA security, but it is they who are responsible for much of the militancy against Israel. The intelligence agencies in particular recruited extensively from members of the al-Aqsa Martyrs Brigades as part of the demobilisation process that followed the end of the second *intifada*. A head-on confrontation against Fatah armed groups at present would not only further fracture the ruling party but also put members of the security services under even more strain, risking greater defections to the armed groups.

Secondly, while the security forces outgun the disparate militant groups, Israel's own operation in Jenin refugee camp shows how difficult these sorts of security actions are, even more so for the PA, which lacks armoured vehicles. More crucially, though, the PA lacks the requisite popular support. Any large-scale operation to retake places such as Jenin refugee camp would provoke a popular backlash and precipitate a direct confrontation with armed groups, which have so far directed most of their ire at Israel. Ultimately, the sort of military response advocated by the US will backfire by further undermining the PA's public standing and boosting popular support for armed resistance.

## Succession crisis

The PA's crisis of governance and growing instability in the West Bank is unfolding as senior Fatah figures position themselves in anticipation of a post-Abbas political order. Given its hold over the Palestinian national movement and the West Bank security forces, there is little doubt that the party will provide the next leader of both the PA and PLO.

However, a protracted leadership struggle between senior leaders would undoubtedly deepen the party's internal fractures. This was on full display in the lead-up to the cancelled 2021 legislative elections when it was unable to agree on a unified list of candidates, resulting in three separate Fatah lists competing against each other. With the personal stakes considerably higher this time round, and the likely involvement of Fatah armed groups and security services, intra-factional violence will be a major risk.

This comes as Fatah leaders contend with a shift in the party's grassroots in favour of direct confrontation against Israel. This has been exemplified by Ata Abu Ramila, the party's secretary-general in the Jenin region, who has built up grassroots popularity after picking up a gun and joining Fatah fighters. As they look to win the support of party activists and armed factions, senior leaders such as Fatah's deputy chairman, Mahmoud Aloul, have begun championing popular resistance. Even the prime minister has appeared alongside Fatah militants.

## The contenders

Of the myriad senior Fatah leaders vying to succeed Abbas, Hussein al-Sheikh has attracted the most attention of late. Thanks to his position at the head of the PA's General Authority of Civil Affairs – which liaises with Israel on civilian matters in the West Bank – and his close ties with Abbas, Israel, and the US, he has been able to catapult himself into the position of PLO secretary-general. But he lacks a significant power base within Fatah and is deeply disliked by many Palestinians.

Another Abbas confidant is Majed Faraj, the powerful head of the Palestinian General Intelligence Service and a member of Fatah's Revolutionary Council – the party's parliamentary body. In addition to being a key security interlocuter for foreign intelligence agencies such as the CIA, he has taken on an increasingly political role, participating in state visits, negotiations with Israel, and reconciliation talks with Hamas. Whether he aspires to be the next leader or not, he will continue to play a highly influential role behind the scenes.

Then there is Fatah's secretary general, Jibril Rajoub. As a former head of Preventive Security

in the West Bank and chairman of the Palestinian Football Association, Rajoub has built up a relatively strong following among Fatah's rank-and-file.

Another influential figure is Mohammed Dahlan, who is a former head of Preventive Security in Gaza. He had a major falling out with Abbas after Hamas took over the Strip and lives in exile in the UAE, where he serves as a regional adviser to Abu Dhabi's ruler, Mohammad Bin Zayed. While he may not be the next Palestinian leader, he could become another kingmaker thanks to his large financial patronage network. This has allowed him to maintain a power base in the Strip and refugee camps in the West Bank and southern Lebanon, and launch a break-away Fatah faction, triggering accusations by PA officials of Emirati interference in Palestine's internal affairs.

More popular by far is Marwan Barghouti, a veteran Fatah leader currently serving five life sentences in an Israeli prison over his alleged involvement with the al-Aqsa Martyrs Brigades during the second *intifada*. Public opinion polling shows him consistently beating all other rivals in presidential elections.

## The path to power

With Abbas unlikely to either call elections he would lose or resign, the likeliest scenario is a fight for succession following his incapacitation. By law, a presidential election would need to be held within 60 days of this, with the transitional period being overseen by the speaker of the PLC. This constitutional mechanism enabled a smooth leadership transition following the death of Abbas's predecessor, Yasser Arafat in 2004. At that time, the speaker of the PLC, Rawhi Fattouh, acted as interim president for two months until national elections took place. But Abbas's dissolution of Palestine's legislature has removed this option. What happens next will be heavily contested.

