Building Democracy in Palestine: Liberal Peace Theory and the Election of Hamas

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The victory of Hamas, a proscribed terrorist organisation, in the January 2006 elections for the Palestinian Authority, was greeted with dismay by the international community, which responded by cutting off aid. This article seeks to understand why Hamas was elected, as well as the international community’s response, through an analysis of the liberal peace thesis. This thesis states that democracies do not go to war with one another, thus it was thought that building a democratic Palestinian state would buttress the peace process. The Palestinian people have, however, elected an organization that rejects the peace process. This has provided a wake-up call for the US to face up to the fact that promoting democratization may not always produce the results it desires. The US sees the election of Hamas as the cause of the current crisis and the main obstacle to peace. This article, however, argues that this is merely a symptom, not the cause, of the crisis. The Palestinian Authority’s lack of sovereignty and its complete dependence on Israel put severe limitations on the building of a viable, democratic state. The article concludes that the US’s uncompromising response to Hamas could well undermine democracy promotion in the region.

Key words: Palestine; Hamas; liberal peace theory

Introduction

Peace is never dead, because people want peace. I believe – and that’s why I articulated a two-state solution early in my administration, so that – as a vision for people to work toward, a solution that recognized that democracy yields peace. And the best hope for peace in the Middle East is two democracies living side-by-side.

George W. Bush, press conference of the President, 26 January 2006

I thought the elections were important. I was one voice that said the elections should go forward on time. But I recognized that, one, elections are the first step in many cases in evolution of a true democracy; and secondly, that elections show – give everybody a true look at how – what people are

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thinking on the street; and thirdly, though, that because the Palestinians spoke, doesn’t necessarily mean we have to agree with the nature of the party elected.

George, W. Bush, round-table interview of the President by the press pool, aboard Air Force One, en route to Andrews Air Force Base, Maryland, 21 February 2006

The victory of Hamas, an Islamist party listed as a terrorist organization by the US, the EU, and many other Western governments, in the 25 January 2006 Palestinian parliamentary elections was met with dismay and disbelief. Hamas had just secured 42.9 per cent of the vote and 74 of the 132 seats in the Palestinian Legislative Council (PLC). The US, the EU, and a number of other governments responded swiftly by cutting off aid to the Palestinian Authority (PA) and refusing to work with the Hamas-led government until it recognized the right of Israel to exist. Israel’s response was to withhold Palestinian customs and tax revenues, which it collects on its behalf, and increase the closures of territory in the West Bank and into and out of Gaza. The PA is thus under siege. By June 2006, this had reached crisis point with a stalemate between President Mahmoud Abbas and the Hamas-led government over the recognition of Israel’s right to exist, violence between Hamas and Fatah supporters bringing the nation to the brink of civil war, and the World Bank and the United Nations predicting a humanitarian crisis on an immense scale.

This article seeks to understand why Hamas was elected, as well as the international community’s response, through an analysis of the ‘liberal peace thesis’ which, as outlined in the quotations above, the US government believes in and actively promotes. The liberal peace thesis states that democracies do not go to war with one another. Thus building a democratic Palestinian state would buttress the peace process being undertaken by Israel and the Palestine Liberation Organization (PLO). The recent decision made by the majority of Palestinians to elect an organization which rejects the peace process is, therefore, significant and needs to be explained, particularly given the highly negative repercussions which came in its wake. This article argues that we are, at present, witnessing the problems inherent in a peace process which created an institution, the PA, whose primary task was to deliver security to a powerful neighbour who retained control over PA borders and economy. This task, it is argued, is in contradiction to promoting the development of a sovereign and democratic Palestinian state – a process that is dependent upon a resolution of the conflict and the end of Israeli occupation. What we are witnessing now is an unravelling of these contradictions with devastating consequences for the three and a half million Palestinian people living in the West Bank and Gaza (WBG). In addition, it is likely to contribute to continuing instability in the region.

It is argued here that there are key external and internal factors that contributed to the electoral success of Hamas and the defeat of the previous ruling group, Fatah. The key external factors are the PA’s lack of sovereignty and its dependence upon Israel, and the lack of a final peace agreement. The key internal factors are the continued existence of armed groups that challenge the authority of the PA, the PA’s descent into corruption, and the deep economic and social crisis caused by continued
Israeli occupation. As both Lyons and Paris point out, weak and ineffective transitional institutions are unlikely to build confidence or norms towards democracy and may lead to renewed conflict, as was the case in Angola in 1992, or the election of anti-democratic, wartime leaders as in Bosnia-Herzegovina in 1996 and Liberia in 1997.\textsuperscript{1} These experiences offer insights into the current situation in the WBG.

In order to chart these factors, this article is divided into four sections. The first section briefly outlines the liberal peace thesis, the importance it holds for the US government, and how the existence within the region of powerful and popular Islamist movements offers both a challenge to the US policy of democracy promotion and the liberal peace thesis. The second section outlines the historical emergence of the PA as a political entity, the Oslo Accords which brought it into being, and the accumulation of tensions over the 13 years of its existence. With the context thus established, section three briefly discuss Hamas’s political agenda, outlines the growing support for it within Palestinian society, and analyses its decision to adopt an electoral strategy. It is the success of this strategy and the reaction to it that forms the basis for section four. Here the response of Israel, the US, and the EU to the Hamas-led government is analysed and, through World Bank, International Monetary Fund (IMF) and UN reports, the article assesses what this means for the future of the PA and the Palestinian people. Section five concludes by briefly re-assessing the experience of the PA against the liberal peace thesis and other considerations of how to build democracy after conflict.

