

Palestine Human Development Report 2004



With Support from



Programme of Assistance to
the Palestinian People

In Association with



Ministry of Planning

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The analysis and policy recommendations of this Report do not necessarily reflect the views of the sponsoring institutions.

ISBN: 9950-334-01-2

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Birzeit University Address at the Opening Session of Conference to Launch the Human Development Report 2004 – Palestine (18 December 2004)

Address by Birzeit University

On behalf of Birzeit University and its Secretariat Council, administration, and institutes, I am pleased, at the opening of this address, to welcome you to this conference on human development in Palestine, and to thank you for your attendance and participation, which will be rich and distinguished. I would also like to emphasize that Birzeit University has always been committed to the betterment of Palestinian academic life and to providing the best possible educational programs.

Through its simultaneous and equal commitment to its national, community-based duties, our university programs carry out a comprehensive roster of research and community-based initiatives that contribute to policymaking, guide the decision-making process, and raise community awareness. During these critical times, we concentrate on providing living examples of perseverance and persistence in work and life, despite trying conditions and the political and daily dilemmas in which we are entangled. We at Birzeit University strive for our programs to be national and universal, extending to all Palestinian areas, reaching marginalized locales and social groups, in a continuing affirmation of their ability to contribute and participate. We distribute our programs across numerous social welfare endeavors, such as eradicating illiteracy, continuing adult education, community-based health, the environment, law, human rights, social studies, sustainable human development, and many more.

Today we open the Launching Conference of the 2004 Human Development Report in Ramallah and Gaza to reap the fruit of our joint efforts. The report we place in your hands focuses on empowering the Palestinian people in the tasks of national liberation and development in order to arrive at wider and more effective involvement. To promote the role of the Palestinian people, we must acknowledge that our reality was and remains dependent on people's resoluteness and restored abilities to come up with creative solutions to life's difficulties. This comes with the realization that the institutional infrastructure (governmental and community-based) serves as a means of organizing individual and collective action for the Palestinians, as well as a crucible for aggregating their initiatives. However, this structure has not yet been able to invest proactively in the latent abilities of the Palestinian people to the extent that they become pioneers in the development process and benefit from it as citizens with full rights.

This present report represents a Palestinian scientific effort, in its study of the subject of empowerment as basis for attaining independence and effecting development in Palestine. What distinguishes this effort is that it does not offer ready-made prescriptions for "magic" solutions to the deteriorating Palestinian circumstances. Rather, it poses essential questions about the Palestinian situation, searching for answers through assessment of cumulative Palestinian experience. On the other hand, the sections of the report do not merely propose what must be done to escape from the disintegration. Rather, the report strives to offer mechanisms and tools for bringing about the necessary practical breakthroughs.

The concept of empowerment that the report proposes encompasses numerous elements: 1) activating the role of the people and strengthening them, with the goal of promoting the ability of various groups, especially those that are oppressed, so that they might enjoy sovereignty over their lives; 2) the importance of joining in activities and structures that allow participation by the people; 3) highlighting the importance of providing for basic needs and providing the institutions necessary for generating and restoring the abilities and skills of individuals within society; 4) expanding the areas and bounds of participation and decision-making; 5) awareness of basic rights and freedoms; 6) development of a national economy based on the freedom of intelligent use of natural and environmental resources; and 7) providing the infrastructure and a suitable environment for growth.

I must, on this occasion, offer my thanks and appreciation to Prime Minister Ahmed Qureia for his encouragement and support of this conference and to the many that helped make this report a success. The university is deeply grateful to the United Nations Development Programme for its continued support of Birzeit University and especially the Development Studies Programme. We extend special thanks to Mr. Timothy Rothermel and Mr. Sufyan Mashasha. We also thank the Ministry of Planning for its effective and beneficial partnership, and we would especially like to

recognize the contributions of the Minister as well as Mr. Mohammad Ghadia, the ministry's Human Development Officer. We also thank the members of the Conference Preparatory Committee, and we extend thanks to the members of the Advisory Committee, who guided the preparation of this report during its various stages in Gaza and the West Bank—they are the ones who made issuing this report under these circumstances possible. We also thank the members of the Ministerial Committee for their tremendous effort in developing and reviewing the report. The university also wishes to take this opportunity to express its great admiration for the staff of the Development Studies Programme, along with its director, Dr. Nader Said and all of those who work in the program.

Finally, I would like to invite all of you—in the capacity of your valued professional positions representing all sectors of Palestinian society—to look seriously at the report results and attempt to derive practical benefit from its proposed recommendations and suggestions for policy change in order to advance the Palestinian condition. We have begun, and all that is before us is to remain on our path and attain the goal of national liberation associated with sustainable human development. We only have one option and that option is to succeed. We can achieve our goals if we work from strong scientific foundations, through wide participation, and within an institutionalized, democratic environment.

I thank you very much for your participation in our conference, and I hope we will see you on many coming occasions in our joint effort to raise our people to new heights and to achieve the best for this nation.

Nabil Kassis
President of Birzeit University

Address by the Ministry of Planning

Ministry of Planning Address at the Opening Session of the Conference to Launch the Human Development Report 2004 – Palestine (18 December 2004)

We welcome you to the launching conference for the fourth Human Development Report, which addresses an important theme in the life of the Palestinian people: “Empowerment of Palestinian Individuals and Society.” The report is subtitled “Hope for the Future: Toward Empowering Palestinian Society through Investment in Social Capital ” and was prepared by the Development Studies Programme at Birzeit University, in partnership with the Ministry of Planning and the Ministerial Committee, which coordinated its efforts, and with the support of the United Nations Development Programme.

The report offers a development-based, empowering vision for Palestinian individuals and society under a set of very complex external and internal conditions—with the continuing Israeli occupation of Palestinian land and the sweeping aggression continuing for four years against the Palestinian people and their daily existence. These conditions have resulted in destruction, siege, starvation, the weakening of official institutions and NGOs, and the fragmentation of the Palestinian economic and social fabric—as well as in the reliance of development in Palestine on outside support, and the accompanying problematic issues in terms of vulnerability and dependency. In spite of this, as the report points out, there are hundreds of points of light shining from the initiatives of individuals, groups, governmental organizations and NGOs. Herein we can find a host of effective mechanisms for determination, perseverance, and continuity.

I would like to highlight the program of Palestinian reform approved by the present government, extending from 1 September 2004 through 1 September 2005. Its practical application will contribute substantially to overcoming the weaknesses and flaws in the official executive, legislative, and judicial establishment, and pave the way for a process of greater empowerment for Palestinians.

The Ministry of Planning has worked to consolidate and shape national development plans. When the situation was averse to crystallization of long-range plans, as a result of the extraordinary and unforeseen conditions brought about by the Israeli aggression, the ministry created contingency plans and labored to restore economic and social stability to prevent further deterioration. Recently, in cooperation with various development partners (the public sector, private sector, and civil society), the ministry formulated a development vision making the people the target and the generators of the development process and linking aid and development. Moreover, it completed a middle-range plan for 2005-2007, also with a participatory approach, with a central theme of curtailing poverty and unemployment and building state institutions through:

- Securing social protection
- Investing in social, human, and material capital
- Investing in good institutional governance.
- Creating a suitable climate for private sector development.