The PLC's most recent speaker, Aziz Duwaik, a member of Hamas, could throw his hat into the ring. But his bid to be interim president would undoubtedly be blocked by the Constitutional Court, which formally dissolved the PLC and is stacked with Abbas allies. More likely, Fattouh, who has since become speaker of the PNC, the PLO's parliament, could again find himself as the PA's president *pro tempore*.

Post-Abbas political dynamics could create an alignment of interests between Hamas and Fatah leaders in support of elections and reconciliation. Fatah's Rajoub and Hamas's Arouri have been discussing a transitional power sharing phase that would pave the way for future elections and a government of national unity. [11] However, elections would almost certainly face opposition from senior Fatah figures such as al-Sheikh, who would invariably lose out



due to their low approval ratings.

In the absence of constitutionally mandated elections, the PLO's Executive Committee could decide who becomes PA president. This would favour Sheikh, who, as the PLO's secretary-general, is currently best positioned to succeed Abbas as the head of the organisation. He may also stand the best chance of winning the support of Israel and the US. However, taking over the PA will be difficult without the support of Palestinian security agencies – all of which are headed by senior Fatah members who generally oppose al-Sheikh.

Finding a new chairman of Fatah may prove equally destabilising given its internal divisions and the number of top cadres vying to take over. Fatah's next leader will not be decided through a direct vote by party members but rather by its two top leadership bodies – the Revolutionary Council and Central Committee. Their decision will be influenced not by political platforms but by personal interests and patronage. Even if he became PA president, Sheikh would struggle to become Fatah leader against rivals who benefit from stronger support among party's members and senior echelons. Most prominently among them are Barghouti, Aloul, Rajoub, and Sabri Saidam (the party's youngish deputy secretary general).

At present, no one figure elicits the combined backing of Palestinian businessmen, security chiefs, Fatah elites, and outside powers. And, while several Fatah leaders are strong enough to block their rivals from claiming full power, none is strong enough to subdue the others. In the absence of a consensus candidate, the most likely outcome will be a split leadership – where the PA, PLO, and Fatah are headed by different individuals. In a worst-case scenario, this could precipitate civil war in the West Bank. But even an elusive backroom deal on a fragile modus vivendi among elites is unlikely to deliver long-term stability and restore public confidence in the PA. Without broader backing from the Palestinian public, any future Palestinian leadership that emerges through a non-electoral process will struggle to gain political relevance and restore stability.

## Europe and the US: Distant and disengaged

### Absent are the peacemakers

Western attention has shifted away from the conflict even as violence spreads and Palestinians plunge deeper into political chaos. The surge in violence has attracted increasingly frequent statements of alarm from European and US officials calling on the parties to take immediate steps to end the deadly cycle and refrain from taking unilateral actions that fuel tensions. However, without a more substantial investment of political capital

and greater willingness to hold Israel to account, this can do little to contain, let alone reverse, deteriorating dynamics on the ground.

Once an active, though unsuccessful, promoter of Israeli-Palestinian peace talks, the US has disengaged from the Middle East peace process under the Biden administration, judging that “the ground is not ripe at this moment to restart negotiations”. Escalating violence and fears that the Israeli government is losing control of the settler movement have forced Washington to re-focus some belated attention on the conflict.

Working with Jordan and Egypt, the US has held two summits with Israeli and Palestinian officials (in Aqaba in February 2023; and Sharm el-Sheikh in March 2023). As part of the understandings reached between the parties, Israel committed to cease discussions on building any new settlement units for four months, refrain from any new settlement outposts (illegal even under Israeli law) for six months, and establish a mechanism to enhance the fiscal situation of the Palestinian Authority. These measures fall far short of previous demands made of Israel, such as a full settlement freeze, and an end to forced eviction and to the destruction of Palestinian property. But Israel has not met even these minimal commitments – with no consequence from the US.

The EU too, an enthusiastic cheerleader of the peace process, has modified its approach to the conflict as it faces the proliferation of crises on its borders, the most significant of which is Russia’s war against Ukraine. For many European states, including supporters of Palestinian rights, national security interests seem to outweigh concerns over Israel’s international law violations and treatment of Palestinians.

