



## PERSPECTIVES

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# Economic Benefits Will Not Bring Stability to Gaza

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**EXECUTIVE SUMMARY: The easing of economic conditions – a strategy that benefited Palestinian areas in the West Bank – is increasingly touted as the way to achieve political stability in Gaza, which is ruled by Hamas. But this strategy only works after the enemy is defeated.**

Many experts claim that an easing of economic conditions in Gaza, particularly the granting of permission to Gazans to work in Israel, is the way to achieve political stability in a Gaza Strip ruled by Hamas.

This is a fallacious argument.

To understand why this is so, one must revisit the Marshall Plan for Europe, the most successful example in history of how economic largesse can facilitate the transformation of a destructive foe into a staunch and healthy ally. West Germany became a lynchpin in the security architecture of the Western alliance against the Warsaw Pact countries under the Soviet orbit.

No one can deny the success of the Marshall Plan, especially in contrast to the fallout from the destructive vindictiveness of western allies against Germany after World War I. Indeed, that vindictiveness contributed to the rise of Nazi Germany, forming the historical justification for the Marshall Plan.

By the same token, one can hardly deny the even greater importance of two geostrategic factors at the time that made such economic largesse towards a former enemy worthwhile.

First, the total defeat of Nazi Germany, and its subsequent occupation and division by the winning coalition, meant that the US and its allies could mold

West Germany to their liking through denazification and democratic rule, just as the Soviet Union created an East Germany in its own totalitarian image.

Second, West Germany was, like the rest of free Europe, beholden to the US for its security in the face of a menacing Soviet Union and its satellite states.

In the face of these two basic facts, the Marshall Plan can be seen as having facilitated and reinforced a process.

Benjamin Netanyahu's liberal economic policy towards the residents of Mahmoud Abbas's Palestinian Authority (PA), primarily the allowing of over 100,000 workers with or without permits to work in Israel, succeeded in part because it satisfied the two basic conditions that made the Marshall Plan successful.

At the height of the second intifada in 2002, Israel reconquered major towns in the PA that had become sanctuary areas for Fatah, PA-linked, Hamas, and Islamic Jihad terrorism. It has prevented the reemergence of sanctuary areas ever since through preventive arrests throughout the West Bank that run into the thousands annually.

Like Germany, the PA was essentially defeated. And as was the case with West Germany and the US, Israel and the PA became allied against joint enemies – Hamas and Islamic Jihad.

If the PA ever had any doubts about who was more threatening to Abbas's rule, Israel or Hamas, those doubts were put to rest after the Hamas takeover of Gaza in 2007.

It was only after these two conditions were met that economic prosperity could play its facilitating role.

And even then, the economic effects were limited compared to hard and fast political and military factors.

After all, even after workers from the West Bank were granted permission to commute to work in Israel, where they earn almost twice the wages of workers in the PA (after debiting commuting costs), over 250 Palestinians were motivated to commit murders in the wave of terrorism at the end of 2015-16.

The relative difference in the lethality of this terrorist wave – in which only 45 were killed compared to 800 in the second intifada by the same number of terrorists – was due not to a decrease in motivation but to the fact that they no longer had sanctuaries from which to organize elaborate suicide bombings or store large quantities of firearms.

In fact, by the time of the wave, the professional terrorist infrastructures of Hamas and Islamic Jihad had been thoroughly smashed.

In Gaza, neither of these conditions prevails. Gaza under Hamas rule remains a sanctuary area where Hamas can freely build up its military capabilities and launch a sophisticated campaign like the March of Return with little interference.

There is no common enemy that would render Hamas conciliatory, as was the case between the US and West Germany or between Israel and the PA.

Only a policy of toughness towards Hamas can induce it to assure stability and quiet in Gaza.

The three large-scale bouts of conflict between Israel and Hamas in 2008-9, 2012, and 2014 led the inhabitants of Gaza to demand that Hamas bring an end to the launching of missiles that had led to those clashes. Hamas acknowledged that pressure and acted upon it.

Further popular pressure after the failure of the March of Return campaign is likely to induce Hamas to stop campaigns of violence altogether.

Economic largesse at this point would only augment Hamas's resources, as it taxes incoming goods and aid. That money will be funneled back to its hard core through campaigns such as the March of Return.

Gaza's inhabitants voted in Hamas in 2006. They have lived to regret it. It is now incumbent upon them to defang their government by making sure it deals in butter, not guns.

Only when Hamas envisions its territory as a future Singapore rather than a murderous labyrinth of fundamentalist terrorism should economic benefits accrue to Gaza.

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