Achieving the aforementioned goals will further Palestinian empowerment and help them to remain steadfast on the path toward attaining their national right to return, self-determination, and establishment of a democratic Palestinian state.

Ghassan Al-Khatib

Minister of Labor and Acting Minister of Planning

Address by the United Nations Development Programme (UNDP/PAPP)

It is my sincere pleasure to be with you today as we announce the theme of the next Palestinian Human Development Report. Empowerment as the cross-cutting strategy for Palestinian development is the topic of exploration and discussion in this initiative. We hope this strategy will generate dialogue and influence development thinking and practice in this very challenging context.

Let me first thank Birzeit University and the Development Studies Programme for the invaluable role they played in the preparation of the fourth Human Development Report, and in particular Dr. Nader Said, director of the Development Studies Programme. I also extend my thanks to the Ministry of Planning for its support and active engagement in the process. And finally, a note of appreciation for my colleague, Sufian Mushasha, at UNDP/PAPP, as well as to the many others who will be involved in the publication of this very important report.

I believe empowerment serves as one of the cornerstones of the human development approach - all people must have a voice and work as active agents of development. By using empowerment as an entry point to the development process, we move the debate beyond practitioners, institutions and agencies — directly to the Palestinian people, who are the primary drivers of the process. The Human Development Report will attempt to broaden and deepen internal dialogue among Palestinians on the nature of empowerment efforts to date and its approach will resonate with national and international institutions that continue to play an integral role in the development process.

This initiative represents a process of collective thinking with regard to the application of the empowerment approaches both at this juncture in the present and in the longer term. Collective engagement in the empowerment process is a pressing need for Palestinian society at the present time right now, as well as for future generations.

I thank you once more for your attendance and active participation and extend my best wishes for the success of this conference.

Timothy Rothermel
Special Representative for the UNDP/PAPP

Glossary of Acronyms

DSP	Development Studies Programme
MOEHE	Ministry of Education and Higher Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOH	Ministry of Health
MOS	Ministry of Supply
MOSA	Ministry of Social Affairs
PCBS	Palestinian Central Bureau of Statistics
PECDAR	Palestinian Economic Council for Development and Reconstruction
PLC	Palestinian Legislative Council
PNA	Palestinian National Authority
UNDP	United Nations Development Programme
UNRWA	United Nations Relief Works Agency

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Human Development Report 2004 – Palestine

Executive Summary

The Human Development Report – Palestine (PHDR) covers the years 2003 and 2004. As it was being prepared, the Palestinian situation suffered numerous political, social, and economic setbacks that reflected two contradictory phenomena. The first was seen in systematic destruction and severe deterioration on virtually all levels, inflicted mainly by the practices of the occupation but magnified by internal structural faults in the political and institutional spheres. On the other hand, Palestinians have displayed hope, steadfastness, and perseverance throughout these difficult times, qualities which found expression in many creative initiatives that bore testament to the eternal endurance of hope for a better life characterized by liberty, equality, and peace.

The Palestinian people have been engaged for decades in dual endeavors: the work of national liberation on the one hand, and furthering development on the other. Within the framework of these endeavors, it is essential to activate and strengthen the role of the Palestinian people, who are at the same time the creators of the strategies to achieve these goals and the target of the goals. Therefore, the present report focuses on the empowerment of Palestinians as the basis for strengthening Palestinian society building, with all that this entails in terms of possessing moral strength as well as quantitative abilities, as two necessary components that are indispensable for reviving the spirit of human initiative and action.

The late President Yasser Arafat served as both symbol and leader of the Palestinian experience, with all of its achievements and differences. In his absence, there are new challenges for uniting Palestinians in action for national liberation and development. Perhaps the upcoming elections and the completion of the reform agenda are the most important opportunities to prove the collective Palestinian ability to safeguard their national aspirations and to ready them to achieve independence and freedom. This will require establishing internal Palestinian relationships based on the principles of institutionalization and the rule of law, complementary relations between governmental organizations and NGOs, and the synchronization of political, cultural, educational, and development visions and methods. In the Palestinian context, these foundations must be built upon first, as they are central to any empowerment effort.

The 2004 PHDR is an attempt to assess the various aspects of the Palestinian condition as a first step toward an integrated approach to the development of Palestinian individuals and society and to strengthen the social fabric needed to support our national liberation and development activities. To this end, each section of the report addresses these aspects from two perspectives. From the first perspective, the general Palestinian condition is assessed in order to gain an understanding of what exists, what is hoped for, and what is possible given internal and contextual challenges. The second perspective analyzes major forces influencing independence and development, such as occupation, external factors (especially international funding), and the role of Palestinian governmental organizations and NGOs. These lead to general and sector-specific recommendations for how efforts can be channeled in the most productive way possible.

The PHDR poses a set of essential questions. The answers to these questions—not only in academic terms, but also in terms of changes in attitude and behavior on the ground—can serve to move society from a state of fragmentation and disintegration to a state of empowerment that will preserve the Palestinian social fabric and consolidate its abilities and potential to achieve humanitarian and national goals. The PHDR poses the following questions for both Palestinian and international institutions:

- What is the role of institutions in empowering Palestinian society to achieve its legitimate rights as stipulated in United Nations conventions?
- How can institutions help strengthen the fabric of Palestinian society in order to preserve unity and commitment in the face of challenges?
- What is their role in attaining true empowerment of the individual, as well as groups that represent the individual and serve as advocates for individual human rights?
- What structural changes have development institutions achieved to further integrate marginalized groups into

society and to allow them to participate fully in the development process and enjoy its benefits?

One of the most significant messages of the PHDR is that in order to answer these questions, local and international institutions will need to radically change the way in which they view their past and future roles in advancing the Palestinian agenda. Therefore, the PHDR aims to:

- Provide an objective Palestinian perspective of empowerment as a basis for achieving development and independence based on the cumulative experience of Palestinian society.
- Expand and deepen internal Palestinian dialogue on vital issues affecting the Palestinian present and future on a scientific and systematic basis and within the framework of the analyses put forth by a number of Palestinian experts.
- Establish an organic, studied, and evidence-based relationship between the tasks of national liberation and development-based institution building which fully incorporates an awareness of the Palestinian context.
- Increase active participation in policy- and decision-making at all levels of Palestinian society, starting with the approach adopted in preparing this report, which involved many Palestinian experts, institutions, and grassroots community members. Chances for success are increased by widening the framework of participation and the sharing of responsibility.
- Highlight Palestinian development initiatives by presenting experiences within the 101 Points of Light project and, in so doing, demonstrate the success of Palestinian development efforts and initiatives at the project level, affirming the necessity of strengthening that work and of development coordination to bring about the desired development changes on a general level.
- Offer a number of recommendations that may benefit decision-makers, such as general guidelines on future Palestinian work as well as program-specific policies. These recommendations must encompass work on two levels: the macro level, to include all parties concerned with the issue of Palestinian development, as well as the sector level, involving governmental institutions, civil society organizations, and others.