Israel has consolidated its position as an important source of advanced weaponry, cyber technology, and gas supplies for European countries anxious to counter the array of security and energy-related challenges produced by Russia. In response, European governments appear to have toned down criticism of Israel and deprioritised the Palestinians for the sake of improving bilateral relations. Increased financial support for Ukraine and a rise in defence spending has also caused a scaling back of European humanitarian funding for Palestinians.

As the UK's departing ambassador to Israel recently noted, "time spent on Palestinian-related matters versus other matters has been reversed" compared to 20 years ago. Now 80 per cent of his work is unrelated to the conflict. With little appetite to play a more active and meaningful role, Europeans once again find themselves with minimal influence over the unfolding of the conflict as they focus on deepening their relations with Israel. Such deference, though, is directly undercutting the EU's calls for stability in the occupied territories; not to mention its goal of a two-state solution.

## Europe's blind spot

The PA is a key pillar of European policy towards the Israeli-Palestinian conflict. Since 2007, the EU and European states have spent approximately €2.5 billion on building the institutions of a future independent Palestinian state, as well as funding public sector salaries and humanitarian projects.[12] This has been accompanied by the provision of technical support for the civil police force. By 2011, the EU had accomplished its goal of making Palestine statehood-ready according to the World Bank and the International Monetary Fund. Yet, these institutional gains have since been eroded by continued occupation and the lack of effective Palestinian sovereignty, Abbas's anti-democratic actions, and growing Palestinian divisions.

With its attention drawn by numerous other crises in Israel-Palestine, and further afield, Europeans have largely turned a blind eye to Palestine's weakening governance and rising authoritarianism. The EU has intervened occasionally on a few specific issues, such as opposing a proposed cyber-crimes law in 2017, which targeted online criticism of Palestinian officials.[13] It also pressed the PA to free civil society activists detained en masse during the summer of 2021.[14] The EU's high representative, Josep Borrell, has warned of "increasingly negative trends as regards the rule of law and fundamental freedoms in areas" under PA control. Similarly, the European Parliament recently underscored the PA's loss of legitimacy and repressive practices.

But the EU has done little in practice to counter the deconstruction of institutions and sidelining of elections or to head off the coming leadership crisis. As noted, the European Commission's obsessive focus on PA textbooks has further distracted policy attention away from the need for institutional revival and re-democratisation. In addition, European capitals have done little to challenge Israeli actions that directly undermine Palestinian institutions, including detaining PLC members and electoral candidates, and impeding national elections in East Jerusalem (in contravention of the Oslo accords).

The EU and European states share much of the blame for Palestine's backsliding. Despite a rhetorical commitment to Palestinian democracy, they prioritised policies to shut out Hamas, which badly backfired. The EU's refusal to recognise the results of free and fair legislative elections in 2006 and subsequent boycott of a Hamas-led government of national unity with Fatah contributed to the eruption of a Palestinian civil war in 2007. Continued threats since then to cut aid to any Palestinian government that does not meet the Middle East Quartet's 2006 principles (committing to non-violence, recognition of Israel, and acceptance of previous agreements and obligations) have stymied reconciliation talks along with efforts to form an inclusive and representative government.

The EU sent some positive signals in the lead-up to the slated Palestinian legislative election in 2021. Diplomats in Jerusalem were particularly active in support of the electoral process. And member states held several working-level meetings under EU auspices to hammer out a consensus position in anticipation of a future government of national unity that would include Hamas. Some important progress was made towards a more pragmatic application of the Quartet principles – which could have helped EU member states avoid their 2006 mistakes. [15] Ultimately, however, sufficient high-level political pressure was not forthcoming from member state capitals to dissuade Abbas from cancelling the election. Since then, the issue has slipped down the list of European priorities as the EU acquiesces to one-man rule rather than defend the institutions it funds.

In its current form, the PA cannot deliver the EU's twin goals of West Bank stability and Palestinian state building. Instead, it is putting the EU and European states in a position of moral hazard by confronting them with a binary choice: either continue to fund an increasingly authoritarian and nepotistic PA that has lost public support and is contributing to instability; or withdraw funding and risk even more destabilisation as public salaries are further curtailed and security cooperation with Israel falters. But this is not an inescapable predicament if Europeans can muster the requisite time and effort to help reboot the Palestinian political system.