The Liberal Peace Thesis

After decades of gaining dust on the shelves of the academy, in the mid-1980s the liberal peace thesis was dusted down and began to make a comeback. Today’s enthusiasts, such as Michael Doyle and R.J. Rummel, have drawn heavily on the work of the 18th-century philosopher Immanuel Kant, one of the earliest proponents of the thesis. In his 1795 essay, ‘Perpetual Peace: a Philosophical Essay’, Kant argued that countries with representative governments were likely to behave more peacefully than those with authoritarian ones because: ‘if the consent of the citizens is required in order to decide that war should be declared, nothing is more natural than that they would be very cautious in commencing such a poor game’\textsuperscript{2} Nearly two centuries later, Doyle picked up the mantle by arguing that the historical record showed that democracies do not go to war with one another.\textsuperscript{3} Since then, there has been an explosion of research supporting or critiquing the liberal peace thesis with different causal mechanisms being suggested and scrutinized.\textsuperscript{4} Studies on the relationship between liberal democracy and inter-state violence have been supplemented with research examining the relationship between liberal democracy and intra-state violence.\textsuperscript{5} The work of R.J. Rummel has been important in this respect with his findings mirroring earlier work on inter-state violence: that democracies are less likely than non-democratic societies to experience domestic disturbances such as civil wars and rebellions.\textsuperscript{6} It is proposed, therefore, that the liberal peace has a double impact: it promotes pacific relations between states \textit{and} domestic peace. These studies are often cited by policy-makers as proof of the pacifying effects of liberal
democracy as a strategy for promoting peace. While liberalization in the economic
sphere has been pursued since the late 1970s through structural adjustment packages, it took until the 1990s, and a dramatic change in international politics, for democratization and democracy promotion to become a core international priority.

The disintegration of the Soviet Union in the late 1980s heralded the collapse of communism as an alternative model of development and political organization, and eliminated an alternative source of international support from that provided by the US and its Western allies. This left the door open for the international institutionalization of the liberal peace thesis through an ideological reorientation by the UN, the EU, the North Atlantic Treaty Organisation (NATO), the IMF and World Bank, national development agencies, and many international non-governmental organizations (INGOs). Liberal peace assumptions litter the policy documents of the UN, the international financial institutions and Western governments. For instance, a 2005 document from the UK government’s Prime Minister’s Strategy Unit states that ‘full democracies are least likely to undergo significant political upheaval and instability’. George W. Bush and former US President Bill Clinton both expressed their support for the theory. In 1994, Clinton said: ‘Ultimately, the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere. Democracies don’t attack each other’. These assumptions are guiding the US-led ‘war on terror’. After 9/11, the US adopted a more assertive strategy of democracy promotion believing democracy to be an antidote to terrorism – in the Middle East this was conducted through the Middle East Partnership Initiative and the Greater Middle East Initiative. It has also been used as a justification to invade Iraq and remove Saddam Hussein. In a discussion on Iraq with Tony Blair, Bush declared:

The reason why I’m so strong on democracy is democracies don’t go to war with each other. And the reason why is the people of most societies don’t like war, and they understand what war means. . . I’ve got great faith in democracies to promote peace. And that’s why I’m such a strong believer that the way forward in the Middle East, the broader Middle East, is to promote democracy.

This belief in the pacifying effects of democracy has been given a sharp reality check by the existence, throughout the region, of strong, popular Islamist movements, including Hamas, which the US does not wish to come to power. The election of Hamas has been a severe wake-up call for the US to face up to the fact that democratization may not always produce the results it desires. Islamist movements have become major players in the Middle East, a result largely of their efforts over the past few decades to build support from the grass roots upwards. Structural adjustment packages imposed throughout the 1980s and 1990s had a highly negative impact in the region resulting in a decline in state provision of social welfare, and increasing poverty and inequality. This strengthened the Islamists who moved in to fill the welfare gap thus ensuring their entrenchment within civil society and increasing their popularity. Therein lies the irony: liberalization in the economic sphere provided a space for Islamists to build grass-roots support; liberalization in the political sphere may well allow them to mop up and consolidate this support through the ballot box.
US democracy promotion efforts, however, have largely been directed towards a relatively narrow constituency of liberal, secular, pro-Western elites who do not represent the region’s grass-roots majority, while ignoring the popularity of Islamist groups. But Islamic movements now constitute the main opposition to authoritarian regimes in the region and represent a wide spectrum of opinion – from modernist to Jihadi. Viewing all Islamic groups as akin to al-Qaeda and treating them as such is thus likely to impact badly on the modernist strand to the benefit of Jihadi tendencies.15 Since 9/11, the US has used the threat of Islamic fundamentalism to justify retaining a high military, economic, and political profile in the region. Yet, as Zunes points out, it has often supported Muslim hardliners when they were perceived to enhance US interests, as in Afghanistan, Pakistan, and Saudi Arabia. US support for authoritarian regimes in the region (those that are deemed allies), many of which suppress even moderate Islamist groups, helps to reduce democratic and non-violent options for Islamist organisations.16 Despite what the US or other Western governments say or do, support for the Islamists will continue. The main issue is whether they will use the ballot box or violence, and this is something that the West can influence.

