

# CRS Report for Congress

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## Fatah and Hamas: the New Palestinian Factional Reality

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### Summary

For the first time in its history, the Palestinian parliament is set to be led by Hamas, which the United States and European Union have designated a foreign terrorist organization. Although some lauded the generally free and fair election in January 2006, others criticized the outcome and accused Hamas of “hijacking” democracy. This report provides an overview of the new political realities in the West Bank and Gaza after the election, the challenges Fatah and Hamas face, and possible implications for U.S. policy. This report will be updated as warranted. For more information on the Palestinians, see CRS Report RL33269, *Palestinian Elections*, by Aaron D. Pina, CRS Issue Brief IB91137 *The Middle East Peace Talks*, by Carol Migdalovitz, and CRS Report RS22370, *U.S. Assistance to the Palestinians*, by Jeremy M. Sharp.

### Background

On January 25, 2006, Palestinians voted in parliamentary elections and Hamas emerged as the clear winner, with 74 out of 132 parliamentary seats. Fatah, the dominant party in the Palestine Liberation Organization (PLO), won 45 seats, and 13 seats went to other minor parties. Since then, several governments, including the United States, have cautioned that unless Hamas disavows terrorism, recognizes Israel, and accepts all previous Israeli-Palestinian agreements, diplomatic and economic relations with the Palestinian Authority may be circumscribed or ended altogether.

### Hamas<sup>1</sup>

During the 1970s and 1980s, Palestinians experienced a rise in political Islam, embodied in Hamas, founded in 1987 by the late Sheik Ahmad Yasin. Hamas couches the Palestinian national struggle in religious terms and is a Palestinian offshoot of the

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<sup>1</sup> Hamas is an acronym for *Harakat al-Muqawamah al-Islamiyyah* (the Islamic Resistance Movement). Hamas also means “zeal” in Arabic.

parent Muslim Brotherhood, an Islamist group founded in Egypt in 1928 by Hassan al-Banna. During the late 1980s, Israel lent tacit support to Hamas in an effort to check the growing authority of a secular and nationalist PLO. Over the past three decades, Hamas has risen to prominence, in part due to a well-organized network that provides Palestinians with social services and charity, and augments civil society.

**Leadership and Structure.** Hamas appears to include political and military wings, but distinctions between the two are not fully clear. Hamas' leadership structure is more difficult to discern. Various sources describe the leaders as follows:

- **Khaled Mishal:** Mishal was born in the West Bank in 1956 and studied physics at Kuwait University, where he led the Islamic Palestinian student movement. Mishal is considered the leader of Hamas and resides in Damascus, Syria, where he has lived in exile since the early 1990s.
- **Ismail Haniya:** Haniya, who is in his forties, graduated from Gaza's Islamic University with a degree in Arabic literature. He was also the dean of the university. Along with many Hamas figures, Haniya was expelled to Lebanon in the early 1990s. Though considered a Hamas moderate, some believe Haniya's moderation to be a political tactic. Haniya has been designated the new Palestinian Prime Minister and has until mid-March to form a government.
- **Musa Abu-Marzuq:** Born in Gaza in 1951, Marzuq received a doctorate in industrial engineering in the United States. He serves as Hamas' deputy political leader, and is based in Syria. He lived in the United States and Jordan for many years and was expelled from both countries. In 2004, a U.S. court indicted him in absentia for coordinating and financing Hamas activities.
- **Mahmoud al-Zahar:** Born in Gaza, Zahar, studied medicine in Cairo and is a founding member of Hamas. Referred to as a "hardliner," Zahar is to lead the Hamas faction in parliament.
- **Aziz Dweik:** Dweik, an academic by profession, was born in 1948 and has a doctorate from the University of Pennsylvania. Dweik was deported to Lebanon in 1992 and served as spokesperson of the deportees. Dweik is slated to become Speaker of parliament.
- **Sheik Hassan Yousef:** Yousef, in his fifties, has been the head of Hamas in the West Bank since 2001, and is currently in an Israeli prison. Considered by many experts to be pragmatic, Yousef's participation in parliament, should he be released, may promote moderation within Hamas.
- **Sheik Muhammed Abu Tayr:** Tayr, from Jerusalem, is in his fifties and garnered the second-most votes on Hamas' national candidates list. Tayr spent 25 years in prison, is a former member of Fatah, and generally keeps a lower profile than other Hamas leaders. Though multiple reports

claim Tayr supports *sharia* (Islamic law) influenced legislation, he does not appear to want to impose Islamic law.

- **Mohamed Deif:** Deif, 40 years old, is from Gaza. Since 2002, he has been the Gaza commander of the military wing of Hamas. According to some, Deif's mentor was Yahya Ayyash, a renowned Hamas bomb maker and head of the Qassam brigades until his assassination in late 1995. Deif's exact whereabouts are unknown.

**Hamas' Challenges.** Hamas has never entered the political realm, and in the view of many, may have to be more accommodating politically if it wants to retain governing authority.

