

in the conclusion are recommendations for the international community on how to approach Hamas in the light of recent regional developments. Not included here are the report's footnotes or its narrative sections describing and analyzing Hamas's shifting relations with Egypt and Syria as a consequence of the upheaval in those countries and the internal ramifications for Hamas of the shifting regional environment. The complete report is available from ICG at www.crisisgroup.org.

Executive Summary

. . . The Arab uprisings hardly could have caused a more stark reversal of Hamas's fortunes. In the stagnant years preceding them, it had been at an impasse: isolated diplomatically; caged in economically by Egypt and Israel; crushed by Israeli and Palestinian Authority security forces in the West Bank; warily managing an unstable ceasefire with a far more powerful adversary; incapable of fulfilling popular demands for reconciliation with Fatah; and more or less treading water in Gaza, where some supporters saw it as having sullied itself with the contradictions of being an Islamist movement constricted by secular governance and a resistance movement actively opposing Gaza-based attacks against Israel.

Facing reduced popularity since the 2006 Palestinian legislative elections that brought it to power, Hamas had to contend with criticism from without and within, the latter accompanied by defections from a small but important group of militants who left to join groups more committed to upholding Islamic law and to engaging in attacks against Israel. All in all, the movement could take comfort in little other than that Fatah was doing no better.

The Arab revolts seemed to change all that. Positive developments came from across the region: the toppling of Fatah's strong Arab ally, Egyptian President Hosni Mubarak; the rise in Egypt of Hamas's closest supporter and mother movement, the Muslim Brotherhood; the opening of the Gaza-Sinai crossing at Rafah, control of which the former Egyptian regime had used to pressure, constrict and impoverish what it perceived to be Gaza's illegitimate

A2. INTERNATIONAL CRISIS GROUP, "LIGHT AT THE END OF THEIR TUNNELS? HAMAS AND THE ARAB UPRISINGS," GAZA CITY/CAIRO/JERUSALEM/RAMALLAH/BRUSSELS, 14 AUGUST 2012 (EXCERPTS).

This report, the International Crisis Group's 129th Middle East report, totals forty-one pages. Excerpted here are selections from the report's executive summary and conclusion, entitled "Hamas's Future." Although, unlike many ICG reports, this report makes no formal recommendations, implicit

rulers; the empowerment of Islamist parties in other countries; growing instability in states with large Islamist oppositions; and the promise of a new, more democratic regional order reflecting widespread aversion to Israel and its allies and popular affinity with Hamas. As Hamas saw it, these and other events promised to profoundly affect the advancement of each of its primary goals: governing Gaza; weakening Fatah's grip over the West Bank; spreading Islamic values through society; ending its diplomatic isolation; and strengthening regional alliances in opposition to Israel.

Yet, regional changes also have come at a cost. Above all, the uprising in Syria, where its political bureau had been based for more than a decade, presented the movement with one of the greatest challenges it has faced, tearing it between competing demands. On the one hand, the movement had to weigh the gratitude felt to a regime that had supported it when nearly all other Arab countries had shunned it; the cost of breaking relations with a regime still clinging to power; and the risks entailed in alienating Iran, its largest supporter and supplier of money, weapons and training. On the other hand, Hamas considered its connection to the Muslim Brotherhood and to Sunni Arabs more generally, as well as its indebtedness to the Syrian people, who had long stood with the movement. Hovering over these were its obligations to Syria's hundreds of thousands of Palestinian refugees, who could pay with their homes and lives for the decisions made by some of their political leaders.

Difficult as the external balancing act has been, the Arab uprisings also have forced upon the movement a no less trying challenge by bringing to the surface and exacerbating internal contradictions and rifts among its varied constituencies. The impasse at which Hamas had been stuck before the Arab upheavals allowed the movement to keep its many differences largely beneath the surface; with few significant opportunities before it, no contest among visions needed take place. But once Hamas found itself in a dramatically altered environment with novel challenges and possibilities, longstanding tensions came to the fore and new forms of friction emerged.

