

Mahmoud Abbas and His “Austerity Measures”

by Hugh Fitzgerald



Al Jazeera has the inspiring story [here](#):

Palestinian President Mahmoud Abbas has sacked all of his advisers and ordered a former prime minister and other past cabinet ministers to return tens of thousands of dollars from a pay rise he secretly approved two years ago.

The decisions, announced in official statements on Monday, came as part of efforts to cut costs and recuperate funds after Israel stopped delivering tax revenues earlier this year, Palestinian officials were quoted as saying by The Associated Press (AP) news agency.

Abbas's office did not provide further details on the number of advisers or the costs involved, pointing only to a brief statement issued through the official Palestinian news agency WAFA.

The cash-strapped Palestinian Authority (PA), which governs parts of the Israeli-occupied West Bank, has long faced charges of corruption and mismanagement.

Abbas, 83, has cycled through dozens of advisers over the years, with many continuing to receive salaries and benefits after leaving office.

Speaking on condition of anonymity, the officials told AP that Abbas would reinstate some advisers in the coming days.

Much of the PA's financial woes stem from Israel's decision to stop delivering some of the tax revenues it collects on behalf of the Palestinians, a decision aimed at penalising the PA over its payments to the families of Palestinians who have been killed or imprisoned.

Nowhere does Al Jazeera mention that the “families of Palestinians who have been killed or imprisoned” refers only to the families of terrorists who have murdered Israelis.

Previously, Israel collected some \$190m a month in customs duties levied on goods destined for Palestinian markets that transit through its ports, before transferring the money to the PA.

But in February it said it would withhold \$138m – the amount that Israel says corresponds to what the PA paid prisoners in Israeli jails, or their families.

Note how Al Jazeera misleads the reader into thinking that Israel withholds \$138 million each month from the \$190 million in monthly customs duties. That figure of \$138 million refers instead to the amount Israel withholds annually, corresponding exactly to the amount Mahmoud Abbas insists on distributing to families of terrorists in his “Pay for Slay” program.

Israel says the payment of prisoners or their families

encourages further violence, but Palestinians say the funds support families that have lost their main breadwinners.

Abbas has accused Israel of blackmail and refused to take any of the slashed tax transfers, which account for some 65 percent of PA revenues.

Those innocent “breadwinners” are in fact terrorist murderers. Instead of their families paying an economic penalty for their acts, those families receive stipends that are larger than the average salary of ordinary Palestinians. Families of individuals killed by Israeli security forces are paid stipends of about \$800 to \$1,000 per month. The families of convicted Palestinians serving time in Israeli prisons receive \$3,000 or higher per month. That is much more than the average wages for Palestinians. The stipends for the families of those killed continue indefinitely; in the case of Palestinians who have been jailed, the stipends last as long as they are in prison.

It is Mahmoud Abbas who is refusing to take the considerable sums Israel is perfectly willing to hand over; it is Mahmoud Abbas who is guilty of attempting to blackmail Israel – by blaming Jerusalem – into not deducting the amount Abbas insists on continuing to spend on terrorists and their families.

On top of the tax dispute, the United States has also cut hundreds of millions of dollars in aid to Palestinians via various programs.

In order to keep the government afloat, the PA has cut salaries for most of its tens of thousands of employees by half.

In a separate decision, Abbas ordered former Prime Minister Rami Hamdallah and other cabinet ministers to return bonuses the president had approved in 2017.

Documents leaked earlier this year showed that the technocratic former cabinet gave its members lavish payouts. The documents showed that ministers' pay had climbed from \$3,000 a month to \$5,000 – a 67 percent raise – and that the prime minister's salary was raised to \$6,000 a month.

These were not one-time “bonuses,” but annual raises of 67% for members of the Cabinet, from \$3,000 to \$5,000 a month. Furthermore, these raises were applied retroactively, back to 2014, so that each cabinet minister would receive back pay of \$72,000, while the Prime Minister, whose monthly salary was raised to \$6,000, received back pay in 2017 of \$108,000. From mid-2017 on, each member of the cabinet started to receive \$5,000 a month, and the Prime Minister \$6,000 a month. While Abbas has asked them to return the amounts they had received as retroactive payments (from 2014 to 2017), he did not reduce their current salaries back to the pre-2017 levels. They continue to receive the increase that Abbas secretly gave them that year.

A \$10,000 housing bonus intended for ministers living outside Ramallah, where the PA is based, was given to all ministers, including those with homes in the West Bank city. The government also inflated the exchange rate, giving them a 17 percent premium.

That is \$10,000 each year, retroactive to 2014, as a housing allowances that was supposed to be given only to ministers who lived outside Ramallah. But it ended up being given to all of them, and calculated using favorable exchange rates. Another gift from Mahmoud Abbas, who has found bribery the most effective way to retain his cabinet members' support. He lost their respect a long time ago.

Will that housing allowance now be limited to those who live outside Ramallah? Or perhaps be ended altogether? Nothing has been said, so one can reasonably assume that generous

allowance will continue.

The revelations have angered many in the West Bank, where unemployment is close to 20 percent, and a typical salary for those who do work, such as civil servants, is roughly \$700 to \$1,000 a month.

