

THE ISRAEL PROJECT

**HAMAS-FATAH RECONCILIATION:
IMPACT ON THE PEACE PROCESS AND PALESTINIAN STATEHOOD**

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CONFERENCE CALL**

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LAUREN APPELBAUM: Hi. Hello and welcome. My name is Lauren Appelbaum and I am the media coordinator at The Israel Project. On behalf of our entire team, I am very pleased you could join us today to hear from Dr. Jonathan Schanzer, vice president of research at the Foundation for Defense of Democracies. Today's conversation is on the record.

Now, for those of you who do not know, The Israel Project is an international nonprofit organization that provides journalists and leaders accurate information about the Middle East. The Israel Project is not related to any government or government agency. We have offices in Washington, D.C. and Jerusalem. Our team of 58 experts and former journalists is always ready to help you get the facts you need to cover the Middle East so please do not hesitate to contact us if we can help you in any way. Our team works in English, Arabic, Russian, French, German, Spanish, Farsi, Hebrew, Chinese, Turkish and occasionally in Portuguese, Italian and Japanese. Currently, our website, www.theisraelproject.org, is in six languages.

Now, without further ado, I would like to introduce you to our speaker today. Dr. Jonathan Schanzer joined the Foundation for Defense of Democracies in February 2010 as the vice president of research. Previously, he worked as a terrorism finance analyst at the U.S. Department of the Treasury, where he played an integral role in the designation of numerous terrorist financiers. Dr. Schanzer has also worked for several other U.S.-based think tanks, including the Washington Institute for Near East Policy, the Jewish Policy Center and the Middle East Forum. He has studied Middle East history in four countries and recently earned his Ph.D. from King's College, London, where he wrote his dissertation on the U.S. Congress and its efforts to combat terrorism in the 20th century. Dr. Schanzer has testified before Congress and publishes widely in the American and international media.

Would you like to start by giving us kind of an overview of the situation?

JONATHAN SCHANZER: Absolutely. Well, first of all, thank you very much, Lauren, for inviting me today. I want to thank The Israel Project for hosting this call. This has obviously been a very busy time for everyone who's covering the Middle East right now. And first, it started with the Hamas-Fatah reconciliation, then obviously with bin Laden's death – that announcement has thrown all of us for a loop.

But we're back on track here and I found that in recent days, the book that I wrote in 2008 called "Hamas versus Fatah: The Struggle for Palestine" has obviously been in demand in light of this recent reconciliation of these two parties. I was just joking with someone, saying that I'm going to go back to my publisher and look to write a sequel called "Hamas Loves Fatah." I'm not sure how well that will sell, and I'll explain why.

For those who are unfamiliar with the struggle, I figure I could give a little bit of background here. The Hamas-Fatah divide really began in 1988, in the aftermath of the intifada – in the immediate aftermath of the intifada. It was at that time that Yasser Arafat was based in

Tunisia while the Hamas organization was spawned. Hamas posed an instant challenge to Arafat's Fatah faction and the PLO primarily because it was a new group. Before then, Fatah had always dominated the political scene: It was the, really, only party that made decisions within the PLO.

And so for the Hamas organization to come up and challenge it in anyway put the two parties immediately at odds. The challenge was deepened after Yasser Arafat took part in that famous handshake on the White House lawn in 1993, signifying the official launch of the peace process with Israel. While Arafat was never fully committed, I believe, to that peace process, Hamas was fully against it and challenged him at every turn. And it's long been my argument that, in fact, those suicide bombings that Hamas carried out during the 1990s were obviously aimed at killing Israelis and trying to hurt Israel in every way they could, but at the same time, it was also a challenge to the authority of Yasser Arafat and his Fatah faction.

Ultimately, Arafat realized that he probably could not compete with Hamas, given it had – given the fact that it had gotten very popular from its suicide bombing campaigns. And ultimately, I think this is what led him to reject the peace plan that was offered to him by Bill Clinton in 2000 and 2001.

And ultimately, the war that ensued between the PA and Israel – a war that also Hamas took part in – led to complete chaos in the Palestinian Authorities. By the time that Yasser Arafat died in 2004, it was really not clear which faction was, in fact, more dominant in the West Bank and the Gaza Strip. It became more challenging to tell even which factions controlled what areas within these territories. In other words, it was a neighborhood-by-neighborhood-type thing.