**Forming the Next Government.** The new Palestinian parliament was sworn in on February 18, and Hamas is expected to form a government within five weeks. Some within Hamas appear to support forming a government of non-political technocrats, which might forestall recognizing Israel or losing much needed foreign aid. Israeli leaders, however, have said a government influenced by Hamas or containing Hamas representatives would be unacceptable, and the United States along with others in the international community have a similar view.

**Foreign Aid.** Israel and the United States are moving to restrict aid to the Palestinians unless Hamas renounces terrorism, recognizes Israel, and accepts all Israeli-Palestinian agreements. Though some within Israel and the United States have discussed the possibility of continuing humanitarian assistance, the aid dilemma may push Hamas toward Iran. In the late 1980s, 10% of all Hamas funding came Iran, and the government of Iran recently pledged to transfer \$250 million to the PA if Israel and the United States cut off funding. The Arab League is to meet in March to possibly finalize an aid package to the Palestinians. Saudi Arabia has pledged \$20 million and Qatar has pledged \$13 million to the PA. Saudi Arabia also plans to provide the PA with \$1.2 billion in financial assistance over the next two years. On February 27, the EU announced that it would release \$142 million in aid to the Palestinians. The aid will pay energy bills (\$47 million) and support the United Nations Refugee Works Agency (\$75 million). The EU also decided to unblock over \$20 million to pay salaries; this is the only part of the new aid package to be paid directly to the PA. The move comes in the wake of the Israeli cabinet's decision to withhold monthly tax payments to the Palestinians and the U.S. demand that the PA return \$50 million in aid to prevent it from falling into Hamas' hands.

**Relations with Israel and the International Community.** So far, Russia (with French support) and Turkey appear to have been the only major states to engage Hamas publicly. Turkish officials met with a Hamas delegation on February 17, and Russia plans to host a Hamas delegation in early March. After initially freezing monthly customs and tax revenues owed to the PA (more than \$50 million per month), the Israeli government released \$55 million to the PA. On February 19, after the Hamas-led parliament was seated, the Israeli cabinet decided to suspend similar transfers to the PA in the future. Israeli Foreign Minister Tzipi Livni stated that Israel may transfer funds to the PA for humanitarian purposes only. There are also some reports that suggest Hamas officials may seek aid from Brazil, Argentina, Venezuela, Bolivia, and Iran. On February 21, Secretary of State Rice met with Egyptian officials to advance U.S. efforts to isolate Hamas economically. At a joint press conference, Egyptian Foreign Minister Ahmed

About Gheit stated his belief that Hamas will evolve and that Egypt and the United States should not prejudge the issue.

## **Fatah and the Palestinian Liberation Organization**

In 1964, in partial response to the wider trend of militant radicalism, the Arab League founded the PLO. Fatah subsequently became dominant in the PLO and between 1968-2006 the organization monopolized nearly all aspects of factional politics in the West Bank and Gaza Strip.

**Leadership and Structure.** President Mahmoud Abbas is the Chairman of the PLO and the head of Fatah. The leading political body within Fatah is the Central Committee, elected by the general membership. Fatah's Revolutionary Council parallels the Central Committee as a decision-making body and includes armed resistance as an option. Additionally, three militia-type organizations have developed from Fatah: the al-Aqsa Martyrs Brigades, a designated foreign terrorist organization that emerged during the *intifada* that began in September 2000, and takes a violent approach to force Israel to end its occupation; Force 17, a personal security force for PLO leaders that was involved in attacks on Israeli targets in the early 1980s; and the *Tanzim* (or organization) militia, which is considered to be an armed offshoot of Fatah. The leaders are often described as follows:

- **Mahmoud Abbas:** Abbas (a.k.a. Abu Mazen) was sworn in as President of the PA on January 15, 2005. Prior to that, Abbas served as Prime Minister in 2003. A founding member of Fatah, Abbas also holds a doctorate from the Oriental University in Moscow.
- **Ahmed Qurei:** Qurei first joined Fatah in 1968 and headed the PLO's financial portfolio. He founded the Palestinian Economic Council for Development and Construction. He also served as Prime Minister between 2003-2005.
- **Mohammed Dahlan:** Dahlan, a longtime Fatah member and founder of the Fatah Youth Association in 1981, was jailed in Israel for political activism between 1983-1988. He participated in Israeli-Palestinian negotiations and is considered a major political figure in Gaza. He is the former Minister of the Interior and now heads the Third Way Party.
- **Nabil Shaath:** Shaath, the Palestinian foreign minister, has been a member of the Fatah Central Committee since 1971, and headed the PLO's first delegation to the United Nations in 1974. He was chief negotiator from 1993 to 1995, and participated in peace talks conducted at Camp David in 2000 and Taba in 2001.
- **Marwan Barghouti:** Barghouti is a militant political figure currently serving consecutive life sentences in Israel for murder. He is the leader of the *Tanzim*. Though currently jailed, Barghouti won a parliamentary seat in the election, and many see him as an opponent to Israeli-Palestinian peace agreements.

**Fatah's Challenges.** Fatah is out of power for the first time in its history and, some say, may have to alter its political outlook in order to regain popularity.