Perhaps the most important conclusion of the PHDR is that empowerment as defined in the Palestinian context means promoting the vast potential within Palestinian society so that it can maintain its presence on Palestinian land and evolve into a viable society, capable of preserving its cultural and national identity and of developing all its resources. This requires the activation of all of society's dormant energies—residing in its individuals, institutions, and system of values—and developing them in order to accomplish its historic endeavor of self-determination and building an independent state. Therefore, the PHDR presents a number of general recommendations, which provide the basis for additional, more detailed recommendations. These general recommendations include:

- The need, in the work of Palestinian institutions, to link the national liberation dimension and the human dimension. The first dimension requires mobilizing resources and abilities to bolster people's steadfastness, to enable them to stay on their land, to coalesce in the face of the policies of fragmentation and disintegration imposed by the occupation, and to validate and shore up the resistance while also negotiating political issues with Israel successfully and effectively. The human dimension requires mobilizing all resources at our disposal in order to create a climate conducive to the generation and restoration individuals' capabilities and skills, promoting a collective spirit of initiative, and protecting the basic rights and freedoms of all citizens. This will require the involvement of all society's institutions, supported by a broad and organized grassroots base to keep them strong and to protect all achievements in the areas of empowerment and resistance.
- The need for the empowerment vision to arise from recognition of the negative effects of Israeli occupation, along with the need to seriously address internal obstacles and challenges.
- Ensuring the readiness of political will and necessary resources to convert development-empowerment visions into clear and specific goals.
- Aligning the development agenda with the priorities of Palestinian society by involving all sectors of society, especially the private and NGO sectors, in setting this agenda. The empowerment process is based primarily on the

perspectives and interests of the general population as established through free and uninhibited public discourse. Encouragement of public debate will restore faith in the Palestinian individual's role in the development process, not as a powerless and visionless recipient of aid and assistance, but as a proactive part of the empowerment process through intellectual and practical involvement.

- Viewing empowerment as cumulative and sustainable process linked to every sector of society rather than a temporary, separate, and independent process.

The purpose of holding a public conference to launch the publication of the Human Development Report was to invite feedback from the greatest possible number of groups, organizations and individuals, thereby increasing the numbers of those who have contributed to its development, and enriching its contents with the views, suggestions, and recommendations of concerned local and international experts and institutions.

The conference also served as an additional guarantee of the report's objectivity, neutrality, and richness in its quest to examine the Palestinian condition and striving to change it for the better. To this end, the discussions, suggestions, and recommendations of conference participants were incorporated into the final version of the report. Participants were drawn from local and international governmental organizations and NGOs, and the conference was held simultaneously in Ramallah and Gaza, thereby ensuring full participation representatives from all geographic areas within Palestine.

Chapter One

Introduction to the Report and the Environment Constraining Development and Independence

This chapter presents an in-depth analysis of the general characteristics of the environment constraining Palestinian development and independence. It is an environment in which scenes of the systematic destruction and deterioration of a society exist side-by-side with examples of the hope, determination, and perseverance found within its people. It presents a conceptual adaptation of what is meant by empowerment in the specific Palestinian context, offering a starting point for a new role of the Palestinian people, one in which they are full participants in carrying out the tasks of national liberation and development. This chapter also presents the report message and methodology.

Section One: Introduction and Background to the Report

The Palestinian people are looking toward the future. They endeavor, both individually and collectively through their institutions, to secure better opportunities for coming generations, even as they are confronted by extraordinary challenges. Perhaps Palestinian society's extraordinary skills and human resources in all areas have boosted their capacity to endure, persist, and resist in the face of attempts to deny the justice of their cause. The Palestinians continue to demand recognition and implementation of international resolutions related to a peaceful resolution of the ongoing conflict. Foremost among those resolutions are those that affirm the right of self-determination for the Palestinian people that offer solutions to the issues of borders, refugees, settlements, and Jerusalem as the basis for arriving at peaceful coexistence.

The Palestinian case is a particular and unique example of the empowerment experience. The Palestinian society and its formal and informal institutions have a singular capacity to deal with crises and find creative solutions to problems, as well as the ability to continue to adhere to high personal standards without forsaking the quest for national liberation.

The exceptional character of the Palestinian case is heightened when one takes into account the magnitude of the assault to which Palestinian society is exposed, along with the systematic destruction of its capacities and the efforts to destroy its foundations. This assault would have led any less capable society into greater social, economic, and political deterioration. But the fabric of Palestinian society and the depth of its experience in the area of resistance

—meaning the humanitarian and peaceful approach to resistance espoused by the overwhelming majority of Palestinian citizens, characterized by continued endurance, efforts to halt deterioration and to rebuild - have together contributed to a strengthened determination to overcome all hardships and attain legitimate human rights. Given the need to place emphasis on all positive aspects of Palestinian action, the report offers a “Points of Light” series, representing shining examples of successes achieved on the path to human development.

The Palestinian people are looking toward the future. They endeavor to secure better opportunities for coming generations.

The PHDR offers a “Points of Light” series, representing shining examples of successes achieved on the path to human development.

Point of Light 1: The Palestinian People are a Peace-Loving People

Excerpts from speeches of the late President Yasser Arafat before the Palestinian Legislative Council on 29 April 2003, and before the Special Session of the Legislative Council on 18 August 2004:

- **“Ladies and gentlemen, people of the world:** The Palestinian people are a people who love just and comprehensive peace and struggle on its behalf. A people striving for security, stability, and prosperity and working to attain them. A people longing to see its country, its neighbors, and the region learn to coexist, build, and cooperate. But, at the same time, they are a people who know how to stand fast. They cherish their rights and not relinquish any of them. So help them to help you.”
- “[There] were wrong and detestable practices within some institutions. Some people have abused their positions and were unfaithful in their jobs. The process of building up our institutions was not as carefully monitored as it should have been. Inadequate efforts were exerted towards the establishment of the rule of law, the activation of the judicial system and consecration of the principles of accountability. Therefore, I would like, officially, to call upon you to launch together today nationwide effort for comprehensive reforms, an effort that incorporates all aspects of the work of our Authority, an effort that seeks, through a concrete program of action, to achieve all that can be achieved under continued occupation, siege, and aggression.”

Continuation of illegal occupation of the land subjects the process of development to systematic destruction.

The institutional infrastructure of the Palestinian National Authority has been targeted in order to impede its work and destroy its effectiveness.

Point of Light 2: Olive-Picking Season in the Palestinian Territories

In the Palestinian consciousness, olive trees are more than just a source of nourishment or profit. The olive tree is a symbol of Palestinian perseverance and Palestinians' holding fast to the ground in the face of efforts to uproot them. It is also an image of their past, rooted deep in the history of human civilizations, as well as an embodiment of their present resistance and the revival of their hope for a free, peaceful future. So it is perhaps unsurprising that the Israeli occupation targets olive trees—cutting them down, bulldozing them, and burning them as both symbolic and systematic destruction of all that represents the Palestinian national identity. The occupation forces and settlers uprooted 500,000 trees (80 percent of which were olive trees) during the first Palestinian Intifada. The Israeli practice of targeting the agricultural sector, farmers and their lands has continued during the second Intifada, (referred to as the “Al-Aqsa” Intifada). The following statistics demonstrate that the occupation endeavors to destroy both dreams and hope:

- In the West Bank, approximately 750,000 dunams of land are planted with olive trees, comprising about 50 percent of all cultivated agricultural land in Palestine (and about 80 percent of the orchard lands). Further, there are an estimated 10 million olive trees, producing on average 18,000 tons of olives per year, comprising 12 percent of the total value of agricultural output.
- Access to approximately 19,000 dunams of Palestinian agricultural land has been cut off by the Separation Wall, preventing their proprietors from reaching them. During the years of the Intifada, approximately 10,000 dunams of land were bulldozed in order to construct the Wall, or to build bypass roads and expand Israeli settlements, or as a form of collective punishment.
- Approximately 15,000 dunams of Palestinian land planted with olive trees are located within areas categorized as Israeli “security zones”, meaning they are located near settlements or along settlement roads, making it difficult, if not impossible, for the Palestinian olive farmers to tend to their trees. These security zones are concentrated in the suburban areas of the cities of Nablus, Salfit, and Tulkarem.
- A staggering total of approximately 42,000 dunams (or about 6 percent of the land dedicated to olive production in Palestine) has been damaged, confiscated, restricted, or destroyed.
- As a result of the above violations, the lost olive yield this season is estimated at approximately 2,100 tons of olives. The monetary value of this loss is approximately \$8.4 million, without taking into account future losses from the trees permanently damaged or destroyed.