Broadly speaking, these reflect several interrelated factors: the group's geographic dispersion and its leadership's varied calculations, caused by differing circumstances (in Gaza, prisons, the West Bank or outside); ideological distinctions, particularly albeit not exclusively related to varying assessments of the impact of the Arab upheavals; roles in the movement's political, military, religious and governance activities; and pre-existing personal rivalries.

The contest within Hamas has played out most vividly and publicly over the issue of Palestinian reconciliation. That is because it is a primary demand of Palestinians and touches on many of the most important strategic questions faced by the movement, including integration within the Palestine Liberation Organisation (PLO), control of the Palestinian Authority, the status of security forces in the West Bank and Gaza, the formation of a joint national strategy with Fatah and Hamas's political endgame with Israel.

Hamas's differences over national strategy, particularly over how far to go in reconciliation negotiations, stem in large part from contrasting perceptions of what near-term effects the Arab uprisings will have on the movement. These in turn have been shaped by the distinct first-hand experiences of the leaderships in Gaza and, until recently, Damascus. Broadly speaking, the strategic divide corresponds to two views, themselves related to two different sets of interests: that, on one hand, because regional changes are playing largely to Hamas's favour, the movement should do little other than hold fast to its positions as it waits for the PA to weaken, economic conditions in Gaza to improve and its allies to grow in strength; and that, on the other, it should take this rare occasion to make tough decisions that might bring about significant long-term gains.

The international community has a stake in the choices Hamas ultimately makes. The movement will continue to play a vital role in Palestinian politics, affecting the prospect of renewing Israeli-Palestinian negotiations as well as their odds of success. Reuniting the West Bank and Gaza is not only desirable; it also is necessary to achieving a

two-state settlement. And territorial division, coupled with Gaza's persistent economic isolation, contains the seeds of further conflict with Israel. For these and other reasons, the world—and the West in particular—must do more than merely stand on the sidelines as Hamas wrestles over its future. Instead, the U.S. and Europe should test whether they can seize the opportunity presented by two related developments: first, the rise to power (notably in Egypt) of Islamist movements that are keen on improving relations with the West, crave stability and are signalling they do not wish to make the Israeli-Palestinian issue a priority; second, the intense internal debates taking place within Hamas over the movement's direction.

Even if Hamas is susceptible to influence by third parties, the West should not overreach or exaggerate its influence. The Islamist movement is uncertain and in flux but not about to abandon fundamental positions; getting it to accept the Quartet conditions as such is out of the question. Instead, acting in concert with Egypt and others, the U.S. and EU should set out to achieve changes that are at once less rhetorical, more meaningful and less onerous for Hamas.

These could include entering a more formal ceasefire agreement with Israel over Gaza; exerting efforts to help stabilize the situation in Sinai, the gravity of which was underscored by a 5 August attack by militants on Egyptian soldiers; reaffirming, as part of a unity deal, President Mahmoud Abbas's mandate to negotiate a final status agreement with Israel; and pledging to respect the outcome of a popular referendum by Palestinians on such an accord. In return, Hamas could benefit from reciprocal Israeli guarantees over a Gaza ceasefire; an improvement in the Strip's economic status; and an assurance by the U.S. and EU that they would engage with a Palestinian unity government that carried out those commitments. . . .

Conclusions: Hamas's Future

Amid momentous changes affecting the region, Hamas has sought to postpone critical decisions, largely adopting a wait-and-see posture. The internal tensions that have arisen and expressed

themselves more visibly than in the past reflect the interplay between dramatic regional transformations and divergent experiences and vantage points of the Palestinian Islamist movement's various constituencies. Over time, an impact is likely to be felt on Hamas's outlook and strategic choices on such critical issues as reconciliation, relations between Gaza and Egypt, regional alliances, approach toward Israel and armed struggle, though it would be premature to predict an outcome. For now, several important elements are worth noting:

Regional developments have been largely advantageous to the movement and stand to benefit it further still.