And so by the time the elections rolled around in 2006, Hamas felt strong enough to compete in them. And in fact – and it was those elections in January of 2006 that led to a resounding Hamas victory over the Fatah faction. What happened after that was a power struggle between those two factions. Fatah refused to relinquish full control and was supported by the West, at least the United States and Israel, who were fearful of allowing Hamas into the government given the organization's history of violence and suicide bombings.

Ultimately, this standoff led to a war that took place in 2007. Within about a week, Hamas was able to topple the entire Gaza Strip and take it under control. And since then, we've been in a deadlock. The Hamas-versus-Fatah scenario has been one in which Hamas has maintained full control over the Gaza Strip – we call it “Hamastan” or “Gazastan” – and on the other side, you've got “West Bankistan” or “Fatah Land,” and the two are separated.

They've operated under two different governments, two different funding sources, two different education systems – everything. Foreign policies have been – all been separate. In fact, we were looking not at a two-state solution for the last several years but, de facto, what could be looked at as a three-state solution. And this has been the way that it has – I mean, nothing has changed, really, over those three years until right now.

Every attempt to mediate this dispute between these two factions has failed, whether it's the Arab League, the Egyptians, the Yemenese, the Turks, the Mauritians, the Saudis. They've all tried to intervene and each time, the talks for reconciliation have fallen apart. And it was for that reason, I think, that many people did not even believe that this reconciliation could take place.

This brings us to the question of why now? How did this happen? This really stems from an initiative that was launched by Mahmoud Abbas, the president of the Palestinian Authority – the head of the Fatah party. He launched – in 2005, began an initiative that he hoped would lead to an independent Palestinian state. In 2005, he met with the president of Brazil and the two began talking about how the Palestinians might be able to gain recognition at the United Nations through the General Assembly for a state inside the West Bank and the Gaza Strip.

And they have been building momentum for this over the last five years. I would say specifically in the last year to year-and-a-half, the momentum has really swung in the Palestinians' direction. Specifically when we say the Palestinians, this has really been a Fatah initiative. It really began with recognition coming out of Latin America. I think something like 11 Latin American states have now agreed in principle to this unilateral declaration that the Palestinians wish to make in September of this year. So, in other words, only about four months away, the Palestinians plan to do this.

So they began to get Latin American support. They've got some European support – we saw that in the upgrading of several of the Palestinian diplomatic sections in European countries across the continent. And what they've done is they've built up enough support for this – we're calling it the UDI, the unilateral declaration of independence. They have found that something like 130 to 140 countries, according to some Palestinian estimates, are prepared to recognize this Palestinian state.

And I believe that the Palestinians began to realize that they needed to unify in order for this to happen. In other words, as it stands right now, it was very clear that the Fatah party, the Palestinian Authority and, effectively, that constellation of political entities were going to make this declaration on their own given the fact that Hamas and Fatah had been divided, given the fact that the separate government had been formed in the Gaza Strip.

And this certainly did not look very good when you think about what a potential state would look like. I mean, how much confidence would the world have if in fact there were two separate little mini-states that tried to declare independence in September of 2011? Obviously, there was a lot of work to be done. And I think that this certainly added some of the urgency that I think we saw on the part of the Palestinians over the last several months.

So what has happened is that the Palestinians met several times under the auspices of the Egyptians. And, by the way, that dynamic in and of itself is very interesting given the fact that Egypt has just gone through its own very rocky political process, the overthrowing of Hosni Mubarak back in February. And yet we now see that we've got – you know, leaders from within the Egyptian government are making this an important priority: the question of Palestinian unity. So that in and of itself is an interesting phenomenon that we're trying to track. We've got

some – FDD has some assets on the ground right now trying to get a better understanding of what it was that was truly motivating the Egyptian government to do this.

But nevertheless, what we see now, just from last week, on Thursday, the two Palestinian factions made this surprise announcement. This caught everyone flat-footed. And when I say everyone, I mean, you know, I've seen letters coming from the State Department saying, we're still trying to, you know, get some color on this; we'll get back to you as soon as possible. Some of the top organizations that follow the Middle East – the nonprofits, the research organizations – many of these were also caught by surprise.

I think, you know, the general assumption was, is here we have yet another attempt to reconcile between these two parties. Every other time has failed – why would this one be any different? But, in fact, the Palestinians proved everyone wrong and surprised everyone with this announcement last week.

What people are saying – you know, people have been asking me, what's the calculus for each of these parties? Why would they decide to enter this – into this agreement, if they have so much to lose? And I argued that they do have quite a bit to lose by entering into this agreement. I think, again, the bottom line is they needed to unite for this unilateral initiative and they needed to – in order to get more support from the international community, they needed to come together.