Sustainable security will ultimately require full Palestinian rights and an end to Israel's military occupation. However, improving Palestinian political agency through democratic representation can help prevent a complete political and security unravelling of the West Bank, which would only benefit armed groups, especially those backed by Iran. Getting the Palestinian house in order is also a necessary step towards restoring a meaningful Israeli-Palestinian diplomatic track, even if this ultimately requires a significant shift in Israeli political and public positions. In the meantime, Europeans should reject any return to a status quo that is unsustainable given the entrenching one-state reality of inequality under open-

ended occupation.

## How Europeans can help

In the absence of any viable political track for ending the conflict, preventing the ongoing explosion of violence is an immediate imperative. Israeli policies – including the annexation and settlement of occupied territory and disproportionate use of violence – are one element of this equation. Tackling such policies requires increased European efforts. Like-minded member states should push the EU to restart work on an options paper setting out retaliatory responses to Israel's annexation of West Bank territory. They should also support international accountability mechanisms such as the International Court of Justice and International Criminal Court, which are both currently examining Israeli actions.

Palestinian political dysfunctionality is another key element of the equation. Strengthening the PA militarily and economically will not succeed without deep-rooted reform. Urgent progress is needed to revive Palestinian institutions and governance. Starting with legislative elections may lessen Abbas's opposition while helping to recreate a constitutional mechanism to manage the presidential succession. Holding municipal elections in Gaza, under the auspices of the Palestinian Central Elections Commission, could also act as an important confidence building measure between Hamas and Fatah, and restore a degree of local-level representation.

Without a national political leadership that commands public support, reviving the PA's flagging institutions and rehabilitating the Palestinian political system will prove near-impossible. This will, however, likely require European donors to accept a more robust political strategy to secure Palestinian self-determination that is no longer beholden to the moribund Oslo peace process.

Europeans should consider pursuing the following recommendations.

### Mobilise the Arab world

Europeans can do much to tackle Israeli impunity and promote Palestinian democratic reform, but they will need help, particularly from Gulf monarchies, which hold political and financial clout. In partnership with Arab donors such as Saudi Arabia and Qatar, the EU should promise greater financial support for strengthening PA institutions and Palestinian reunification, leading to national elections and the formation of an inclusive government. This offer could be made during October's summit between the EU and Gulf Cooperation Council members and include the establishment of a common fund to encourage Palestinian

political revival. This would also be a good moment for the EU, its members, and GCC members to expand differentiation measures between Israel and its settlements, in line with UN Security Council Resolution 2334.

Saudi Arabia could be a particularly important partner in this regard since it continues to publicly condition future recognition of Israel on significant progress on the Palestinian issue. The Israeli and US desire to cement Saudi normalisation with Israel gives Riyadh particular leverage, as do the funds it potentially brings to the table. The EU should develop a common strategic position with Saudi Arabia on how to make progress in support of Palestinian rights and mobilise Arab members of the Abraham accords. These are facing domestic and regional pressure to stake out a more critical stance vis-à-vis Israel's escalating actions and may now have more space to play a constructive role.

Initiating an EU-GCC strategic dialogue to strengthen Palestinian positions could in turn push the US to exert more meaningful pressure on Israel. With Washington's normalisation drive likely to garner little immediate success, Europeans could present this new strategic dialogue as a useful way to maintain momentum behind the United States' centre-piece initiative in the region while also generating positive action on the Palestinian front. This could represent an important area of convergence between the EU's newly appointed special representative for the Gulf region, Luigi Di Maio, and its special representative for the Middle East peace process, Sven Koopmans, who has been working with Arab states on a regional peace package to support a future Israeli-Palestinian peace agreement.

## Formulate a European incentives package

Europeans could elaborate a package of incentives to offer the PA leadership in return for tangible steps towards re-democratisation and national reunification. They could, for instance, propose to formally open negotiations with the PA on a full association agreement in exchange for Abbas relaunching the electoral process, restoring judicial independence, and promoting civil society mobilisation (discussed below).

The EU could also offer to work with its Gulf partners to simultaneously press Israel to release confiscated tax funds owed to the PA, and end Israeli restrictions on Palestinian economic access to Area C, which remain critical to Palestine's economy and financial sustainability. This could be coupled with European and Arab pressure on Israel to allow the holding of national elections in East Jerusalem and return of Palestinian institutions to the city, such as the Orient House – the PLO's headquarters, which Israel closed in 2001.