The Peace Process and the Birth of the PA

The Oslo Accords, agreed in August 1993, were the first step towards peace between Israel and the PLO, and an end to one of the world’s longest-running conflicts. The PLO, founded by the Arab League in 1964, is a political and paramilitary umbrella organization made up of different factions, the largest of which is Fatah.17 It covers a wide range of largely secular ideologies of different Palestinian movements committed to the struggle for Palestinian independence and liberation. It is considered by the international community to be the legitimate representative of the Palestinian people and, since 1974, has held a permanent observer seat in the UN General Assembly. Israel regarded the PLO as a terrorist organization until the Oslo Accords, which called for mutual recognition between Israel and the PLO and a five-year transitional period during which Israel would gradually remove its troops from Palestinian areas. In return, PLO leader Yasser Arafat promised to end violence against Israel. At the end of the transitional period, an agreement would be reached based on UN Security Council resolutions 242 and 338, which call for the complete withdrawal of Israeli forces from the territories occupied in 1967.

The Oslo Accords, heralded as a great example of what peacemaking could achieve, created the conditions for the setting up of the PA in the WBG in 1994 as an interim administration in preparation for full sovereignty after final status negotiations. But by 2000, the Oslo Accords had failed to deliver a definitive peace agreement, violence on both sides had escalated culminating in the launching of the second Intifada, and the PA had gained a reputation for authoritarianism and corruption. The dream was dead: Oslo had delivered neither peace nor a viable, democratic Palestinian state. The explanation for this lies in the curious character of the Oslo Accords, which instituted powerful international and domestic obstacles to the achievement of these goals.
First of all, it is important to emphasize that the PA is a unique institution: it is a form of self-rule but in the context of continued occupation. Brown calls it ‘an uncertain political hybrid that falls short of sovereignty’. The Oslo Accords set drastic limitations on the sovereignty of the PA creating, in effect, a quasi-state. In essence, the main problem with the PA was that it was not set up to deliver democracy to the Palestinians but to deliver security to Israel. The Israeli government demanded and expected the Palestinian police to disarm and restrain militant Palestinian groups, something the Israel Defence Force, one of the most hi-tech armies in the world, had failed to achieve. For Palestinians though, the creation of the PA was seen as the first step towards an independent, democratic state. But the restrictions placed on the PA’s sovereignty by Oslo meant that neither security nor democracy was likely to be achieved in the absence of a final settlement of the peace process. Under the Oslo Accords, the PA was given control over both security-related and civilian issues in Palestinian urban areas (Area A), and only civilian control over Palestinian rural areas (Area B). The rest of the territories (Israeli settlements, the Jordan Valley, and bypass roads between Palestinian communities) remained under Israeli control (Area C). In practice, this meant the PA was given ‘full’ jurisdiction over only 29 per cent of the West Bank, 70 per cent of Gaza, and none over East Jerusalem. Since Israel’s unilateral withdrawal from Gaza in September 2005, the PA’s jurisdiction has increased to 100 per cent there, although Israeli restrictions on movement into and out of Gaza have earned it the unenviable reputation of being, in effect, an open air prison.

In addition to these limitations on governance, there were severe constraints on building a viable economy. There is no unified Palestinian economy due to the limitation put on the flow of goods and people by checkpoints and roadblocks both between the West Bank and Gaza, territories that are not contiguous, and within the West Bank itself. This is a massive impediment to economic activity. A 2006 World Bank report counted nearly 500 checkpoints and roadblocks in the West Bank, an area that is around a third of the size of Wales. This process of ‘bantustanisation’ stands in sharp contrast to the territorial contiguity which, as the World Bank and a RAND corporation study emphasize, is a precondition for an economically and politically viable Palestinian state.

The economic well-being of the PA is completely dependent upon Israel: this covers its funding, trade relations, employment for its people, and access to key resources. The 1994 Protocol on Economic Relations between Israel and the PLO (also known as the Paris Protocol) formalized the quasi customs union that was established under occupation. This effectively tied the Palestinian economy to Israel, but to the detriment of Palestinian industry and trade, thus instituting an adverse path of development that continues to this day. The Paris Protocol gave the PA limited powers over economic policy: it has no instruments for setting exchange rates, fiscal, monetary, or trade policies. The PA thus only has control over a one-sided fiscal policy, namely how to allocate expenditure, powers less than that of many municipal authorities in developed countries.

In terms of its funding, two-thirds of the PA’s budget is made up of revenues collected by Israel, the other third being provided by foreign aid. In relation to
trade, in 2002, exports from the WBG to Israel constituted 90 per cent of PA exports, while imports from or via Israel made up 98 per cent of PA imports. These imports and exports are subject to Israeli border controls whose officials have the power to financially destroy Palestinian traders by delaying their goods. Fischer, Said, and Valdivieso estimated that Israeli security restrictions had directly resulted in Palestinian businesses facing costs 30–45 per cent higher than equivalent Israeli companies. In addition, the World Bank has estimated that, when the Karni Crossing (the only crossing for the export and import of goods into Gaza) was closed from 15 January to 5 February 2006, the losses to the Palestinian economy totalled some US$10.1 million.