1-1 Empowerment in the Midst of Deterioration

The processes of empowerment continue in spite of the continuing deterioration on virtually every political, economic, social, and institutional level. This is in addition to

the ongoing illegal occupation of Palestinian land, which seeks to systematically destroy all efforts to achieve sustainable development. Quantitative data and qualitative

Chapter one: Introduction to the Report

analysis confirm that the current state of deterioration threatens the future of the fabric of Palestinian society at its most fundamental level – the level of basic daily needs, which are crucial to the attainment of any acceptable level of human development. All that has occurred during the current Intifada clearly reflects an intent to deliberately destroy all amenities of Palestinian life,

using the pretext of “security” and operating under the guise of “combating terrorism”- to carry out this planned destruction.

The institutional infrastructure of the Palestinian National Authority (PNA) has been targeted in order to impede its work and destroy its effectiveness. Citizens’

Point of Light 3: International Law against the Wall

On 9 July 2004, the High Court of Justice at The Hague issued its advisory opinion with regards to the Separation Wall Israel is constructing on Palestinian territory. The most important points of this opinion are as follows:

- “The construction of such a Wall accordingly constitutes breaches by Israel of several of its obligations under the applicable international humanitarian law and human rights instruments.”
- “Israel is under an obligation to cease forthwith the works of construction on the Wall being built in the occupied Palestinian territories, including in and around East Jerusalem, to dismantle forthwith the structure therein situated...”
- “The Wall, along the route chosen, and its associated regime gravely infringe a number of rights of Palestinians residing in the territories occupied by Israel, and the infringements resulting from that route cannot be justified by military exigencies or by the requirements of national security or public order.”
- “Israel is under an obligation to make reparation for all damage caused by the construction of the Wall in the Occupied Palestinian Territory, including in and around East Jerusalem.”
- “All States are under an obligation not to recognize the illegal situation resulting from the construction of the Wall and not to render aid or assistance in maintaining the situation created by such construction.”
- “The United Nations, and especially the General Assembly and the Security Council, should consider what further action is required to bring to an end the illegal situation resulting from the construction of the Wall and the associated regime.”

On 20 July 2004, the United Nations General Assembly endorsed the advisory opinion issued by the Court at The Hague and affirmed what was contained therein, calling on all states party to the Fourth Geneva Convention of 1949 to ensure respect by Israel for the Convention.

Moreover, on 30 June 2004 (i.e., nine days before the Court at The Hague issued its decision), the Israeli High Court ruled that a 30-kilometer stretch of a 40-kilometer section of the Wall around the occupied city of Jerusalem is illegal and harms the Palestinian inhabitants. However, despite its principal ruling on the illegality of that section of the Wall, the Israeli military leadership has the authority to erect the Wall so long as it alters the current route.

External factors influence the various political, economic, and social realities as evidenced in the political pressure that is brought to bear via donor funding. As a result, the operations of government and nongovernmental Palestinian institutions have come to depend almost entirely on outside funding. This situation has increased Palestinian society’s vulnerability to these external powers and has in turn weakened their own internal capacities, which are crucial to sustainable development and empowerment. Palestinians are completely at the mercy of outside powers, particularly the occupying forces, which have created a relationship based on the logic of force and autocracy. External forces have played a pivotal role in the Palestinian experience from the outset of the peace process, which continues through all subsequent negotiations and agreements, including the establishment of the Palestinian National Authority on the lands occupied as of 1967.

homes are demolished, municipal infrastructures damaged, residential centers are cut off from one another, Palestinian workers prevented from reaching jobs inside Israel, settlements are continually expanded, and more and more Palestinian land is seized.

And yet all of these daily measures—in spite of their impact—seem inconsequential compared with the effects of the Separation Wall being built by Israel and the devastating long-term implications of its continued construction.

Box 1-1: Resistance to the Separation Wall

The grassroots campaign against the Separation Wall started with an initiative by the Palestinian Environmental Nongovernmental Organizations Network (PENGON), which began working against construction of the wall in October 2002. The campaign was launched in an attempt to halt the Wall's construction and to expose the true objectives of the Israeli government. This campaign relies on the work of grassroots committees that organized themselves to oppose the construction of the Separation Wall. PENGON coordinates with them on activities and agendas.

The campaign has made great strides since its founding, becoming the central resource for information and activities related to the subject. Pressed by need, it began expanding its activities, extending beyond its original launch site to include additional sites that the Wall reaches and threatens. The campaign established emergency centers in affected villages to collect information and document developments on the ground in addition to coordinating grassroots committee activities. The campaign currently has operational centers in Juyous, Qalqielya, Tulkarem, Jenin, Ramallah, Jerusalem, and Salfit.

Campaign members include affected farmers, NGOs, local council and municipal representatives, members of the local Land Defense Committees, and political activists from the country's different governorates. The campaign's primary objective is to focus media attention on its work and to mobilize the international community in solidarity against the Separation Wall and the Palestinian occupation. The campaign has succeeded in this regard. It now serves as the primary source of information for the media and the center for activities on the ground – working to mobilize world opinion in opposition to the Wall. The campaign has not neglected the role of active national political groups, but considers them an important part of resistance efforts.

The campaign is still actively rallying behind its central mission: a complete halt to further construction of the Separation Wall, a dismantling of sections already built, return of the land to its rightful owners and financial compensation for losses incurred during construction of the Wall.

1-1-2 The Weakness of Institutionalization is Anti-Empowerment

The past years have seen quantitative and qualitative deterioration in the degree of institutionalization achieved by the Palestinians. Some infrastructure advancements have been deferred, without taking into consideration the specifics of the existing Palestinian situation, in which the tasks of national liberation and institution-building are intertwined. This deterioration has caused a retreat in the process of internal construction and made haphazard, scattered activity the rule rather than the exception. This comes as an extension of what occurred during the years following the establishment of the PNA. During that time its institutions were managed with a mindset which created detrimental consequences on two levels: the structural level and the cultural values level. On the structural level, it furthered the entrenchment of individualism and authoritarianism within the Palestinian political system, and slowed transformation of the political system's foundations. On the level of cultural values, it fragmented established elements of cultural and social values, and instead promoted individualistic, selfish value patterns at odds and in conflict with goal of developing Palestinian society's own capacity to undertake the tasks of liberation and economic advancement.