The success of Islamist organisations regionwide cannot but bolster Palestinian Islamists, boost their standing and heighten their influence. Gaza enjoys a strategic depth, and Hamas a political one, that both lacked not long ago. Relations have improved with a vast array of countries, and more progress is expected. One of the more immediate manifestations of these developments will be on the quality of relations with Egypt and thus on Cairo's stance toward intra-Palestinian relations. Another will be on the status of the Rafah crossing. Some Egyptian officials predict far-reaching changes, including a free-trade zone, for which plans have been drawn up and require only official approval to implement; Cairo would prefer to make such adjustments under the legal umbrella of Palestinian unity but will likely make certain changes even in its absence. . . .

In the longer term, Hamas will be bolstered by the Islamic wave but it also could be deeply changed by it.

The Egyptian Brotherhood's current priority is not Palestine, and its interest lies in maintaining good relations with the West. The Palestinian movement could find itself pressured to further shed the mantle of resistance and, like Islamist organisations across the region, move further toward becoming a strictly political organisation. Even before the Arab uprisings, it had sought by and large to maintain calm in Gaza; that arguably will become more important if Egypt's Muslim Brotherhood is

intent on maintaining good relations with the West. A change in the situation at Rafah likewise could have varied consequences. It would improve living conditions in the Strip, but it also could accelerate Gaza's drift toward Egypt, away from Israel and the West Bank. What that would mean for the fate of a united Palestinian entity is unclear—as are its consequences for the fate of reconciliation. Questions potentially go beyond that. For some in the movement, regional changes should be read in the context of the impending victory of the Islamic project, which would mean far more consequential changes for the Palestinian question as a whole. A Hamas minister in Gaza said:

Sixty years ago Palestinians were part of the *umma* [the world-wide Muslim community], then they became part of the Arab region, then the Palestinian question, then the Palestinian Authority. But everything has changed after the Arab Spring, or, in my opinion, the Islamic Spring. In Iraq, Afghanistan, Iran, even in Europe, we're talking about a strategic, historic shift in the world. Not merely a social or economic one, but rather a big change in the balance of power in the world. After ten years, you will see that the Palestinians are part of this world. Abu Mazen and his project will be part of history.

Even for its partisans, this vision is a long-term one, and for the time being, most Hamas leaders are focusing on more immediate demands. As one put it, "once I have electricity more than seven hours a day, maybe I will be able to think about how to advance an Islamist agenda."

In the face of these vicissitudes and question marks, the movement has chosen not to choose. Whether Morsi is dragging his feet because he wants to be seen as a responsible steward of the Egyptian polity, because he lacks strength internally to push changes in policy toward Gaza on a reluctant military-security establishment or because Palestine simply is not a Brotherhood priority, Hamas continues to proclaim that it will wait for him to get his house in order and that a strong Egypt (not to mention a strong Morsi) is a Palestinian national interest. Should Egypt's posture remain essentially static, Hamas will have to decide how to react and

whether it will respond to domestic frustration by heightening pressure on Cairo.

So too has Hamas demonstrated a measure of caution in dealing with regional disputes and in particular the intensifying regional cold war between Iran and the Qatar-Turkey-Saudi axis supporting the Syrian opposition against the Assad regime. Pushed to take sides, Hamas has for now sought to maintain correct relations with both; whether that stance can survive heightened tensions is unclear. Likewise, it has adopted a fence-sitting approach to reconciliation. The movement faces a choice between a strategy of waiting for regional changes to bring benefits, particularly in Gaza, from which links to the West Bank are being weakened by the day, and a strategy of national unity that would bridge differences between Hamas and Fatah at some cost to the former's internal harmony. It has not definitively rebuffed nor embraced either, but rather played for time.

Hamas's choice about which way to turn—toward Cairo or Ramallah; fully into the Arab fold or with a foot still on Iran's side—is not being considered in a vacuum. It is being debated against the backdrop of its experiences over the last six years, since it won the legislative elections in 2006. It also will be influenced, to a degree, by future steps taken by the West.