The security restrictions are also negatively impacting on employment. After the post-Oslo tightening of Palestinian labour mobility, WBG employment in Israel plummeted from 40 per cent to around 14 per cent in 1996, denying the PA taxes and remittances and creating an unemployment problem that it was in no position to solve. In terms of access to key resources, the PA has to buy its supplies of electricity, international communication, fuel, cement, and 40 per cent of its water from Israeli companies. The relationship between Israel and the PA is consequently highly asymmetrical, with the latter tightly woven into a web of complete dependency. The ‘asymmetrical containment’ policy started under occupation was enshrined in the Oslo Accords. Israel’s potential to harm Palestinian interests thus ensured that the ‘security first’ logic of Oslo was prioritized.

The PA’s main task, implicit in the Oslo Accords, was to stop the violence against Israel. This depended upon a strong executive and security institutions able to push through a peace process in the face of strong, violent, internal dissent. The creation of one-party rule with a centralized system of power was thus facilitated, enhanced by the boycotting of Oslo and the 1996 elections by some groups, such as the Popular Front for the Liberation of Palestine, Islamic Jihad, and Hamas, which pledged to continue the armed struggle. As a result, Arafat and Fatah dominated Palestinian politics and institutions. The continued militancy of the opposition groups and their rejection of Oslo created a huge problem for the PA – it challenged its legitimacy as well as its monopoly over the means of violence. The exclusion of powerful actors and the failure to promote the demilitarization of politics creates powerful domestic obstacles to successful state-building and peace-building, a problem emphasized by Lyons.

The PA is therefore a curious creature: an embryonic state struggling to build itself in the midst of one of the world’s most intractable conflicts with a mass of restrictions on its sovereignty. The formal attributes of democracy were put in place: the PA was constructed as a presidential system with an active parliament, all eventually elected by popular vote. Despite these accoutrements, there has been a lack of substantive democracy due to corruption, clientelism, and an uneven balance between the president and the PLC. According to various reports, such as that of Sayigh and Shikaki and the PLC Special Budget and Oversight Committee Report (1998), there was political corruption involving high-ranking figures and widespread bureaucratic corruption in several administrative bodies.

Opinion polls show widespread knowledge of this corruption. In 1996, less than 50 per cent of Palestinians believed the PA to be corrupt; by 1999 this figure had risen...
The PA fostered privileged access to resources in order to enlarge its political base and ensure support, but this also created internal struggles over influence and control. The relationship between President Arafat and the PLC was fractious; in any direct confrontation with Arafat, the PLC always backed down, and while it was free to draft and pass its own laws the PLC was powerless to force the president to approve them. Israel and international donors turned a blind eye to these problems while they felt Arafat could rein in the militant groups and deliver security for Israel. Once it became clear this was not happening, international pressure combined with already-existing domestic pressure to push for fiscal and constitutional reform.

The US and Israel maintain that the second Intifada was the result of corruption and authoritarianism in the PA, not Israeli actions or the deteriorating socio-economic situation in the WBG. This translated itself into a call for Palestinian reform – through a ‘good governance’ agenda – which became a highly personalized struggle against President Arafat from mid-2002. Indeed, a central demand of the 2002 ‘Roadmap’, sponsored by the ‘Quartet’ (formed by the US, the EU, the Office of the Secretary General of the UN, and the Russian Federation) was a change of Palestinian leadership. The logic of Oslo had been peace now, democracy later. This had failed. The logic of the Roadmap was democracy now, peace later. While internal reform was necessary for building democracy it was not sufficient to build a viable Palestinian state and secure peace. Indeed, despite progress in PA reform, economic decline has been consistent and deepened after 2000.

The power that Israel wields over the PA territories has allowed it to pursue policies that are at odds with building a viable Palestinian state and securing peace. As well as the territorial fragmentation of the WBG and the strict closure regime, Israel has continued its policy of land grabbing through the expansion of Jewish settlements in the West Bank, the building of the ‘security barrier’ and bypass road extensions, and the large-scale demolition of Palestinian homes. UNCTAD estimates that 86 per cent of the land confiscated for the construction of the ‘security barrier’ has been agricultural land. This impacted negatively on employment (employment in the agricultural sector dropped from 23 per cent in 2004 to 14 per cent by the end of March 2005) and forced the closure of 952 business enterprises.

All Israeli governments, regardless of whether they have been led by Labour or Likud, have pursued these policies. The thorny issues of borders, Jewish settlements, the status of Jerusalem, and the fate of Palestinian refugees living in neighbouring countries have all been reserved to final status negotiations. Resolving these issues was, and remains, the key to a resolution of the conflict.