The current Intifada exposed infrastructural weaknesses in Palestinian public institutions, especially the institutions of the PNA — their methods for coping with the current conditions and the responsible stewardship of public interests. It also revealed the lack of vision and the absence of a clear methodology for confronting challenges inherent in many Palestinian institutions. These deficiencies significantly contributed to a general sense of malaise and a

gradual destabilization of Palestinian society as a whole. Consequently, the social structure and its newly built foundations came disastrously close to the point of collapse — incapable, at least for the time being, of mounting any serious resistance to the internal and external challenges it faced. Other key social institutions: the family, the religious establishment, civil society institutions, and political parties — were each affected by the slow deterioration.

Slowly, a gulf opened and widened between the PNA and its political institutions and the society it purported to serve. A growing state of chaos,

The past years have seen quantitative and qualitative deterioration in the degree of institutionalization achieved by the Palestinians.

The Palestinian social structure and its newly built foundations came disastrously close to the point of collapse — incapable, at least for the time being, of mounting any serious resistance to the internal and external challenges it faced.

Point of Light 4: Demands for Reform through Peaceful Means Alone

Despite the Palestinian public's doubts about the seriousness of many leadership figures who call for reform (particularly within the Authority leadership), popular support for reform is high. Among those polled, 72 percent supported the calls for reform made by leaders within the Palestinian Authority, as compared to 21 percent who do not think reforms are needed.

Likewise, a significant percentage of the Palestinian public finds the Authority's calls for reform lacking in credibility: 38 percent of those polled viewed the calls for reform as serious, 40 percent did not, and 22 percent of those polled had no opinion. This distrust might be explained by the fact that 57 percent of those polled thought that personal motives lay behind the recent calls for reform.

In the same context, 40 percent of those polled believed President Arafat to be serious in the promises he made before the Legislative Council in August 2004 to implement comprehensive reforms, whereas 27 percent considered him somewhat serious, and 28 percent of those polled believed he was not serious. Further, 52 percent of those polled regarded the PNA as not serious about reform, whereas 37 percent had confidence in reform efforts.

As for the position of the Palestinian public with regards to the means used to bring about social change, it was clear that the overwhelming majority (90 percent) support peaceful means of demanding reform, and a similarly high percentage of the public (ranging from 77 to 85 percent) reject violent forms of resistance, such as the abduction of foreigners or figures within the Authority, or armed marches.¹

¹ Birzeit University – Development Studies Program, Results of Public Opinion Poll No. 19, 5 October 2004.

The Palestinian situation may be described as one of general or collective poverty.

At the same time, a state of collective empowerment exists, based on human capital and social organization, along with a deepening of practical experience in the area of emancipatory development.

Empowerment on the macro level requires fundamental changes in the state of general poverty.

security lapses, and the perception that no institutional protection existed for Palestinian citizens led to the fragmentation and decline of popular resistance.

This decline led to a rise in internal conflicts within Palestinian society. Calls for internal reform came from all sides and with multiple agendas, but no coherent outlines of goals or methods of reform were forthcoming. For

1-1-3 Empowerment: A Human – Universal State

The Palestinian situation may be described as one of general or collective poverty. The whole society is subject to poverty, impoverishment, and loss of individual and collective rights, and is held hostage to the needs and interests of another people through an occupying government. Indeed, improvement in individual income levels or economic averages that seem high compared with undeveloped or neighboring nations is not coupled with actions to build up a sustainable development foundation or any internal development mechanisms. Thus, traditional development indicators, whether quantitative or qualitative, cannot fully depict the Palestinian situation, especially in the present period which exhibits unprecedented reversals in economic, education, and health indicators.

At the same time, a state of collective empowerment exists, based on human capital and social organization, along with a deepening of practical experience in the area of emancipatory development. Emancipatory development is a complex process that balances the needs of a resistance culture with the need for social and humanitarian advancement. It requires that the basic resources for existence be secured, and that institution building and institutional reform take place simultaneously in a changing environment.

example, as the formal judiciary system and its processes broke down, calls for system-wide reform came from all quarters. With no guiding authority or central plan for reform, application of the rule of law continued to disintegrate. Instances of civilians “taking the law into their own hands” became more and more commonplace, with the resulting deterioration of the Palestinian social fabric and the loss of a sense of security and order.

This duality is accompanied by another, related duality that is equally important: micro-empowerment and macro-empowerment. On the one hand, Palestinian society provides exceptional examples in the areas of civil society, institutional, democratic, and human rights development—on both the individual and institutional levels. However, these initiatives have not been systematically implemented, and therefore have failed to bring about a measurable result as a whole. Empowerment on the macro level requires fundamental changes in the state of general poverty; an eradication of the factors that create systemic impoverishment and that prevent society from building the stable and wide-reaching foundations it needs for sustainable growth. Transformation of individual and group initiatives into a comprehensive plan for nation-building, in every sense of the term, requires changes to the surrounding environment. Successful nation-building institutions must possess at their core a sincere vision, an action plan and carefully chosen priorities. Nation-building institutions are expected to address a set of essential questions, including the following:

- How will it serve to empower Palestinian society to attain the legitimate rights stipulated by United Nations conventions?

- How will it strengthen the fabric of Palestinian society and help it to unite in the face of challenges?
- How will it serve to advance the genuine empowerment of the individual and groups that represent the individual and seek the preservation of human rights?
- How will it increase levels of participation from marginalized

groups-such as the unemployed, women, persons with disabilities, and others-so as to include them in society and allow them to fully partake in the development process and its rewards?

These core questions will require Palestinian institutions to adopt a new perspective in how they view their past and future contributions to society.

Transformation of individual and group initiatives into a comprehensive plan for nation-building requires changes to the surrounding environment.

Box 1-2: The Internal Priorities of the Palestinian Public

In April 2004, a survey of the views of Palestinian residents toward current economic and social conditions showed that 38 percent of Palestinian families regard obtaining food as their foremost priority. Another twenty-one percent of families rank work as their first priority, and 20 percent rank financial support as their first priority. Another 8 percent rank educational services first, and the same percentage rank health services first.² Moreover, the results of Poll No. 19, issued by the Development Studies Programme (2004), showed that improvement of the economic situation and provision of internal security are among the most important priorities:

Distribution of Palestinian Priorities by Areas of Concern and Region

Areas	West Bank & Gaza Strip	West Bank	Gaza Strip
Improving the economic situation	35%	33%	37%
Providing internal security	18%	19%	16%
Reducing the unemployment problem	10%	10%	9%
Combating corruption	8%	6%	10%
Supporting the cause of persons with disabilities	7%	8%	6%
Strengthening rule of law	3%	2%	4%

In terms of occupation-related issues, ending the occupation, removal of the occupation forces from Palestinian areas, and halting construction of the Separation Wall have come to occupy a permanent place on the list of Palestinian priorities

Section Two: Report Theme

1-2-1 Empowering the Palestinian People: the Individual, the Group, and Society

The Human Development Report 2004 focuses on promoting the role of the Palestinian people in carrying out the tasks of national liberation and development. The report provides an examination of the primary structural, institutional (external and internal), and societal obstacles that prevent wider and more effective participation in social development and hinder progress toward the goal of

creating a decent life for the Palestinian people. The report recognizes that the Palestinian situation has always depended on people's willingness and ability to create solutions to life's dilemmas. Our institutional infrastructure (government and community-based) organizes the activities of Palestinian individuals and groups and serves to aggregate individual initiatives into a

The 2004 PHDR focuses on promoting the role of the Palestinian people in carrying out the tasks of national liberation and development.