Lesson Learned

Hamas's future choices will be partly a function of the lessons it has learned over the past six years. First, many leaders in the movement have come to appreciate that Western countries, despite their about-face with other branches of the Muslim Brotherhood in the region, will likely be slow to change course and adopt a more flexible attitude toward Hamas. . . .

Secondly, Hamas as a movement has decided against a version of reconciliation that potentially could accrue regional good-will but that also could cement its disadvantage in the West Bank or weaken its position in Gaza. . . .

For the time being, a reconciliation process predicated on continued restrictions in the West Bank, a quick move to

elections and Fatah's regaining a foothold in Gaza is a nonstarter.

All in all, as many in Hamas see it, the past six years have demonstrated that the movement's willingness to compromise—however qualified and contingent—will not be reciprocated in Ramallah or abroad, leaving internal advocates of political engagement with little to show for their efforts. In contrast, those who adopted uncompromising positions can claim vindication.

The question with which Hamas needs to grapple today is whether it might in fact have learned the lessons of the past six years too well and convinced itself that if it sticks to its guns and does not compromise its principles, it can outlast its rivals. Hamas has been a movement with a democratic mandate that keeps its ear keenly attuned to public opinion. Today that public opinion is overwhelming in support of reconciliation and elections. Have the past five years convinced Hamas that it can escape the fate of its undemocratic neighbors who deny their people's aspirations? Does it believe that the mistakes it made after 2006—overestimating both its own power and Arab willingness to come to its rescue, as well as underestimating Gaza's economic vulnerability—can still be overcome by steadfastness? Gaza's economy remains utterly dependent on Egypt and Israel, and there is little reason to assume that the surrounding states—their new ideological orientations notwithstanding—will be significantly more supportive of the Palestinian national movement than they have been in the past. . . .

The question before the international community, and particularly the U.S. and Europe, is the opposite of that which confronts Hamas: Have they learned the lessons of the past six years well enough? They made the mistake of believing that they could undo the 2006 legislative elections, leading to the division of the West Bank from Gaza the following year, after which they compounded their error by imagining that the division of the occupied territories provided an opportunity for Ramallah to make peace with Israel and for the international community to force Hamas, in a besieged and stagnant

Gaza, to cede power. Today there is broad recognition that both pillars of this policy—peacemaking and the weakening of Hamas—were illusory. Yet no alternative has emerged. The quite dramatic change in U.S. and EU policies toward the Muslim Brotherhood might offer an opportunity.

Western Policy

As previously described by Crisis Group, even judged by its own standards and objectives, Western policy toward Hamas has failed. Far from losing power in Gaza, the movement has consolidated its control. It has not accepted the Quartet conditions. Neither Fatah nor its leadership has been strengthened. In the absence of reconciliation, the division between Gaza and the West Bank has hardened, elections have been indefinitely postponed, and democratic life in both parts of the territory has withered. Divided, Palestinians have found it more difficult to engage with Israel. Meanwhile, flare-ups in Gaza occur every few months, with painful consequences for those killed and wounded and with the ever-present possibility of a broader conflagration just one deadly rocket attack away.

With changes throughout the region, a chance might exist to start anew and for the West to address the issue of the Palestinian Islamist movement differently. . . .

In so doing, the West should be mindful not to overreach. Just as Hamas ought not exaggerate its power, so too ought the U.S. and EU not mistake the size of their influence. The movement might be unsure about how to adapt to the current era, but that does not make it desperate. . . .

Many in the leadership still would prefer some form of engagement with the West, but Hamas will not suddenly abandon its principles nor will it endorse the Quartet conditions to the letter, at the risk of becoming, in their own words, a Fatah "carbon copy." . . .

In other words, rather than focus on strict adherence to the declaratory conditions imposed by the Quartet, which are both highly difficult for Hamas to meet and less meaningful than potential deeds in practice, Western nations should concentrate on more realistic

but also more tangible steps. These in turn should relate to their priorities—a sustained cessation of violence and the possibility of productive negotiations between Israel and the PLO—while seeking to capitalize on new regional realities. Intriguing areas of convergence exist between Muslim Brotherhood-ruled Egypt and Israel in which Hamas might lend an important hand.