High levels of donor commitment could not, and did not, solve this fundamental problem. International assistance to the PA has amounted to US$1 billion in grants per year. The prime political function of such ‘cheque book diplomacy’ has been generally to ‘support the peace process’. But as time dragged on and the limitations on what could be achieved increased, the aid community was forced to replace development assistance with emergency relief due to the PA’s recurrent economic crises. One key problem has been the inability or reluctance, on the part of development specialists, to grasp the peculiarity of the PA’s context: continued military occupation
and the absence of sovereignty. Treating the WBG as similar to poor, sovereign countries was doomed to fail as a development strategy given the limits set on what could be achieved.\textsuperscript{47} The policy package advanced by donors, institutions, and development agencies conformed to the ‘Washington Consensus’ in its emphasis on rapid economic liberalization, privatization, and integration into the world economy. But the PA’s economic problems are not the result of government intervention and market distortion but the result of a policy of asymmetrical containment and will require deliberate policy actions to change this highly negative development path.\textsuperscript{48}

Investment in building infrastructure is a key aspect of building a viable state, but if a powerful neighbour can and does destroy this infrastructure without international rebuke, it is a waste of resources. What the ongoing crisis shows is that peace cannot be bought, it has to be negotiated. The muted response of the international community to Israel’s policies and actions, many of which have violated international law and UN resolutions, is the product of the dominant role played by the US in the peace process and its unwavering support for Israel throughout different administrations. There are many reasons for US support for Israel, which this article will not address. Suffice it to say that the enormous financial and political backing from the world’s most powerful state has been sufficient to protect Israel from the criticism voiced by other states and the UN. The US provides Israel with annual bilateral funds of US$654 per person (which is more than double what the Palestinians receive in multilateral aid),\textsuperscript{49} and it is Israel’s largest arms supplier, providing it with the world’s second largest fleet of F-16 fighter planes (the largest being that of the US).

Despite the potential this provides for political leverage, the US has ruled out using its bilateral assistance to advance the peace process. Edward Walker, US Ambassador to Israel 1997–1999, said in 1998: ‘If in the end Israel cannot accept our ideas, we will respect that decision, and it will not affect our fundamental commitment to Israel by a single jot or tittle’.\textsuperscript{50} This support was reaffirmed by George W. Bush’s speech of 24 June 2002, which deferred support for a Palestinian state and made it conditional on a total ceasefire, reform of the PA, and the removal of Arafat. The death of Arafat on 11 November 2004 was thus seen by some to have broken the logjam. But such a conclusion was based on the logic of security first, political engagement later that has dominated Oslo and all negotiations since.\textsuperscript{51} This approach has failed. It was also based on a flawed understanding of what is required to build democratic institutions and a democratic culture, notably by seeing individuals as constituting an obstacle to democracy rather than more structural reasons. Holding the lid on rising domestic dissent while offering no progress on a final settlement was an impossible situation for the PA and, in particular, the ruling party, Fatah. As dangerous splits emerged within Fatah, Hamas continued to consolidate its rising popularity.

**The Rise of Hamas**

Hamas was formed in 1987 as an offshoot of the Muslim Brotherhood, Egypt’s main Islamist organization.\textsuperscript{52} It has never joined the PLO thus offering an Islamist alternative to the nationalist movement.\textsuperscript{53} Listed as a terrorist organization by the US, the EU, Canada, Australia, and Israel, and banned in Jordan, Hamas calls for the destruction of
Israel and the creation of an Islamic state in the area encompassing the WBG and Israel. It promotes armed resistance against Israeli occupation and has been condemned for its practice of shelling Jewish settlements and Israeli towns, and its use of suicide bombers. Israel has assassinated many of its leaders, the most notable being that of its founder member and spiritual leader, Sheikh Ahmed Yassin, on 22 March 2004. Its rejection of the Oslo Accords and its continuation of the armed struggle helped to undermine the PA by challenging its existence and authority, its monopoly over the means of violence, and the legitimacy of the peace process.

To the outside world, Hamas is most commonly associated with violence and the suicide bomber, but within the WBG it is known for its extensive social services network, upon which Palestinian society has been heavily dependent after many years of economic devastation. Indeed, Israeli scholar Reuven Paz estimates that around 90 per cent of the organization’s work is in social, welfare, cultural, and educational activities. Grass-roots support for the organization is therefore nothing new. But since the beginning of the second Intifada, it has grown from strength to strength while, simultaneously, there has been a dramatic fragmentation of Fatah into rival and regionalized groups, exacerbated by the PA’s virtual destruction by Israel in March 2002, and then the death of Arafat. The breakdown in the peace process and the intensification of violence, culminating in Israel Defence Force incursions into Palestinian towns and villages and the siege of President Arafat’s compound, initially brought Hamas and Fatah closer together. This laid the groundwork for Hamas to step onto the political stage.

Hamas’s decision to adopt an electoral strategy was based on three components. First, there was the election of Mahmoud Abbas as president of the PA on 10 January 2005. Abbas was deemed by Hamas to be more trustworthy than Arafat. Abbas also actively sought a deal with Hamas, largely because enforcing domestic law and order required its support. This deal was enshrined in the Cairo Declaration of 19 March 2005 that committed the factions to unilaterally observe a ceasefire to the end of 2005, with local and legislative elections to follow.

Second, Hamas wanted to consolidate its growth in support. Its participation in the municipal elections meant that, by the end of 2005, it had full or joint control over all the largest towns that had voted, except Ramallah (but which it won in the 2006 elections). Generally, Hamas’s performance in charge of municipalities has been applauded by both domestic and foreign observers, and won them further domestic support. This support was supplemented by its claim, broadly accepted by the Palestinian public, that Israel’s unilateral withdrawal from Gaza was a victory for the armed struggle.

Third, the collapse of the Oslo Accords, the faltering Roadmap, and the lack of a peace process meant that Hamas could enter political institutions without having to endorse what it did not agree with. Moreover, by remaining outside the PLO – the organization with the mandate to negotiate with Israel, not the PLC – Hamas could legitimately claim to be following its covenant, which rejects negotiations with Israel.