But I think I can also tell you that, you know, Hamas very clearly needed to get on board with this initiative or it was going to be left out in the cold. If Fatah went ahead and announced a government without Hamas, this would not have – you know, this would not bode well for the future of the organization. I think it would have been a momentum-changer in favor of Fatah. And so I think they were trying to stave off what could have been a political crisis.

I should also mention that just in general, the Palestinian people have seen this conflict – the Hamas-Fatah conflict – as something of a black eye. The traditional narrative, of course, within the Palestinians is that it is Israel that is blocking the Palestinians from achieving their nationalist goals, when, in fact, now, what we've seen over the last x number of years is that the two sides can't agree, as I like to say, on the color of hummus – they're not able to agree on just about anything. So I think there was a sense that Hamas was doing the right thing within its own population.

As far as Fatah's calculation, I think it's a little bit different. I think that for a long time, Fatah has been trying to gain control over Hamas, trying to bring it into the fold, so to speak, and I think they saw this as an opportunity. And obviously, I think they – with this initiative, this unilateral initiative that they have been leading, I think they saw it as important to get Hamas on their side, at least for the short term.

I think, long term, though, we've got a lot of questions about the viability of this partnership. I think that, you know, the two sides will not have a short memory about their conflict. That conflict that I mentioned in 2007 was a brutal war. In June of 2007, you know, we saw Fatah members being pushed from tall buildings to a very gruesome death, people being

shot in the legs and arms to ensure permanent disability, being shot at very close range to make sure that these Fatah fighters could not get back out onto the battlefield.

So I can't imagine that they are going to easily forget these things and also, quite frankly, I think that neither side is terribly interested in relinquishing power. They each have their own fiefdoms; they each control their own little mini-states. And the idea of creating some sort of a unity government, which they have declared, and that would reign over both territories until elections are held in – I believe it's going to be May 1st of next year – it's very hard to believe that either side would want to relinquish power ultimately if they lose in elections or if the dynamic changes.

But again, I think both sides are looking at this unilateral initiative as the reason for their unification. And I think our – I think – I would not be surprised to see the dynamic here of unification shift quite a bit after September, after the declaration; I think it could be very interesting to see whether they're able to maintain the sort of – the kinship that they have been expressing in recent days.

Now, finally, the one thing that I wanted to talk about, which I think has been on everyone's mind, has been the question of U.S. policy moving forward. Obviously, the unification between Hamas and Fatah create some major problems for the United States. Hamas is a foreign terrorist organization; it has been designated as such by the State Department. This means that no U.S. entity or person can engage in diplomatic ties with the Fatah faction – or with the Hamas faction, rather. And this means very challenging things for the United States, which has really – arguably since Jimmy Carter's administration in the late 1970s, we have been building support for a Palestinian state, whether this has been the stated goal of each successive president or not.

We have been moving closer and closer, inching towards recognition. Now, all of a sudden, just as we get to a place where the Palestinians are prepared to declare their own state, they make it incredibly difficult for the United States to do so because of the inclusion of the Hamas faction.

I should also say that it's taken about 20 years to rehabilitate the Palestinian image; it's taken almost as long, you know, since that Carter – right after the Carter administration. You know, it really was – you know, the Palestinians began to reach out to the United States, talk about their willingness to accept Israel's existence through U.N. Resolution 242. Finally, Yasser Arafat did that in 1988; and then a full decade later, Arafat took out the clauses of the Palestinian national charter calling for Israel's destruction.

So really, over the last two-plus decades, the Palestinians have been trying to rehabilitate themselves. And now, all of a sudden, they joined hands with Hamas, which is, again, a terrorist organization, has vowed to destroy the state of Israel.

And you know, it makes it incredibly difficult for the United States to maintain ties with this new transition government. It is also going to make it very difficult for the United States to maintain the financial support that we've been providing the Palestinians. A lot of people

questioned whether that should have been happening or not: the support of an army; propping up a government that lost the election in 2006 and is in many ways illegitimate. But we've been doing it, nevertheless, and there have been arguably some successes inside the West Bank in terms of stability, in terms of, you know, working with the Israelis, working with the United States, and specifically in helping to roll back Fatah.

I mean, it's been very interesting that, you know, we've always – I think, over the last couple of years, we've been looking at the Fatah organization not as this perfect organization that we would like to support because of its peaceful ideology, but rather in comparison to Hamas. It certainly looks like a better choice to work with, and I think that is in many ways what has been driving the U.S. decision to continue to prop up the government there in the West Bank with funds.

