

A CLOSER LOOK

ANALYZING THE NEWS
THAT MAKES A
DIFFERENCE

Will the Palestinian Authority Collapse?

THE CONSEQUENCES
OF THEIR REFUSAL
TO TAKE FUNDS

If you were a worker for the Palestinian Authority, March was an unhappy month. That's because your paycheck was probably half of what it was the month before, the result of an ongoing dispute between Israel and the PA over the tax that Israel collects for the PA.

It's not that Israel has been entirely holding back the tax money. In fact, Israel tried to deposit a huge amount of money in the Palestinian Authority's bank account, but the PA sent it back.

That's because of the money that Israel is withholding, matching the amount of money that the PA gives to families of terrorists in Israeli jails and those who died carrying out terrorist attacks. In retaliation, the PA is refusing to take *any* money.

Shooting themselves in the foot or cutting off their noses to spite their faces is nothing new for the Palestinians. But the worry that the Israeli government has been expressing is that by refusing to take the tax money—which makes up more than half of the Palestinian budget—PA President Mahmoud Abbas is going to cause the collapse of the Palestinian Authority, unleashing havoc in the West Bank and beyond.



MONEY TALKS

It hasn't just been the Israelis who have withheld money because of the Palestinians' policy of paying terrorists. The Taylor Force Act, passed by the US Congress in 2016, cut off US assistance to the Palestinians due to their pro-murder policy.

But the US didn't provide a large amount of assistance to the Palestinian Authority itself anyway, instead sending assistance to Palestinians through USAID and UNRWA. The Israeli law that cut off funding to the Palestinian Authority is different in that regard; it directly hits the PA in its pocketbook.



Soon Mahmoud Abbas may be frowning even more

That hit totals \$138 million a month, matching the amount that the PA pays into its martyrs' fund. And now that the PA is refusing to accept any money, that's a huge blow to the governmental structure of the authority.

Israel recently transferred 660 million shekels into the PA's account, about \$182 million, but they just sent it back to the Finance Ministry.

And on the face of things, the Israeli government is concerned. According to Israeli media, Prime Minister Benjamin Netanyahu and Finance Minister Moshe Kahlon

met this past Sunday to discuss a possible PA collapse and whether they should convince Abbas to take the money that Israel is offering.

OR DOES IT?

Not everyone believes that there is really a problem. Prof. Efraim Inbar, the president of the Jerusalem Institute for Strategy and Security, told *Ami*, "It's not going to collapse, because it's a good business for Abu Mazen's family. Why should they lose that?"

Instead, he said, the PA threatens to collapse, hoping that the bluff will work. And,

Prof. Inbar said, because he and his cronies aren't concerned about whether the average Palestinian suffers, they'll let the burden of the strategy fall on them.

"This is a show on Abu Mazen's part. And he has long been trying to accumulate wealth at the expense of hungry Palestinians. It's a kleptocracy."

Prof. Inbar believes that the seeming concern on the part of the Israeli government is also a show, of sorts. "We have to show that we care," he said.

To Dr. Kobi Michael of the Institute for National Security Studies, the fact that the



Netanyahu and Kahlon

Israeli government tried to put money into the PA's bank account is a sign that the government is actually concerned about a PA collapse.

He said that he disagrees with the Israeli government's decision—which formally took place in February—to withhold the funds, despite the continued payments to terrorists.

"Although I can understand the argument, and they are just operating according to law, there are some other aspects that are not being taken into account," he said.

He noted that giving payments to terrorists is hardly the extent of the PA's incitement against Israel, with the Ministry of Religious Affairs creating incitement in mosques every Friday and the Ministry of Education putting incitement into schoolbooks, along with various other pro-terror activities by the PA. The decision to cut funding over the issue of the Palestinian prisoners, he said, is more of a political decision, to appease the government's political base.

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He sees it that way, he said, because the government's real first responsibility should be to Israel's larger strategic aims, and that requires the stability of the PA. "And if we don't believe that, then let's cause them to collapse in some other way," he said.

He agrees that Abbas is playing a game

here. "They prefer to stick their finger in our eye even if they'll lose two in the process. And they believe that they can go to the edge but not over. But they are creating an escalating dynamic and they might lose control."

Dr. Michael said that he thinks Israel should have been more creative, perhaps targeting PA politicians who incite against Israelis rather than hitting the PA's general pocketbook.

And he said that the consequences could be dire. "I don't think the security apparatus can work for a long time with only 50 percent of their salaries. And as the financial crisis increases, that could drop to 30 percent."

There are numerous factors that can affect the PA, he said, so it's hard to know when the real danger will occur. "But we could wake up tomorrow morning and the PA will have collapsed," he said. And that would endanger Israel.

MONEY ISN'T EVERYTHING

The PA may receive some outside help, however. The Arab League has pledged to give the Palestinians \$100 million a month to make up part of the shortfall.

But the PA seems bent on causing its populace as much damage as possible. According to reports, Palestinian patients have not been able to access Israeli hospitals even when they require technology that is not available in PA hospitals, including radiation for cancer care and PET scanning. That's because the PA has been refusing to provide the necessary paperwork, in retaliation (if we can call it that) for Israel cutting off the tax money.

And although the PA claimed that Palestinian patients would be sent to Egypt or Jordan for treatment, that apparently isn't happening.

If the PA is willing to harm vulnerable patients in its pursuit of vengeance, it's not clear what steps it won't take in its desire for vengeance. Those concerned that it might cause itself to collapse won't find this reassuring. ●