## Move towards an incentive-based funding model

The EU should concurrently demonstrate to the Palestinian leadership that a continued slide into autocracy comes with real consequences. It should avoid funding cuts given the destabilisation and humanitarian suffering this would cause. However, financially supporting an authoritarian and dysfunctional PA that serves only to maintain Israel's occupation is also not a viable option. A middle way would be for the EU to move towards an incentive-based funding model as called for by the European Parliament. This would condition a percentage of EU funding on the PA meeting human rights and democratisation benchmarks.

The EU could also add the PA's interior ministry – which oversees the intelligence agencies – to its list of prohibited recipients excluded from EU funding. Importantly, rather than cutting funding if European benchmarks are not met, the EU should reallocate the money that is freed up to economic and social projects, including those in East Jerusalem and Area C and strengthen support for local civil society initiatives.

However, even as they flex their financial muscles, member states should oppose efforts by the European Commission to cut funding over PA textbooks. This is not just a red herring that distracts from the urgent need for Palestinian political reform but it also increases the risk of a full PA collapse and socio-economic implosion in the West Bank. Ultimately, cutting European funding for essential services, such as those relating to health, education, and water, would increase Palestinian dependence on Israel to provide these, further undermining Palestinian governance.

## Promote political mobilisation and civil society

Equally vital to the future of Palestinian democracy is the preservation of a vibrant civil society along with full freedom of expression and assembly. Integral to this is the restoration of an independent judiciary and greater accountability for human rights abuses committed by PA security forces. The PA must also implement reforms to facilitate the registration of political parties and loosen candidacy criteria – both of which constrain broad-based political participation, especially among young Palestinians. These should all be funding benchmarks that can help broaden popular support for, and participation in, Palestinian institutions.

At the same time, European governments must do more to challenge Israel's efforts to stifle Palestinian civil society, including by continuing to provide full support and funding for Palestinian human rights NGOs targeted by Israel.

## Support a government of national unity

As part of a European focus on rebuilding the Palestinian political house and restoring prospects for fresh elections, Europeans should do more to support dialogue between Hamas and Fatah, which remains the key to success. They can best do this by accepting the possibility of a government of national unity that includes Hamas.

Like-minded European states should continue to push for a more flexible and pragmatic application of the Quartet principles to allow for engagement with a government of national unity that includes Hamas ministers. By focusing on the conditions which it expects any future incoming Palestinian government to adhere to, rather than on the individual factions themselves, the EU could potentially overcome one of the main stumbling blocks to holding elections and advancing national reunification with international acceptance.

The EU and its member states should also initiate a regular review of their policy of no contact with Hamas – as provided for in the original guidelines setting out the policy in 2006. [16] This would allow for an internal discussion on how best to ensure continued support for Palestinian democratic governance and an assessment of the practical implications of the no-contact policy on humanitarian and development support.

## Fund UNRWA

To help head off full socio-economic collapse in the occupied Palestinian territory, the EU should work with Arab donors to ensure the survival of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). This is an important anchor of stability but is currently facing a budgetary shortfall of approximately €270m, which jeopardises its ability to continue providing socio-economic support to Palestinian communities in the occupied territory and neighbouring countries.

## Reversing a grim reality

The 30<sup>th</sup> anniversary of the Oslo accords marks a sobering reality. The peace process initiated by the agreements was fatally flawed from the beginning. It has since withered away, overshadowed by Israel's persistent expansion of settlements and the erosion of the prospects for a negotiated two-state solution. Growing despair and anger among Palestinians, fuelled by the absence of progress, has led to increased support for armed resistance and with it the potential for a new *intifada*.



Despite the grim realities surrounding the Israeli-Palestinian conflict, sustained European engagement together with Arab partners can reverse the current deterioration. Real and important progress towards reviving and defending Palestinian democracy will be a critical component of this and should be a central focus of European efforts. By stepping up their own diplomatic involvement and working with Arab partners, Europeans can play a positive role in preventing dangerous conflict and the collapse of the Palestinian house, even as Israeli policies continue to undermine the prospect of any lasting political solution centred on freedom and equality.

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