Now, you know, the U.S. Department of Treasury, where I used to work, you know, we've designated Hamas as a terrorist organization. It is illegal to provide funds to Hamas. So it will, I think through the transitive property, become illegal for us to support this transition government that includes Hamas. So obviously we've got some – we've got some major challenges ahead of us in terms of how to go about dealing with this.

I think the answer is very clear; you look at what President Bush did in 2006 when Hamas won that election, and that there was an interim unity government at that point between Hamas and Fatah. It was obviously – it never fully formed, but it was during that time that President Bush realized that he could not provide support to the Palestinian Authority; he pulled that support.

What we did instead is we ended up providing more humanitarian aid to the Palestinians through other channels, through organizations that I'm not terribly fond of like the U.N. Relief and Work (ph) Agency – UNRWA – and as well as several others. And this was the way that we determined that we were going to support the Palestinian.

Until the war took place in 2007, one of the things that we did incidentally is, we ended up providing direct funding to Mahmoud Abbas to provide him with his personal security detail. So we worked around it, but we had to pull funding from every Palestinian agency that had a Hamas footprint.

And I believe that even though the State Department has not done it yet, the White House has not done it yet, I believe that this Congress will likely force the hand of the executive here and probably leave it with no other choice but to take a play, so to speak, out of the George W. Bush handbook.

Now, finally, one parting thought here; I wanted to try to wrap up in about 20 minutes, and we're getting close to that, so I can begin to take questions. But you know, one parting thought here is, you know, people have asked me, well, what was Abbas thinking if he knew that the United States would probably have to take this measure? In other words, there was already precedent that the U.S. would not recognize a unity government that included Hamas.

And I think the answer is, is that I believe Abbas realized at some point that he was not going to work with the United States any longer. One could argue that President Obama has been a strong ally of the Palestinian cause; he has placed a lot of pressure on the Israelis to cease building in the West Bank, for example; he's been pressing the Israelis to relinquish claims to land that is disputed in the West Bank, as well as in Jerusalem; and there has been tension that has arisen between the United States and Israel since President Obama took office. And I think the Palestinians probably believed that they had a strong ally that they could count on.

I think what's happened is that that pressure has continued, but the Israelis have not succumbed to it. They continue to navigate in ways that they don't relinquish their national security demands to the Palestinians or to the United States; they found a way, effectively, to maintain the status quo. And I believe that at that point, the Palestinians probably realized – Mahmoud Abbas specifically probably realized that U.S. support for his initiative was not critical, and that the U.S. could not get him to move any further in the direction that he sought.

In other words, the Israelis are not willing to just simply hand over land; they're waiting to have some concessions on the part of the Palestinians. The Palestinians are not eager to make those concessions. And it didn't appear that the U.S. was able to broker a deal on its own. Obviously, if you recall, President Obama called for renewed peace talks in September of last year. They quickly unraveled, and you know, we continue to insist that negotiation is the way forward, but there really is no negotiation to be had.

So I believe the calculus on the part of Mahmoud Abbas and on the part of the Fatah decision-makers was that it was no longer important to have U.S. support for this initiative, that they would be able to reach statehood through the majority of states at the General Assembly. To declare this state in September, it would not need the support of the U.S., although it's still unclear as to whether the U.S. would support that initiative or not. And they certainly didn't care whether the Israelis were going to support it.

In fact, I think they would expect a dispute over the borders of the future state of Palestine; the Israelis are – clearly are going to call some of that territory “Israel;” they're going to call some of that territory “Palestine.” And I believe we should probably see some legal battles ensue. And I think that is the calculus right now of the Palestinians.

I think – in conclusion, I think that there are some holes on that strategy, and number one, that the U.S. – the support for a Palestinian state is going to be critical in the long term. Ultimately, we may be right now on a more multilateral path, and we may be in somewhat of a weakened state financially that we're unable to provide all the support that the Palestinians would be looking for. But ultimately, I believe it's going to be impossible for the state to function without the full support of the U.S. And if they don't get it, I think it would be a major blow to Palestinian nationalism, especially in its early – in its infancy.

And then, finally, I think that, you know, the idea of going around Israel rather than through it, you know, from a – from the perspective of negotiations is a critical error for the Palestinians primarily because they are – it's long been said that the two peoples are effectively Siamese twins. Their interests are – you know, they don't just overlap in that small area that's

going to be disputed in the West Bank or maybe even a larger area that would be disputed in the West Bank, which I suspect also may be the case.