Despite the uniqueness of the Palestinian case, it nonetheless exists within the general framework of universal human experience.

² The Palestinian Central Bureau of Statistics, Survey of Palestinian Residents on Socio-Economic Conditions: April 2004, May 2004, p. 5.

The concept of empowerment defines a set of processes and relationships designed to activate the role of the people and strengthen them.

working whole. However, our institutional infrastructure has not as yet been able to fully mobilize the Palestinian people's untapped potential, enabling them to become pioneers in the development process and to benefit from it as citizens with full citizenship rights.

Despite the uniqueness of the Palestinian case, it nonetheless exists within the general framework of universal human experience. Any discussion of Palestinian development and empowerment would be incomplete without the support from the vast body of human development literature and empirical experiences. These theoretical and practical historical perspectives offer a starting point for what must be done in Palestine.

However, it is necessary to take into account the cultivation of concepts of

development, with the associated indicators and mechanisms, which accord with the specifics of the Palestinian context. The development literature is in agreement that the concept of empowerment defines a set of processes and relationships designed to activate the role of the people and strengthen them. Empowerment seeks to promote the ability of marginalized groups, especially the oppressed, to gain and enjoy sovereignty over their lives. Sovereignty is gained through involvement in matters directly affecting the individual. Empowerment fosters self-governance by engaging an individual's abilities, not with the goal of directing them against others, but rather to bring about social change through positive interaction with others and with an awareness of the nature of the community-based structure.

1-2-2 The Concept of Empowerment within the Specific Palestinian Context

Since "a person cannot live on bread alone," a comprehensive understanding of empowerment necessitates recognition of the following intertwined and interdependent dimensions:

1. The provision of basic needs in terms of food, water, housing, education, and health, along with what that requires in establishing needed levels of social expenditure and allocating the necessary funding for these needs through the relevant institutions and programs.

2. The presence of institutions to generate and restore the abilities and skills of members of society on two levels: The first level is related to increasing individual abilities or individual intellectual capital, primarily through educational institutions of various levels; training institutes, technical skill development programs, and centers for the various vocational trades; and academic research institutes, preserving the close relationship between the consumption and production of knowledge. The second level is related to

improving social capital through all types of social groups: political parties, unions, cooperatives, syndicates, associations, and clubs.

3. Expansion of the boundaries for participation and decision-making on various levels, beginning with the family, moving on to the market and civil society, and ending with the state. Participation is regarded as a fundamental component of citizenship, with all of its rights and duties, including those that strengthen institutionalized participation that is direct, at the level of the individual, or indirect, through elected representatives and proxies. These components include: participation in election and nomination; respect for the rights and freedoms of others; participation in decision-making that impacts the life and future of society; helping to build a society of solidarity, with all that means in terms of participating in volunteer activities and works; and belonging to institutions, organizations,

Participation is regarded as a fundamental component of citizenship, with all of its rights and duties

parties, and syndicates. At the same time, citizenship implies various duties, such as paying taxes, which go toward cultivating and restoring social capacity, developing a social security network, and other areas.

4. Awareness of and working to possess basic rights and freedoms, which are the rights set forth in international conventions and agreements, including both the rights

of the individual and the rights of the group. Individual rights include citizenship rights; a person's right to life, education, suitable housing, work, a clean environment, a healthy life, and social security; the right to organize; and the right to express opinions and beliefs. Collective rights include the rights of minorities (i.e. women, ethnic, religious, the disabled or others with special needs or interests),

Box 1-3: Excerpts from United Nations Resolutions on the Right to Self-Determination, Statehood, and Development

Palestinians derive the strength of support for their case from numerous sources, including the belief in the legitimacy of international resolutions. These resolutions serve as a credible reference for settlement of the Palestinian-Israeli conflict in a manner that balances Palestinian aspirations for liberation, independence, and sovereignty and Israeli aspirations for a state that enjoys security and good relations with its neighbors, along with both sides' need for equality and peaceful coexistence. These resolutions include the following:

- General Assembly Resolution 194 (December 1948): "The General Assembly, having considered further the situation in Palestine... Resolves that the refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so at the earliest practicable date, and that compensation should be paid for the property of those choosing not to return and for loss of or damage to property..."
- Security Council Resolution 242 (November 1967): "The Security Council, expressing its continuing concern with the grave situation in the Middle East, emphasizing the inadmissibility of the acquisition of territory by war and the need to work for a just and lasting peace in which every State in the area can live in security... 1. Affirms that the fulfillment of Charter principles requires the establishment of a just and lasting peace in the Middle East which should include the application of both the following principles: (i) Withdrawal of Israel armed forces from territories occupied in the recent conflict; (ii) Termination of all claims or states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity and political independence of every State in the area and their right to live in peace within secure and recognized boundaries free from threats or acts of force; 2. Affirms further the necessity... (b) for achieving a just settlement of the refugee problem; (c) for guaranteeing the territorial inviolability and political independence of every State in the area..."
- Security Council Resolution 338 (October 1973): "The Security Council 1. Calls upon all parties to the present fighting to cease all firing and terminate all military activity immediately... 2. Calls upon the parties concerned to start immediately after the cease-fire the implementation of Security Council resolution 242 (1967) in all of its parts; 3. Decides that, immediately and concurrently with the cease-fire, negotiations shall start between the parties concerned under appropriate auspices aimed at establishing a just and durable peace in the Middle East."
- Declaration on the Right to Development (United Nations General Assembly Resolution 41/128/41, 4 December 1986): 1. The right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized. 2. The human right to development also implies the full realization of the right of peoples to self-determination..."
- Security Council Resolution 1397 (March 2002): "The Security Council...Affirming a vision of a region where two States, Israel and Palestine, live side by side within secure and recognized borders...Demands immediate cessation of all acts of violence, including all acts of terror, provocation, incitement and destruction..."

Empowerment is a set of linked and continuous processes of challenge and resistance designed to bring about change in the substance, trends, and relationships of power.

the right to exercise self-determination and liberation from external control, and the right to development.

5. The development of a national economy capable of employing the labor force, contributing to its training and the acquisition of needed skills, and upgrading those skills to develop the economy's capacity to support and sustain society and to generate adequate revenue to cover basic social expenditures; education, health, and social services.

In the Palestinian context, the comprehensive concept of empowerment is expanded to mean:

- A set of linked and continuous processes of challenge and resistance designed to bring about change in the substance, trends, and relationships of power through the ability to act, control, and challenge undesirable conditions.
- At the personal level, empowerment refers to acquiring knowledge,

Box 1-4: The Relationship between Human Development and Knowledge

The attainment of knowledge is one of the basic human rights to which a person is entitled simply by being human. The attainment of knowledge is also a means of furthering all areas of human development. At its core, human development is a sustained desire to liberate people from unacceptable conditions within a specific context and to create access to higher states of human existence, which lead to an increase in the acquisition of knowledge.