Washington and Brussels both funded the election process and, originally, the US claimed that as long as the elections were free and fair, which they were according to the European Union Election Observation Mission, it would recognize the result. No
conditions were set on Hamas’s electoral participation, largely because Abbas and Hamas had already reached an agreement. It is clear, however, that Abbas conceived of this as the first steps in a gradual decommissioning of Hamas through political integration on the basis of elections to the PLC, and did not anticipate Hamas running off with the whole prize. The US accepted the participation of Hamas, having been led to believe, by Abbas, that there would be a Fatah victory that would undermine the Islamic challenge in the region. This prediction was wrong. The Palestinian people had spoken and the name on their lips was not Fatah, but Hamas.

Hamas is clearly an incredibly disciplined organization that swung into action to become a highly efficient electoral team. Its pragmatists, led by Ismail Haniyya, now the PA’s prime minister, made up the majority of legislative candidates over those identified with the radical wing led by Mahmoud Zahar, now the PA’s foreign minister. At the hustings, Hamas had a clear advantage in that it could show a level of success in municipal government. Fatah, on the other hand, was at a disadvantage in having to defend its record in government. In addition, Fatah was in disarray: its armed militias were attacking each other and government buildings, and engaging in kidnappings. Hamas could thus present itself as the party of discipline and charity, not something which Fatah could easily claim.

Brown suggests that the 2006 elections bear the ‘hallmarks of a classic transition election: a governing party pressed internally and externally to make liberalizing concessions agrees to elections that it feels it can dominate while allowing the opposition to make a respectable showing’. In this case, the incumbents were defeated: Hamas gained 42.9 per cent of the vote and 74 of the 132 seats in the PLC. Before the elections, some within the nationalist movement labelled Abbas the ‘Palestinian Chadli Benjedid’, a reference to the former Algerian president who led his country into civil war by legalising his country’s Islamists, allowing them to take part in elections but not expecting them to win. This proved to be a chilling prediction despite attempts by the US to bolster Fatah, and Israel’s detention of scores of Hamas parliamentary candidates in the months leading up to the election. While Fatah accepted its defeat, it has continued to act as if it were still in power, particularly given that the presidency still lies with Fatah through Abbas. The situation of dual power which thus emerged – a PLC controlled by Hamas and a presidency controlled by Fatah – has paralysed the PA from effective decision-making. This paralysis was further consolidated by the international community’s response to Hamas’s electoral success.

Response to the Election Results – International Isolation

Five days after the results were announced, the Quartet congratulated the Palestinians for their free and fair electoral process, but insisted that any future Palestinian government would be required to commit itself to non-violence, recognize Israel, and accept existing agreements and commitments including the Roadmap. ‘The whole of the international community has the responsibility to accept the outcome of any fair and democratic election,’ said UK Foreign Secretary Jack Straw. ‘But in this case Hamas has a clear responsibility to understand that with democracy goes a rejection of violence.’ This is, of course, true. One major requirement of democracy is the
demilitarization of politics, which requires a rejection of violence, the decommissioning of weapons, and the dismantling of militias. However, it is generally accepted by both policy-makers and academics that this is a ‘chicken and egg’ dilemma that requires careful consideration and responses should be context-specific. In reality the response of the international community has been extremely counterproductive and is, in effect, a form of collective punishment imposed on the Palestinian people.

Virtually all sources of PA finance have been cut off: Israel has been withholding Palestinian revenues, there has been a suspension of direct transfers by Organisation for Economic Co-operation and Development (OECD) donors; the US Treasury has prohibited transactions with the PA meaning that the banking sector has ground to a halt, transfers cannot be made and wages cannot be paid; US anti-terror legislation has created significant obstacles for NGOs engaged in humanitarian relief work; and US NGOs have had entire projects suspended. Arab states have not come to the rescue: first, because they too will come up against US anti-terror legislation and face sanctions; and, second, they fear that a successful Hamas government will give a boost to their own Islamist movements.

The impact of these actions – which are, in effect, sanctions in all but name – has been dramatic. The World Bank has reported a sharp rise in unemployment and people living below the poverty line, signs of food and gas shortages, public sector salaries unpaid since March, and substantial increases in crime, drug use, and violence. The PA budget deficit of around US$700 million at the end of 2005 is predicted to grow by at least $50 million each month thereafter. Attempts by Quartet members to establish alternative delivery routes to bypass the PA, such as the Temporary International Mechanism, have been dismissed by experts and NGOs as unworkable. The World Bank has warned about the potential long-term consequences of this economic shutdown – the institutional breakdown of the PA, which will be difficult to reverse. This would give the PA the unenviable reputation of having become a failed state before achieving statehood. The ambivalent legal status of the WBG would, if the PA collapsed, revert once more to that of belligerent occupation. Even before the current crisis, commentators raised the spectre of the PA disintegrating into a Somalia-style militia situation with increasing violence between Palestinian factions and against Israelis, pied noir violence by Jewish settlers, and frequent Israel Defence Force incursions into the WBG.