But the Israelis have been providing intelligence for the West Bank government to help roll back the forces of Hamas inside those territories; they've been instrumental in providing electricity and water and other critical services that the Palestinians need.

If they circumvent the Israelis, and the Israelis are sufficiently irked to want to hold off or to withhold with some of those services, obviously, again, the Palestinians are going to be starting off in a hole. And I think that this is – again, I think it's been a very interesting strategy; the Palestinians have, I think, made an end-run around everyone. No one suspected that this would be the case. But they've done it; the process is now underway. And it doesn't look like the Palestinians are ready to step back in this game of chicken that they've started. And I believe we are probably going to see this initiative roll forward with a unified – at least, in name, the façade of unity will be there between these factions at least through the declaration of a state.

From there, I think, again, it's anyone's game, from the continued factional fighting between Hamas and Fatah, the potential loss of support from the United States, the potential loss of support from Israel. I think that we're going to see some challenges ahead for the Palestinians, and if their new state is declared, for that state as well.

MS. APPELBAUM: Well, thank you very much for that comprehensive explanation. We'll start with some questions now that were submitted online.

From Andrew White (sp) from London, he asks, "how can Abbas think that he can achieve unilateral recognition of Palestine in September after the unity deal? Do you think that some countries will now be less supportive of unilateral declaration now that there is the unity deal?"

MR. SCHANZER: Well, I think it's interesting. I think for the United States, obviously, it's going to make, you know, immense challenges. But in Europe for example, you know, we have seen a real movement toward recognition or engagement at the very least with the Hamas organization. It's long been a sort of a strong theory within the EU states that Hamas is somehow key to peace in the region – that if you could somehow engage Hamas, then that it would at least determine that it's time to accept the state of Israel – that that would be a game-changer, and that that ultimately would be the key to peace.

You know, to that, I've always said that Hamas is absolutely a terrorist organization. You know, in its charter, it seeks to destroy the state of Israel. And that actually, as I wrote yesterday for The Weekly Standard, you know, it has had its ties to al-Qaida. There's a reason why Hamas came out with an announcement deploring the killing of Osama bin Laden in Pakistan over the weekend; they are a jihadi organization.

But I don't know if this is – in answer to the question, I don't know if it's going to deter some of the states. You know, we have not seen any country thus far come out and say, this is a

game-changer for us; we are going to withdraw our stated intent of recognition of this UDI come September.

So as of right now, all systems still appear to be a go.

MS. APPELBAUM: Regarding the statement that you said, I'm going to read it out loud for everyone on the call in case if they hadn't heard: Hamas leader Ismail Haniyeh said yesterday, "We condemn the assassination and the killing of an Arab holy warrior. We ask God to offer him mercy with the true believers and the martyrs."

So we actually had a bunch of people ask questions about that, asking about any practical, negative blowback to Hamas, because of that statement, from the international community.

MR. SCHANZER: Well, you know, I think that obviously this is going to invoke the ire of any red-blooded American, and really, anyone that, you know, had been impacted by the al-Qaida organization over the years.

You know, but I think, again, it's important to recall here that Hamas – it's not just a rhetorical thing. I mean, there have been several al-Qaida emissaries that were sent to the Palestinian territories in the early part of the last decade. You know, there have been a number of reports indicating that there's been at least some loose affiliation; we know that a lot of al-Qaida fundraisers have provided funds to Hamas. In fact, in the early 1990s, Hamas members were training in the same camps in Sudan that al-Qaida was. This was, of course, the time when bin Laden had received safe haven in Sudan, and Hamas was still a fledgling organization looking for support from Sudan, which was part of the Iranian terror apparatus.

So they have been embedded for quite some time. But again, the interesting thing here is how little the international community seems to care about this. You know, I think the sense is, is that the frustration that the international community has been feeling about this conflict and the fact that no one's been able to solve it, I think they're largely giving Hamas a free pass despite its jihadi past, despite its engagement – engaging in suicide bombings and other grisly acts of terror inside Israel and beyond. There is just the sense that, you know, let's try this because we've tried everything else.

So again, I have not seen any hard and fast evidence that the international community has made an about-face. And even the 130-plus countries that have indicated that they are likely going to endorse this UDI, the statement that was made by Haniyeh, which was, again, deeply offensive, did not seem to derail any of this process.

We're watching right now – I'll be watching very carefully – to see if there has been any change in this. But at least for the moment, I don't see any.

