The Palestinians: Overview and Key Issues for U.S. Policy

The Palestinians and their ongoing disputes and interactions with Israel raise significant issues for U.S. policy (see “Key U.S. Policy Issues” below). U.S.-Palestinian tensions have risen in connection with Trump Administration actions generally seen as favoring Israel, including the release of a U.S. peace plan in January 2020. Within a complicated legal and political context, the United States suspended bilateral aid to the Palestinians in 2019. The resumption of aid may depend on various factors mentioned below, including the public health and economic effects of the global COVID-19 pandemic. The virus’s potential impact on the Gaza Strip—given its infrastructure problems and high population density—may be of particular concern, with possible ripple effects for Israel.

The Palestinians are an Arab people whose origins are in present-day Israel, the West Bank, and Gaza. Fatah, an Arab nationalist faction, is the driving force within the Palestine Liberation Organization (PLO), which represents Palestinians internationally. The Sunni Islamist group Hamas (a U.S.-designated terrorist organization) has not accepted PLO recognition of Israel and constitutes the main opposition to Fatah.

Timeline of Key Events Since 1993

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>1993-1995</td>
<td>Israel and the PLO mutually recognize each other and establish the PA, which has limited self-rule (subject to overall Israeli control) in the Gaza Strip and specified areas of the West Bank.</td>
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<td>2000-2005</td>
<td>Second Palestinian intifada affects prospects for Israeli-Palestinian peace, leads to tightened Israeli security in the West Bank, and complicates the U.S. third-party role.</td>
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<td>2004-2005</td>
<td>PLO Chairman/PA President Yasser Arafat dies; Mahmoud Abbas succeeds him.</td>
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<td>2005</td>
<td>Israel unilaterally disengages from Gaza, but remains in control of airspace and land/maritime access points.</td>
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<td>2006</td>
<td>Hamas wins majority in Palestinian Legislative Council and leads new PA cabinet; Israel, United States, and European Union confine relations to PA President Abbas.</td>
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<td>2007</td>
<td>West Bank-Gaza split: Hamas seizes control of Gaza Strip; Abbas reorganizes PA cabinet to lead West Bank; this remains the status quo to date.</td>
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<td>2007-present</td>
<td>Various rounds of U.S.-brokered Israeli-Palestinian peace negotiations (the last in 2013-2014) end unsuccessfully; PLO/PA increases efforts to gain membership in or support from international organizations.</td>
</tr>
<tr>
<td>2017-present</td>
<td>U.S.-Palestinian tensions rise in connection with various Trump Administration actions (see “Key U.S. Policy Issues” below).</td>
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PLO/PA: Governance, Security, and Succession

The PA held occasional elections for president and a legislative council until the Hamas victory in the 2006 legislative elections. Since then, it has ruled by presidential decree, and some NGOs have criticized its actions on rule of law and civil liberties. Given the West Bank-Gaza split in 2007, it is unclear if elections will take place again.
After 2007, the United States and some other countries sought to bolster the Abbas-led PA in the West Bank vis-à-vis Hamas, including through economic and nonlethal security assistance. Since the 2019 U.S. suspension of aid, the European Union and Arab Gulf states have continued to provide external assistance for Palestinians. Israel-PA security coordination, which has contributed to the West Bank’s stability since the end of the second intifada, continues amid some Palestinian criticism.

Hamas and Gaza

Hamas controls Gaza through its security forces and obtains resources from smuggling, informal “taxes,” and reported external assistance from some Arab sources and Iran. Yahya Sinwar, Hamas’ leader for Gaza, came from Hamas’ military wing. Hamas also maintains a presence in the West Bank—possibly for the purpose of increasing its power there—and a political bureau that conducts Hamas’ worldwide dealings. Gaza-based Ismail Haniyeh is the leader of the political bureau. Fatah and Hamas have reached a number of Egypt-brokered agreements aimed at ending the West Bank-Gaza split. However, problems with implementation have left Hamas in control of Gaza despite PA responsibility for some civil services.

Hamas and other Gaza-based militants have engaged in three significant conflicts with Israel (2008-2009, 2012, 2014). In each conflict, the militants launched rockets indiscriminately toward Israel, and Israeli military strikes largely decimated Gaza’s infrastructure. The actions on both sides worsened a conundrum for third-party countries and international organizations that seek to rebuild Gaza’s infrastructure without bolstering Hamas.

Difficult living conditions for Palestinians in Gaza persist and are exacerbated by uncertainties regarding external funding. This has led some Members of Congress to call for a resumption of U.S. assistance—including in relation to the COVID-19 crisis—to help alleviate suffering. Israeli-approved cash transfers from Qatar since late 2018 have provided some relief for Gazans. To the extent that outside contributions replace funding from the West Bank-based PA—which’s actions suggest some ambivalence over taking responsibility for Gaza—they could undermine prospects for West Bank-Gaza unity. According to the World Bank, Gazans’ per capita incomes fell by one-third between 1994 and 2017, owing partly to Israel and Egypt’s tight controls on goods and people transiting Gaza’s borders. Violence flares regularly between Gazans and Israel’s military, periodically escalating toward larger conflict.

However, since 2019, Hamas has engaged in fewer exchanges of fire with Israel. Some observers have argued that this reduction might reflect an interest by Hamas in an extended calm with Israel. Action toward that end could lose Hamas support from Palestinians who warn against abandoning armed resistance to Israel.

Key U.S. Policy Issues

The Trump Administration has clashed politically with Mahmoud Abbas and the PLO/PA. After President Trump recognized Jerusalem as Israel’s capital in December 2017 and announced his intention to relocate the U.S. embassy there, Abbas broke off high-level political contacts with the United States and turned to other international actors.

In January 2020, the Trump Administration released a long-awaited “Peace to Prosperity” plan for the Israelis and Palestinians. Palestinian leaders emphatically rejected the plan, which reinforced their concerns that the Administration has aligned itself with Israel to predetermine key diplomatic outcomes. In the wake of the U.S. plan’s release, questions include whether Israel might unilaterally annex West Bank areas, and how Palestinians and other regional actors who strongly oppose annexation might react.

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Figure 1. U.S. Bilateral Assistance to the Palestinians

![Figure 1](https://crsreports.congress.gov)

Sources: U.S. State Department and USAID, adapted by CRS.

Notes: All amounts are approximate. Amounts for FY2020 have been appropriated but not obligated. NADR = Nonproliferation, Antiterrorism, Demining, and Related Programs, INCLE = International Narcotics Control and Law Enforcement, ESF = Economic Support Fund, OCO = Overseas Contingency Operations.

In the context of U.S.-Palestinian tensions, the aid picture is complicated. After actions in 2018 by the Administration and Congress to reduce bilateral aid, and by the Administration to discontinue contributions to UNRWA, Congress enacted the Anti-Terrorism Clarification Act of 2018 (ATCA; P.L. 115-253). In response to ATCA, the PA refused to accept any U.S. bilateral aid in the West Bank and Gaza—including nonlethal security assistance that Israel supports—beyond January 2019. Accepting aid could have subjected the PLO/PA to legal liability in U.S. courts. Later in 2019, the Promoting Security and Justice for Victims of Terrorism Act (§ 903 of P.L. 116-94) removed the provision in ATCA that used U.S. aid as a trigger for potential PLO/PA legal liability. This legal change could lead to U.S.-PA discussions on possibly resuming some aid, including per FY2020 appropriations shown in Figure 1. Uncertainty continues regarding aid given questions regarding Trump Administration plans, other potential legal liability triggers for Palestinian entities, and COVID-19.

Jim Zanotti, Specialist in Middle Eastern Affairs
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