**New Political Role.** In addition to corruption, many claim that ongoing power struggles between “old guard” Fatah stalwarts and “young guard” members contributed to political fissures within the party, which Hamas exploited in the parliamentary elections. The inability of Fatah leaders to contain old-guard/new-guard tensions have reportedly increased internal political dysfunction. As a result of poor party discipline, multiple party lists, and limited technical preparation for the parliamentary vote, Fatah gained only 45 parliamentary seats (out of 132). Fatah did, however, capture 42% of the popular vote.

Fatah faces a need to re-evaluate its political agenda, tackle corruption, and rebuild the allegiance of its constituents, who launched mass demonstrations immediately following the elections and called for the resignation of Fatah's central committee. For Fatah to compete effectively, it will most likely need to cultivate effective internal methods of conflict resolution, consensus building, and reconcile intra-party rivalry.

**President vs. Parliament.** Many observers fear that unless a national unity coalition government is formed, the PA may be hampered by infighting, rivalry, and political deadlock or even civil war. A situation whereby the President does not belong to the ruling parliamentary bloc is foreign to Palestinian politics and some contend that President Abbas will have great difficulty implementing his goal of a negotiated settlement to the Israeli-Palestinian conflict. Other experts point to Abbas' own declarations that suggest he may resign if his political vision of a negotiated settlement to the Israel-Palestinian conflict is not followed. Still others contend that if Hamas resists President Abbas or refuses to dissociate itself from violence, Abbas may dissolve the parliament and call for new elections.

**Peace Process.** Most experts agree that as long as a Hamas-led Palestinian government remains hostile toward Israel, the peace process is likely to remain moribund, and Israel may quicken the pace of unilateral withdrawal. President Abbas may try to continue the peace process through the PLO, which is signatory to all Israeli-Palestinian agreements. Yet it is unclear how Hamas would react to political actions that parallel its own. Some Hamas officials have also intimated that they may join the PLO.

## Outlook

The full implications of Hamas' victory in the January 2006 parliamentary elections are not yet clear. The most significant question may be whether Hamas' participation in government, and the responsibility that accompanies elected office will moderate its militancy. As for Fatah, although it accepted the outcome of the parliamentary elections, its political future is uncertain. While recent reports suggest that Fatah may have agreed in principle to join Hamas in a national coalition government, Fatah hardliners may decide to undermine the government from within or leave the coalition government in protest. The future of the PLO is also undecided. As signatory to all peace agreements with Israel, the PLO has the authority to continue negotiations. Hamas is not a member of the PLO. As head of the PLO, President Abbas may elect to conduct future negotiations via the PLO's good offices although his defacto political authority to do so is questionable. Yet

there are growing signs that Hamas may wish to join the PLO in a move designed to possibly re-shape the organization and bring it within Hamas' sphere of influence.

There is little doubt that the Hamas electoral victory complicates U.S. policy toward the Palestinians and its wider strategy of democracy promotion in the Middle East. Following the election, President Bush stated that the results had "given a wake-up call to the leadership," adding that "a party that articulates the destruction of Israel is a party with which we will not deal."<sup>2</sup> Many in Congress appear to support isolating Hamas economically unless it recognizes Israel and disavows violence, while others are concerned that any funding void will be filled by Saudi Arabia, or possibly Iran. Still other experts contend that if the Palestinian economic crisis deepens, Hamas may be able to exploit decreases in U.S. aid to deflect any possible criticism that the new government is unable to improve Palestinian lives, and lay the blame on U.S. policy.

## Recent Legislation

**H.R. 4668** (introduced in the House International Relations Committee on January 31, 2006) resolves that the President would have to certify, among other conditions, that the PA is not controlled by a designated foreign terrorist organization (FTO).

**H.R. 4681** (referred to the House Committee on International Relations, and in addition to the Committees on the Judiciary, and Financial Services, for a period to be subsequently determined by the Speaker) requires that the President certify that no element of the PA is controlled by a FTO and no member of an FTO serves in a ministry, agency, or instrumentality of the PA.

**S. 2237** the Palestinian Compliance Act of 2006 (introduced in the Senate Foreign Relations Committee on February 1, 2006) includes a requirement that the President's waiver authority (Section 550 (b) of P.L. 109-102, the FY2006 Foreign Operations Appropriations Act) may only be used if the PA renounces terrorism and recognizes Israel's right to exist and takes appropriate steps to amend the Hamas Covenant to delete statements that are hostile to Israel and that support violence.

**S.Con.Res. 79** (passed the Senate on February 1, 2006, and referred to the House International Relations Committee on February 7, 2006) resolves that it is the sense of Congress that no U.S. assistance should be provided directly to the PA if any representative political party holding a majority of parliamentary seats within the PA maintains a position calling for the destruction of Israel.

**H.Con.Res 228** (referred to the House Committee on International Relations on February 8, 2006) urges members of the Organization of American States to designate Hezbollah, Hamas, Palestinian Islamic Jihad, al-Qaeda and its constituent entities, and other such groups as terrorist organizations if they have not already done so.

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<sup>2</sup> White House Press Conference, January 26, 2006.