MS. APPELBAUM: Michael Berg (sp) of Washington, D.C., wants to know, "as a practical matter, what impact do you think the killing of Osama bin Laden and the Hamas-Fatah reconciliation will have in the area, near-term?"

MR. SCHANZER: I think – (chuckles) – you know, I mean, it’s hard to predict right now because, you know, it’s funny – whenever I give speeches at this point on the road, I can’t even write out my speech because things change every day so rapidly in the region, from one outbreak of protest to another. It’s virtually impossible to keep up.

But I can say this: That on the matter of bin Laden’s death, I think it is going to be a momentum-changer. I think for a long time, there was this sense that the United States was feckless and unable to truly combat terror in the way that it sought to. That, coupled with the fact that we were mired in Iraq and Afghanistan, we did not seem to be able to really score any major victories in the war on terror. I think this has certainly changed with the death of bin Laden.

And what we’re seeing right now on the Arab jihadi message boards is a lot of confusion, a lot of frustration, a lot of anger. This is exactly the kinds of things that you want to see. And the hope, of course, is that the United States doesn’t let up off the gas here, and that we continue to look for other jihadi leaders in an attempt to neutralize them as well.

The Hamas-Fatah reconciliation is – it’s an interesting thing because a lot of people are attributing it to the “Arab spring,” or what they’re calling the “Arab spring.” I don’t know if I would call it that, but in other words, all these protest movements, and people trying to sort of speak up on behalf of human rights and liberty in the region.

And what was interesting is that the protests that broke out in the West Bank and the Gaza Strip were protests in favor of unity; they were not trying to, you know, bring down Israel; they weren’t trying to bring down the Palestinian Authority or the Hamas government in the Gaza Strip. They were saying that enough was enough, and that they wanted to see the reconciliation of the Palestinian people.

To what extent those were staged, and to what extent that they were spontaneous, it’s still very difficult to tell. But there’s a sense now in the Arab world that things are at least on the right track, and that ultimately the Palestinian question will be solved by the Palestinians. I mean, I think that’s the – it’s a sense of empowerment or, you know, that they’ve been emboldened by this.

Again, I’m not sure – given my assessment that I just gave you, I’m not sure that that’s how it’s going to work out. But again, this is a sense that the people of the region are taking power back into their own hands. And this is – at least, the narrative holds right now among Palestinians that this is an extension of it.

MS. APPELBAUM: Ultimately, do you think the unity deal could be good, or you think will be worse for Israel?

MR. SCHANZER: I think, you know, it’s interesting. I was on “The Michael Medved Show” a couple of – I think it’s two years ago or so after my book came out. And you know – (chuckles) – Michael asked me, so isn’t this more sort of like the movie “Alien vs. Predator?”

You've got two bad guys that are duking it out; you might as well just sort of sit back and open up a bag of popcorn or something, and enjoy the show.

And you know, there's no question that both Hamas and Fatah are both – you know, they're still terrorist organizations. Whether we recognize Fatah as such or not, I think it's very clear to me that the organization still calls for the destruction of the state of Israel. In fact, its armed wing – as they call it, the al-Aqsa Martyrs Brigade – also is mourning the death of Osama bin Laden. So they're both very bad actors.

I think ultimately, though, what you need to see – the thing that's made – for me, the most interesting, or one of the more interesting aspects of this conflict is that when the Palestinians are divided in this way between these two factions, and that they are territorially divided, there is no interlocutor; there is no feasible way to make peace at all.

Now, at least, we could say that there is an address; there is someone that the Israelis can work with if, in fact, that entity or actor is ready to sit down with Israel. In this case I have to say because of Hamas' inclusion, however, that it is not going to be possible. So it doesn't actually help Israel's chances of being able to sit down with an interlocutor on the Palestinian side. And I think it's going to make it more difficult.

But at the same time, it makes it more clarifying. It makes it more clarifying to the Israelis; it should make it more clarifying to the international community that at this moment, you know, as opposed to two different actors – one that was allegedly one that the Israelis could work with, and one that was deemed as a terrorist organization and not worthy of engagement, as was the case during the Hamas-Fatah split – now that the two sides have appeared to have come together – and again, we need to say “appear” because we're still not exactly sure of the contours of this – of the agreement, or how it's going to take hold.

But as it stands right now, it makes it extremely difficult for anyone to expect the Israelis to have to sit down with the Palestinians, given the fact that there is a Hamas element that will probably refuse to allow such discussions to continue.