Thus, in the present era of human progress, it may be said that knowledge is a means of attaining our highest social and ethical objectives: freedom, justice, and human dignity for all. In Palestinian society, and Arab society generally, promotion of cultural and intellectual awareness as well as the need for free public discourse on political, social and economic issues is required in order to effect social action and advancement. However, it is also necessary to acknowledge the existence of two interconnected problems hindering this advance: The first is the prevailing intellectual mindset, which is based on a culture of being mired in the past. The second is the ineffectiveness of knowledge transfer and acquisition systems in Arab societies generally.³

awareness, and confidence and experiencing and exercising power within a clearly defined and agreed upon social contract.

● At a group relations level, empowerment means the ability to negotiate and effect change. Therefore, empowerment includes the establishment of relationships between people as individuals and groups, regardless of social strata, in a

fair and equal manner, in terms of both economic capacity and political power.

● Added to this are independence and societal sovereignty, which refer to the ability of individuals and groups to live in a stable society that enjoys freedom and independence and has the inherent ability to preserve its fabric and reasonably control its fate in its interaction with the global system.

Investment in the Palestinian people is the basis for any effort to rebuild Palestinian society.

1-2-3 Investment in the Palestinian People and the Dialectic of Development and Resistance

Any effort to rebuild Palestinian society must begin with investment in the Palestinian people as individuals and groups and with correction of all structural conditions that limit their ability

to enjoy their rights. A society built on these foundations will be able to further its struggle for emancipation from occupation, injustice, and oppression.

³ United Nations Development Programme and Arab Fund for Economic and Social Development. Arab Human Development Report for 2003, p. 37. See also: Birzeit University – Development Studies Programme, A Knowledge Community and Possibilities for Development: Palestinian Contributions in the Arab Human Development Report for 2003, 2004.

Therefore, the Palestinian people must possess a certain set of moral traits and values if they are to regenerate their abilities and their creativity. These traits and values include awareness of self and others, self-confidence, and a commitment to human rights, along with the ability to exercise these rights through legitimate, appropriate opportunities, gained through possession of and participation in the utilization of society's natural and human resources.

Thus, empowerment has comprehensive aspects with material, moral, cultural, political, economic, and social implications which work to eliminate all relationships based on dependence, vulnerability, and alienation. These are the traits which currently characterize Palestinians' interactions with the outside world and with Israel as well as the authoritarian and alienating characteristics relationships present within Palestinian society today.

Given that the tasks of national liberation and society building are linked, emancipatory development must serve as the starting point for the reconstruction of Palestinian society, as articulated in Palestinian literature (and as was pointed out in the 2002 Palestinian Human Development Report), along with securing the inalienable right to self-determination and the right to sustainable human development. For if empowerment means-which it does-expanding people's options so as to expand their participation in the decisions that affect their fates, then the right to self-determination on the collective and individual level is the starting point for the reconstruction of society, as well as the basis for confronting the challenges and obstacles on the path toward liberation and development.

Palestinian empowerment is integrally linked to collective resistance of basic

negative realities, primarily the continuing occupation. Likewise, it is linked to changes in the nature of the Palestinian economy and its capacity to attain relative independence and generate job opportunities for the tens of thousands of unemployed. Efforts in this area are tied to rebuilding institutions so as to arrive at true statehood as relates to these vital issues. Despite the importance of continuing the processes of reforming the agencies and institutions of the PNA, lasting success will not occur without a comprehensive political program on the Palestinian issue. Expanding the concept of empowerment requires incorporating a number of components, including:

- Firmly integrating the processes of legitimate, popular resistance and striving toward peace for all peoples of the region.
- Managing resources so as to strike a balance between relief and development needs.
- Halting the decline of PNA institutions and empowering them.
- Providing basic social services, such as education, health care, and poverty alleviation programs.
- Strengthening the Palestinian economy to the greatest extent possible and preventing its paralysis and degradation.

This adaptation of the concept of empowerment within the specific Palestinian context means bringing together the aforementioned elements to formulate three integrated strategies: a strategy of determination and steadfastness, a strategy of resistance, and a strategy of negotiation. While these strategies are distinct, they are all necessary for realization of the full range of human rights within the changing circumstances dictated by local, regional, and international conditions.

Empowerment has comprehensive aspects with material, moral, cultural, political, economic, and social implications.

The right to self-determination on the collective and individual level is the starting point for the reconstruction of society.

Section Three: The Message and Methodology of the Report

1-3-1 The Message of the Report

The PHDR can play a pivotal role in steering Palestinian efforts if institutions adopt and activate the concepts, guidelines, and recommendations that it offers.

The current report is entitled “Hope for the Future: Toward Empowering Palestinian Society through Investment in Social Capital.»

- The fourth PHDR, covering the years 2003 and 2004, addresses the present state of Palestinian political, economic, social, and institutional conditions and their impact on Palestinian national goals — development goals and goals of liberation alike.

- The report comes at a critical juncture in the history of the Palestinian people, providing data, analyses, and recommendations that lay the foundation for community-based discussion of the future of the Palestinian people and the type of society it strives to build. The report can play a pivotal role in steering Palestinian efforts if governmental and nongovernmental institutions adopt and activate the concepts, guidelines, and recommendations that it offers as a starting point for working toward the society that Palestinians are striving to achieve.

- The current report is entitled “Hope for the Future: Toward Empowering Palestinian Society through Investment in Social Capital.” Thus, its principal endeavor is setting down the quantitative and qualitative indicators concerned with strengthening the social fabric in order to develop a fundamental assessment (bringing the theoretical, academic and research aspects of the public debate together with practical experience grounded in reality) of what may be done — indeed, what must be done—within the Palestinian context.

- The report presents general and specific guidelines and recommendations. Their adoption may help push the Palestinian debate forward in its striving for independence, a just peace, and development toward modernization. Although the report offers a critical, in-depth analysis of the previous period, it takes an optimistic view of the future. Palestinian society, with the resolve of its members, can serve as a model for human development, justice, social equity, freedom and preservation of the environment, as they work to achieve full equality through respect for the rights of all sectors of society, including women, young adults, children, persons with disabilities, and the working classes.

1-3-2 Report Methodology

- The 2004 PHDR was prepared using a participatory approach based on the involvement of all actors in Palestinian society, including PNA institutions, political groups, NGOs, professional and grassroots organizations and unions. The report methodology helped to raise awareness of the gravity of the Palestinian situation. It also impressed on representatives of these groups the collective responsibility for awakening the individual and collective energies of Palestinian society to work toward reformation of the components of Palestinian society to stave off imminent threats.

Point of Light 5: Public Opinion Polling and Participation

Public opinion studies and polls in Palestine hold a special significance since they facilitate measurement and analysis of the views of Palestinian society toward social, political, and economic issues. The history of these studies is tied to the early 1990s and the Palestinian-Israeli peace process. With the signing of the Oslo Accords in September 1993, Palestinian public polling was first undertaken by approximately ten Palestinian organizations in June 2004. The work of these organizations and centers expanded, along with the subjects they addressed, according to political and informational developments, until they came to include: political and social views; electoral conduct; issues of reform, accountability, and transparency; and evaluation of the public and civil society sectors and their services.