The Quartet’s response indicates that it is sees the election of Hamas as the cause of the current crisis and the main obstacle to peace between Israel and the Palestinians. But the election of Hamas is a symptom not the cause of the current crisis: there have been no negotiations between Israel and the Palestinians since 2001; there has been a tightening of the occupation with Israel laying the groundwork for a unilateral border plan, and the economic crisis has been steadily increasing for years. There is little doubt that the majority of Palestinian people wish to see political negotiations with Israel continue. Yet this may well change as Palestinian opinion polls have shown in the past that anger against Israel, including support for militant groups and suicide attacks, rises at times of intense economic pressure. Evidence suggests that Hamas is prepared to accept a two-state solution, albeit with more stringent conditions than those secured by the PLO. A senior Hamas leader in the West
Bank, Hasan Yousif, said in August 2005, ‘we have accepted the principle of accepting a Palestinian state within the 1967 borders. If it’s in the interests of the people, we are prepared’. The Hamas election manifesto released in mid-January 2006 differed little from that of Fatah (arguably this is the first official Hamas document to discuss the conflict without explicitly calling for the destruction of Israel). Muhammed Abu Tair, a senior Hamas politician, said in January 2006:

We’ll negotiate [with Israel] better than the others, who negotiated for 10 years and achieved nothing. . . . We are not saying ‘never’. The question of negotiations will be presented to the new parliament and, as with every issue, when we reach the parliament it will be discussed and decided in a rational manner.

But the international isolation imposed on the PA has brought the reformist and the radical wings within Hamas closer together again and helped to entrench the current uncompromising stance.

Conclusion: Does the Election of Hamas Challenge the Liberal Peace Thesis?

Rummel argues that the election of Hamas does not challenge the core proposition of liberal peace theory: that democracies do not go to war with one another. This is, he argues, because the PA is only a nascent democracy and requires time to establish itself. It will, he posits, take another election, currently scheduled for 2010, to achieve this. This approach supports studies undertaken by Mansfield and Snyder, among others, who found that states with emerging democracies and weak political institutions are especially likely to go to war as a means of handling internal tension. There is no doubt that Hamas’s electoral success is the result of a wider disenchantment within Palestinian society with the lack of a peace process, a corrupt PA, and a disintegrating economy, all of which have fuelled an intensification of violence, on both sides, since the second Intifada began in October 2000. Elections are, of course, the principal means to legitimize institutions and, as President Bush points out in the quote by him given at the beginning of this article, to find out what ‘people are thinking on the street’. What they cannot do, however, is settle a conflict that negotiations have failed to end, particularly when this involves a powerful neighbour who has control over your economy and borders, and there remains domestic armed opposition.

Due to the number of restrictions on its sovereignty, the PA is, in effect, a quasi state whose existence is dependent upon the international community and a successful peace process. Frisch and Hofnung identify four basic dimensions to building a successful developmental state. The first involves the accumulation of enough power to monopolize violence and ensure security. The second surrounds the cultivation of a civil society strong enough to contain the accumulation of power and prevent rent-seeking. The third element involves building and enhancing state capacity and giving these priority over projects designed for immediate increases in economic welfare. And the fourth element involves developing the capacity to implement economic policies. An assessment of the PA shows these elements were stunted. The PA is an institution in limbo: it can neither ensure security for Israel, nor security, development, and democracy for its own people.
Rummel suggests that the predictive power of the liberal peace thesis might be put to the test over whether Hamas will renounce violence and become a democratic movement. But the process of ‘demilitarizing politics’ is, as Lyons argues, unlikely to happen overnight and will require the support of the international community, not tactics of isolation. Washington’s response to Hamas could well create cynicism about taking part in the democratic process. This is exemplified by the response in June 2006 of Yehiyeh Musa, a Hamas member of the PLC, who was once an enthusiastic advocate of the transformation of Hamas from guerrilla army to political party:

The government [Hamas] can go to hell. Europe boycotts us and the United States are against our democracy. The Palestinians are in a big jail and the Israelis have the key...the reality is that we are under occupation. We would end the occupation by negotiations but the occupier has no interest in that. The only path is resistance.83

A fine line does indeed need to be trod between working with the perpetrators of violence to incorporate them into ‘normal’ politics and seeking to diminish their military capabilities and political influence. Strategies to neutralize non-democratic politics are, as Bastian and Luckham point out, almost as essential as strategies to foster democratic politics.84 The chances of success are greatly increased by persuading powerful leaders and organizations that they can operate as a political party rather than a militia. This has been the case in the majority of peace processes. The international community has, on occasion, helped armed movements to make the transition to democratic politics. In Mozambique, for instance, Renamo was dismantled and a US$19 million fund was created by donors to help transform it into a political party, despite its brutal reputation.85 The US’s uncompromising response to Hamas’s electoral success will only serve to undermine democracy promotion in the region by showing other Islamist groups that it only accepts the outcome of free and fair elections if the victor suits them. Seeking to subvert Hamas by isolating it is a mistake, and will have repercussions well beyond Palestine.

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NOTES


6. Rummel, ‘Democracy’ (note 5); and Rummel, *Violence* (note 5).


11. Although, of course, the initial justification for the US and the UK to invade Iraq was ostensibly to destroy Iraq’s supposed weapons of mass destruction.


17. Other factions who presently make up the membership of the PLO include: the Popular Front for the Liberation of Palestine (listed as a terrorist organization by the US and EU), the Democratic Front for the Liberation of Palestine, the Palestinian People’s Party, the Palestine Liberation Front (listed as a terrorist organization by the US and EU), the Arab Liberation Front, As-Sa’iqa, the Palestine Democratic Union, the Palestinian Popular Struggle Front, and the Palestinian Arab Front.