- **Ensuring calm in Gaza.** . . .
- **Providing security and stability to Sinai.** . . . The 5 August attack that killed sixteen Egyptian soldiers—after which the militants stormed the Israeli border in a stolen truck and armoured vehicle—brought into stark relief the urgency of working to reduce militancy and criminality alongside Gaza. Egypt responded with a military campaign that included the first helicopter airstrikes in Sinai since Israel withdrew from the peninsula in 1982, together with destruction of a number of Sinai-Gaza tunnels, closure of the Rafah crossing and restrictions on Palestinian travel to Egypt. Though the attackers' identity remains unclear, Israeli and Egyptian officials noted that public opinion in Egypt turned against Hamas and Gaza in the wake of the incident. Hamas officials say they are optimistic their relations with Egypt will not be harmed but they understand Egypt under Morsi likely will have less tolerance for instability on Gaza's southern border. Hamas could thus see benefit in a stable Sinai that prevents the strengthening of Islamist challengers, bolsters Morsi and facilitates legal passage of goods and other commodities, such as fuel, between Egypt and the Strip.
- **Facilitating peace negotiations led by Abbas.** Arguably least likely and most counter-intuitive, the Muslim Brotherhood nonetheless might see it as being in its interest for negotiations to resume between Israelis and Palestinians and for them to succeed. This, the Islamists know, is an important U.S. objective; moreover, progress on the Israeli-Palestinian front would

contribute to improving the overall regional climate, remove a possible irritant in U.S.-Egyptian relations and facilitate contacts between Cairo and Jerusalem. Having Abbas lead the talks means that Islamists would not be tainted by what, inevitably, would be difficult concessions.

In the past, Hamas has signalled its preparedness to agree to Abbas-led negotiations in the context of a Fatah-Hamas unity deal, as long as any agreement that resulted was subject to a popular referendum by Palestinians in Gaza, the West Bank, and the diaspora. Hamas would not have to formally endorse the deal, merely defer to the expression of the Palestinian people's will, thus remaining true to its principles without directly obstructing the agreement. Egypt (and, possibly, Turkey as well as Qatar) could encourage Hamas to clearly reiterate this position—to which most Hamas leaders (although not all) have agreed in the past—while simultaneously intensifying efforts at producing some form of reconciliation agreement. Were it to resume its work in the context of such an agreement, the Hamas-dominated PLC [Palestinian Legislative Council] could even pass a law committing all Palestinian factions to abide by a peace deal approved in a referendum.

In time, restrictions on direct dealings with Hamas likely will relax—on the part of the EU, the U.S. but also, and arguably first in line, on the part of Israel itself, which more than any other party must cope with realities on the ground and the ascent of the Muslim Brotherhood in the region. Indeed, as Hamas leaders are quick to point out, all three have had no problem engaging with Egypt under the leadership of the Muslim Brotherhood, even though it has not changed any of its stated—and vehemently hostile—positions toward Israel.

How soon that might happen is a matter of some debate. A former Israeli official asserted that

no matter what Hamas said or did, it would remain the exception to any rapprochement the Muslim Brotherhood was enjoying with the West and perhaps also with Israel: "They can sing Hatikvah [Israel's national anthem] and it still wouldn't matter." In contrast, a European diplomat with close ties to Ramallah said, "give it a couple of years. As the Muslim Brotherhood buddies up with the United States, things will be very different. Even Israel is taking a fresh look at the Muslim Brotherhood, so what is the difference?"

As detailed in this report, Palestinian reconciliation—the absence of which has caused such tremendous collective harm—faces enough domestic obstacles. External ones should not be added. For now, with both the region and Hamas at a strategic crossroad, the minimum the U.S. and EU should do in exchange for the above-mentioned commitments by the Islamist movement—a genuine ceasefire in Gaza, contributing to stabilising Sinai, giving Abbas a "mandate" to negotiate with Israel and agreeing to abide by the results of a popular referendum—is to make clear they will deal with a unity government whose platform and actions are in harmony with these principles.