MS. APPELBAUM: Thank you. We have a question from a Ph.D. student at Durham University asking about Iran's role in the reconciliation. And in Israeli-Palestinian conflict, do you think Iran might try and take a bigger role, smaller role?

MR. SCHANZER: It's a very interesting question, actually. I wrote a piece for Commentary magazine, I want to say, in 2009, early 2009 – maybe it was even 2008. But you know, I wrote about the role of Iran in the Hamas-Fatah conflict. And it was a fascinating study for me to engage in because I began to look back, and you could get a sense that Iran effectively fomented this conflict in many ways.

The fact that Hamas – especially after 2004, the history, of course, is that after the attacks inside Saudi Arabia that targeted the kingdom itself, Saudi Arabia really began to cut back on its own funding of other outside jihadi organizations – you know, this sort of overt funding to foment violence abroad – and that included Hamas. And when that happened, Iran came in and

really began to funnel funds to Hamas to the point that it's – you know, Hamas is a proxy of Iran in the same way that Hezbollah is. It is – it receives so much funding from the Islamic Republic that it can only be seen as a tool of the regime there at this point.

So what we're looking at now is – you know, when you look at between 2004 and now, the split has largely existed because Iran continues to provide training and support and funding to this – to the Hamas organization which continues to challenge the legitimacy of the Palestinian Authority and has engaged in violence against the Fatah faction.

So I think this is – it remains to be seen how much influence Iran gains over this unity – this interim government. If Hamas has a major role, then that means that Iran will have a major role. If Hamas does not have as significant of a role, then perhaps it will be – it will appear that Iran has been at least temporarily sidelined.

But if that's the case – if Iran is sidelined from the process, I would fully expect other Iranian proxies to step up. The Palestinian Islamic Jihad – PIJ – is one that comes to mind, that that organization could start to play the role of spoiler, if this unity government – and again, it's a big if, but if this unity government started to move in the right direction in terms of engagement with Israel.

MS. APPELBAUM: Jose Manuel Dos Santos of ETV Family 7 wanted to know more about Libya and if you think that Libya might – that what is going on in Libya and the general Middle East region might end up being of more importance than Iran's role.

MR. SCHANZER: Well, you know, I don't know how Libya is going to have any impact on the broader Middle East at this moment. I think it is – it is a mess. I think that – you know, I still have questions as to why, if this was going to be a critical element of U.S. policy, why it necessitated our engagement there – our military activity there.

I have long held that the dangers that we need to be focused on are going to be primarily Syria and Iran. They are the state sponsors of terror; they are the two states that are primarily responsible for keeping a lot of the malevolent actors in the region in business, whether it's Hezbollah, whether it's Hamas. In the case of Iran, they've been tied, obviously, to the Taliban and al-Qaida in the past.

These are two dangerous regimes that should be neutralized. And I do question whether our focus in Libya is taking our eyes off of the ball, so to speak. And that's where I see the dangers. But I don't see, really, the dangers of some sort of a spillover effect from Libya into other parts of the region at this moment.

MS. APPELBAUM: Alan Katz (ph) of New York wants to – had some questions about as the Palestinian Authority with Hamas and Fatah reconciliation: “Do you think that the White House of the United States would support any sanctions against the unity government?”

MR. SCHANZER: Well, I mean, that's effectively what happened in 2006. And this is what I'm saying: I can't imagine that the U.S. Congress is going to live with anything less. We

effectively imposed a blockade – same sort of blockade that we have around Gaza right now. It was that kind of a blockade that we put in place against anything that was Hamas-related. In other words, the existing sanctions that we have in place against Hamas would effectively be transposed onto any of these, you know, instruments of the Palestinian Authority where there is a Hamas imprint.

Again, I think right now, we're seeing some ambivalence on the part of the U.S. government. We have not taken action yet. The State Department is apparently still looking into the matter and the White House has been silent, I think, partly because it doesn't really know what it wants to do yet and partly because we've been dealing with the news of Osama bin Laden's death.

I think, though, that when the dust settles over this within the next day or so, we are going to have to return to this thorny question of what to do about the inclusion of Hamas in a Palestinian government and what that means, A, for U.S. policy and then B, what does it mean in terms of the UDI and whether we can, you know – whether we need to condemn it or – you know, what the next step is.

You know, I think, broadly speaking, throughout this UDI initiative, I think the U.S. has not come out terribly forcefully on this. The State Department has made a couple of statements effectively saying that they did not see the unilateral steps that the Palestinians were taking as being productive. But that's very different than saying that we are not going to stand for this and we're not going to allow for it.