19. Palestinian courts have no jurisdiction over Israeli settlers, all of whom enjoy extraterritorial rights as Israeli nationals, and enjoy protection from the Israel Defence Force.


23. Ibid., p. 17.


25. Ibid., p. 20.


27. World Bank, ‘WBG Update’ (note 20) p. 17.
28. It has not returned to pre-Oslo levels. Even at its height in 1999, WBG employment in Israel was only 22.4 per cent; Jamil Hillal and Mushtaq Husain Khan, ‘State Formation Under the PNA: Potential Outcomes and their Viability’, in Khan et al. (note 26), p. 74.

29. Since September 2000, 100,000 Palestinian workers have lost their jobs in Israel. Workers’ remittances fell by 82 per cent from the third quarter of 2000 to the fourth quarter of 2005. World Bank, ‘WBG Update’ (note 20), p. 21.

30. Despite the fact that it comes from aquifers in the West Bank.

31. Hilal and Kahn, ‘State Formation under the PNA’ (note 28), p. 76.


33. Lyons (note 1).


37. According to Khan (note 26), p. 39, Arafat’s ‘special accounts’ were not a secret; Israel had been paying part of the PA’s official remittances straight into them, only raising concerns over this after 2000.


39. The Roadmap’s full title is ‘A Performance-Based Road Map to a Permanent Two-State Solution to the Israeli-Palestinian Conflict’.

40. Brown (note 18), p. 22.

41. The number of Jewish settlers in the West Bank increased by 12,800 to around 250,000 (living in 116 official settlements) in the first nine months of 2005 alone, despite the fact that this expansion contravenes international law, UN Resolutions, and the various peace agreements. Anne Le More, ‘Killing with Kindness: Funding the Demise of a Palestinian State’, International Affairs, Vol. 81, No. 5 (2005), pp. 981–99, p. 989.

42. UNCTAD, ‘War-torn Economy’ (note 22), p. 8 and p. 16. In addition, the Israel Defence Force destroyed irrigation networks, greenhouses and water pumps in Gaza before the pull-out.

43. The Beilin-Eitan Agreement of 1997 is a Likud/Labor bipartisan plan which clearly states that there will be no return to the 1967 borders and no dismantling of the settlements. While the dismantling of settlements in Gaza after Israel’s unilateral disengagement shows some movement on this issue, in June 2006 Israeli Prime Minister Ehud Olmert outlined plans to annex three major Jewish settlement blocs in the West Bank.


45. Le More (note 41), p. 999.

46. The shift to relief assistance occurred as early as 1994–95. Le More (note 41), p. 992. The share of development assistance in total ODA dropped from 88 per cent pre-2000 to an average of 28 per cent thereafter, UNCTAD, ‘War-torn Economy’ (note 22), p. 37.

47. Rick Hooper, UNSCO chief of staff in the mid-1990s, quoted in Le More (note 41), p. 996.


52. Hamas, the Arabic word for ‘zeal’, is the acronym of the movement’s name, harakat al-muqawama al-islamiya.

53. Israeli leaders initially conducted a policy along the lines of ‘my enemy’s enemy is my friend’, so sought to promote the Islamists at the expense of the nationalist, secular PLO, even after the establishment of Hamas. However, Hamas’s exclusion from the peace process was largely due to an attempt, by both the PLO and Israel, to stifle the support which Hamas was garnering. See ICG, ‘Enter Hamas’ (note 44), p. 16.

54. The most deadly suicide attack to date has been the so-called ‘Passover Massacre’ where 30 people were killed and 140 wounded, in an attack on the Netanya hotel on 27 March 2002.
55. Such ‘extra-judicial killings’, which simultaneously kill many civilians, are outlawed under the Geneva Conventions.
57. This was a conditional ceasefire where Hamas argued that it reserved the right to respond to Israeli attacks on its cadre or on Palestinian civilians.
59. Ibid., pp. 4–6.
63. Ten per cent of the elected deputies to the PLC are currently held in Israeli prisons, one in a Palestinian prison. Brown (note 62), p. 5.
64. ICG, ‘Enter Hamas’ (note 44), p. 4.
65. This is despite the fact that the US secretly channelled $2 million to the PA in the final weeks of the campaign to raise its profile in terms of welfare work in order to increase its popularity. Scott Wilson and Glenn Kessler, ‘U.S. Funds Enter Fray In Palestinian Elections’, Washington Post Foreign Service, 22 January 2006, http://www.washingtonpost.com/wp-dyn/content/article/2006/01/21/AR2006012101431_pf.html
67. This amounts to around US$54 million per month; EU Budgetary Support Unit, ‘EU Financing to Palestinian Authority: Note’ (Brussels: European Parliament, 11 April 2006), p. 3.
70. World Bank, ‘Impending Crisis’ (note 68); World Bank, ‘WBG Update’ (note 20).
71. UNCTAD, ‘War-torn Economy’ (note 22), p. 11.
73. World Bank, ‘WBG Update’ (note 20), p. 5.
75. When asked if a Hamas-led government should continue with the political negotiations with Israel, a majority of Palestinians (66.3 per cent) approved while less than a third (29.6 per cent) called for an end to negotiations (JMCC, February 2006).
85. Lyons (note 1), p. 25.

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