Will the 20% of West Bank Palestinians who are unemployed, or those who do have work, but have had their salaries recently slashed by 50% (salaries that for most civil servants, before cuts, ranged from \$700 to \$1000 a month) finally rise up against the most corrupt and richest West Bank Palestinian, Mahmoud Abbas himself, and against his thieving sons? In order to forestall any public display of discontent, Abbas has now made a great show of "austerity." He fired his aides. But how many aides did he have, and what were they being paid? No one has said, and there is considerably less here than meets the eye. We learn from all the reports that PA officials expect that most of the fired aides will soon be rehired. It's all been for show, to placate the people, to make it seem as though drastic austerity measures are being taken, that Abbas is even prepared to dismiss his own aides. What a sacrifice!

[Prime Minister] Hamdallah defended the payments when the documents were leaked in June, saying Abbas approved the request after taking into account rising costs of living. There was no immediate comment from him after Abbas asked for the money back.

Jihad Harb, a Palestinian political analyst, said it appeared Abbas had decided to sack his advisers following the disclosure of the documents.

Of course: only when the huge, and retroactive, raises were known did Abbas decide to do something dramatic, to show his heart is in the right place. We are supposed to forget that it was Abbas, and no one else, who gave those raises in the first

place. It's an almost comical attempt to deflect any criticism from Abbas himself: just look, he's fired his advisors! He's willing to save the PA money by taking on all that work himself! And he's made those cabinet ministers give back so much money! He's looking after our interests! How could we ever have doubted him?

"It is clear that president Abbas received the report from the committee that examined the salaries and benefits of employees," Harb told AFP news agency.

"[He] wants to reduce his office's spending by taking austerity measures to confront the current budget crisis."

After years in office, Abbas, of the Fatah party, has seen his popularity plunge, with many Palestinians disillusioned by his failure to deliver an independent state, his loss of the besieged Gaza Strip to the rival Hamas movement and general economic malaise.

Even if Abbas were not to rehire those aides he's just fired, and even if he were to take back the raises given to his cabinet ministers, instead of just the part they received retroactively in 2017, and even if he were to end the housing allowances for everyone in his cabinet, the total saved would be less than \$1 million annually.

Abbas could do much more if he were not such a relentless kleptocrat. The amount he has stolen from the Palestinian Authority is staggering. Muhammad Rashid, Arafat's economic and financial advisor and head of the Palestinian Investment Fund, said that in 2012 Abbas has a net worth of over \$100 million. In the last seven years, that \$100 million has surely increased, and not just through inflation. \$200 million is a low estimate, counting both inflation and further "deposits" Abbas made from 2012 to 2019. Another PA official, former security minister Mohammed Dahlan, has claimed that \$1.3 billion vanished from the Palestinian Investment Fund since it

was turned over to Abbas' control in 2005. Depending on your Palestinian source, Abbas has managed to accumulate between \$200 million and \$1.3 billion, all of it diverted from the Palestinian Authority. Palestinians know he is corrupt; they are long inured to leaders who steal from them; they may not, however, have realized the full extent of Mahmoud Abbas's grand theft. They need to be told, over and over again, in the press, on radio and television – though not a word in the PA's territories will be permitted about it, Israel can devote plenty of air time, and investigative journalism, to the matter – and on social media, about the amounts he has appropriated. Perhaps even the Western press outside of Israel – the *New York Times*, the *Washington Post*, the *Telegraph*, *Le Monde* – would like to investigate the finances of Mahmoud Abbas.

It's not only what he has secretly stolen, but the further sums he has officially allocated to his own well-being, that should rankle ordinary Palestinians. He had the PA spend \$50 million, for example, on a private jet so he could travel in the same style as world leaders. He had also been building a lavish presidential palace in Ramallah, costing \$13 million. Following an uproar over the expense, however, Abbas prudently decided that his planned "palace" would instead become the National Library.

And then there is the wealth of his sons, Tarek and Nasser. They have amassed personal fortunes through such things as monopolies on American-made cigarettes sold in the territories; USAid funding; public works projects, such as road and school construction, on behalf of the Palestinian Authority, and special preferences for their own retail enterprises. They have won these contracts through the intervention of their doting father. Their estimated net worth, from their business empire, is at least \$300 million.

Now that Mahmoud Abbas has earned the enmity of his Prime Minister and his cabinet ministers, who surely don't relish

having been asked to each give back tens of thousands of dollars when, as they know better than anyone else, Abbas has been quietly pocketing hundreds of millions of dollars, perhaps they will abandon him and even go public in the PA with their revelations, and finally unite to drive him from office. He's had quite a run, has President Mahmoud Abbas, though as a thief he is not a patch on Yassir Arafat, who spirited away between one and three billion dollars, or on two Hamas leaders, Moussa Abu Marzouk and Khaled Meshal, each of whom amassed a fortune of at least \$2.5 billion. Would it be possible for his cabinet and other PA officials to demand that he return to the PA, on behalf of the Palestinians who are clearly experiencing great financial distress, some of the money he and his sons have accumulated? Might an enraged populace at long last make Mahmoud Abbas an offer he can't refuse?

First published in