I'm not sure that that is what is going to happen from this White House. I'm not sure. I think that this sort of gray area that we're in may be the policy that we see for some time. And that may prolong the weight before any action is taken against these Palestinian institutions with a Hamas footprint.

MS. APPELBAUM: Samantha Lishak of the Jewish Leadership Council wants to know how to apply lessons learned from 2006 to – how to apply those lessons, both U.S. policy-wise and in the Middle East region.

MR. SCHANZER: Sure. Well, I mean, first of all, we can learn a few lessons again from how George W. Bush decided to sideline the Hamas organization. And I think – you know, I think he did it fairly well. He continued to say that he supported the aspirations of Palestinians that wanted democracy and were willing to reject terrorists and terrorist groups, and that was an important message for him to make. He ultimately didn't, I think, get what he wanted, which was to see the Palestinians turn against Hamas, and they obviously voted Hamas into office in 2006, even though Hamas never actually gained a foothold in government.

But, you know, in terms of some other broad lessons learned, I think, number one, when you look at the Palestinian people, they are not ready to reject Hamas outright yet. And that is obviously deeply disconcerting and, I think, should be an indicator of how ready or not ready the Palestinians are for peace with Israel. The fact that a majority of Palestinians voted for Hamas in 2006, the fact that Palestinians are celebrating a unity government that includes Hamas obviously

should be very disconcerting for anyone looking for long-term solutions to the Arab-Israeli conflict.

When Hamas is involved, we will not see solutions – we will see more conflict, unless something shocking happens, where Hamas lays down its weapons and ultimately decides it is going to make peace with Israel. But I think the chances of that are between slim and none.

MS. APPELBAUM: Later this month, Prime Minister Netanyahu is going to be visiting the United States and addressing the Congress. What do you think that he might be talking about? What do you think he should be talking about?

MR. SCHANZER: Well, I think a lot of the sort of scuttlebutt on this is, again, that he needs to address the UDI – he needs to address the Palestinian unilateral declaration. There have been some analysts who have said that he needs to come out and say that he is going to recognize the state of Palestine, but then at the same time, say that the Palestinians need to come back to the negotiating table to work out final borders.

So in other words, the UDI becomes sort of a rubber stamp for the Palestinians: Yes, they become, sort of, welcome members of the international community, but they're still in limbo, as they are now. That's what Elliott Abrams wrote in *The Weekly Standard* a couple of weeks ago and it actually sparked quite a bit of discussion here at FDD and I think around the Beltway.

But, you know, other people are saying that, you know, Netanyahu needs to come up with a new plan, an Israeli plan, because, again, he's been playing defense. He's really been trying not to get, sort of, hurt by some of these initiatives that have been coming out of Washington or around the world, but that's not good enough and that the Israelis, if they really want to try to circumvent some of these problems, are going to have to come up with their own solutions. Rather than just saying, we don't accept this, they need to say, here's what we want instead.

And it will be interesting to see what Netanyahu does and what he says. But I think he's going to have to address the UDI in some significant way. And, you know, obviously, I think there is going to be some discussion about how the world needs to reject Hamas and I would expect that fully coming from him. But I think some of us are hoping to see that he has some proactive approach, rather than a reactive approach to this UDI.

I think it would be very constructive for the Israelis to have a response to what's been going on because, quite frankly, the Palestinians have been, I think, really in charge in recent years and I think that – recent months, rather: I mean, the fact that they've been able to build this coalition of Latin American countries, of European countries and that they've gotten a lot of momentum in their favor.

You know, in theory, there's nothing necessarily wrong with a Palestinian state. But one that circumvents, you know, Israel and the United States I think is a problem and ultimately not – you know, it will portend well for security in the region moving forward. So here's where I

think the Israelis can, you know, come up with a solution of their own that would be an answer to this. And I think that's what we're hoping we see when Prime Minister Netanyahu addresses Congress.

MS. APPELBAUM: Well, thank you. Is there anything else that you wanted to address?

MR. SCHANZER: No. I think this has been pretty comprehensive. Again, I want to thank you. I want to thank TIP for inviting me; we always love working with you. And I thank everyone who's been listening on the call.

MS. APPELBAUM: And, as always, if there's anything that The Israel Project can do to help anyone listening, to help you get the facts and sources you need to cover Israel, please don't hesitate to contact us. Be sure to visit us at www.theisraelproject.org and you can follow us on Twitter, @IsraelProject. Thank you.

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