- The report was prepared by two advisory committees, a technical committee and a ministerial committee (whose work was coordinated by the Ministry of Planning), and a research team composed of elite Palestinian researchers. It also involved cooperation with the staffs of many Palestinian institutions, which helped in writing background papers and supplying the work team with information necessary for the report.

- A large body of background papers and research studies were prepared for the report, and scores of Palestinian experts contributed to their preparation.

- Focus groups and workshops were held in throughout the West Bank and Gaza Strip to discuss the report's theme and methodology, as well as the issues it addresses. Participants in these workshops included women, men, young adults, refugees, workers, children, and representatives of governmental organizations and NGOs.

- The present report is a scientific Palestinian effort to study the subject of empowerment as a basis for advancing development in Palestine. What distinguishes this effort is that it does not offer ready-made prescriptions or "magic"

The 2004 PHDR was prepared using a participatory approach based on the involvement of all actors in Palestinian society.

Focus groups and workshops were held in throughout the West Bank and Gaza Strip to discuss the report's theme and methodology.

Point of Light 6: The Continuing Work of the Palestinian Central Bureau of Statistics

The PCBS was founded with the establishment of the PNA in 1994, is the official source of Palestinian social statistics and is responsible for building a comprehensive national statistics system, relying on international standards to produce official figures.

Since the PCBS's founding, it has issued more than 700 statistical publications and carried out scores of field surveys in various population, social, economic, and geographical areas. The most widely distributed publications were issued in the period prior to the current Intifada: the Establishment Census of 1994, the first Demographic Survey of 1995, the General Population and Housing Census of 1997, and the National Conference on Statistics and Policies of 1999.

Since the outbreak of the Al-Aqsa Intifada, along with the accompanying Israeli hostilities, the PCBS has faced numerous hardships and obstacles, most importantly: the policy of closures and siege, the general security situation, the extremely heavy workload, and the demands of that workload in terms of finding access to adequate financial and qualified human resources. On top of this, at the end of 2001, the Israeli forces occupied the PCBS headquarters and deliberately destroyed everything inside.

The PCBS thus redoubled its efforts to ensure continued provision of statistical data—that which is routine and that which reflects the new situation. For this purpose, the PCBS established a specialized unit called the Statistical Monitoring Unit. Additional measures taken to adapt to the conditions of the Intifada and ensure continuation of its work include:

- Applying a flexible (decentralized) work system, allowing employees to work in the governorates where they live.
- Putting in place a system of compensation for work hours lost as a result of closures or curfew.
- Coordinating with national organizations and NGOs to obtain assistance for the employees.
- Holding training courses for field researchers in the governorates, and using video-conferencing systems between Ramallah, Gaza, and Nablus.

The most important routine surveys that the PCBS prepared during the Intifada include: a series of annual economic surveys, a monthly consumer price index, the demographic health survey, the youth survey, and the child labor survey. Statistical activities developed in response to the conditions of the Intifada include: a weekly field survey of the impact of Israeli measures on the Palestinian economy, a survey of the impact of Israeli measures on the family and Palestinian children, and four rounds of a survey of the impact of the Separation Wall on economic and social conditions.

In preparing the report, data from the Palestinian Central Bureau of Statistics was used.

solutions to deteriorating Palestinian circumstances. Rather, it poses essential questions about the Palestinian situation, and seeks its answers through assessment of cumulative Palestinian experiences. But the objective of this report is not merely to identify areas of concern and deterioration. The report strives instead to offer mechanisms and tools for bringing about necessary practical breakthroughs.

- The analyses in the report adhere to scientific and objective standards. They are in no case an attempt at self-flagellation or placing responsibility for shortcomings and the current state of decline on others. Rather, they buttress the report's credibility and trustworthiness from a methodological standpoint only.

From a practical standpoint, this objectivity is manifest in the attention to accuracy in describing the situation as well as in assigning realistic weight to the factors involved in the current decline and the responsibility of all parties to work to correct these problems.

- In preparing the report, data from the Palestinian Central Bureau of Statistics (PCBS) was used. When this data was unavailable or not up-to-date, data issued by local and international research and development institutions was used.

- It has also incorporated forms of qualitative research through studies of the situation and in-depth interviews with relevant persons (details on the methodology are provided in the appendix).

Box 1-5: The 101 Points of Light Project

Despite all of the efforts to strip the Palestinian people of their resolve and crush their potential and abilities- which were limited from the outset—the Palestinian people provide living examples of individual and collective ability and creativity, which preserve their capacity to resist and endure. Within this framework, the 101 Points of Light project was conceived as part of the participatory approach to preparing the present PHDR.

This project highlights development experiences, including individual, group, and institutional initiatives focused on local development and empowerment. The process of collecting information on such initiatives has strengthened the ability of the research team to examine and analyze real-life efforts of individuals and groups within local society in order to better understand their mechanisms of coping and overcoming challenges. Also, examining people's real-life experiences helps policymakers and planners stay in touch with local realities and to develop and adopt plans based on actual local experiences.

In selecting initiatives to publish in the report, consideration was given to the diversity of projects, including: individual and group initiatives; local, national, and international efforts; institutional and non-institutional projects; and governmental and non-governmental activities. A range of spheres of activity are included: politics, health, education, agriculture, social solidarity, culture and arts, media and technology, human rights, marginalized groups, and others.

A committee from the PHDR team selected the initiatives to be included. Objective selection criteria were devised to ensure that these initiatives represent different fields, exhibit creativity and novelty in their concepts and goals, and demonstrate community participation and activate local resources. The initiatives also needed to be compatible with the goals of human development by targeting marginalized groups, with special attention to underprivileged individuals, institutions, and groups.

Initiatives presented in the 2004 PHDR were nominated directly by Palestinian individuals and institutions that are connected with or knew about these initiatives. These initiatives do not include all of those received by the Development Studies Programme (DSP). Rather, a number of initiatives were selected as representative of a multitude of fields and various levels of action. There are certainly thousands of exemplary, beneficial initiatives within Palestinian society, and the report could not include all of them. Those initiatives that did not reach us or were not included in the report are hereby applauded.

Box 1-6: Summary of “The Poor Speak Out: National Report on Participatory Poverty Assessment (Voice of the Palestinian Poor)”⁴

Poverty is defined as the inability to meet basic needs of individuals and families. These needs include healthy food, clothing, housing, adequate education for family members, and the capacity to fulfill social obligations.

According to those living in poverty, it is a condition associated with different groups and is the result of various influences, such as unemployment, the inability of earned income to cover a family’s needs, seasonal employment, low-wage employment, subsistence farming, widowed and divorced women supporting children, wives of unemployed persons, and various other groups. Moreover, the poor linked poverty to various conditions, including the absence of work opportunities, illness and physical disability, advanced age, lack of job qualifications and education, and traditional restrictions, especially those imposed on women.

Suggestions by the poor to challenge poverty focus on three main aspects:

- Expanding and creating employment opportunities within the local economy.
- Providing an improved infrastructure of public services.
- Creating a social safety net.

The poor evaluate the institutions they deal with in the following ways:

Health services: In government clinics and hospitals, the poor complained of a shortage of services, treatment options, and medicines; a lack of physician specialists, and a lack of necessary equipment. In regards to the United Nations Relief Works Agency (UNRWA) clinics, the poor residing in the camps thought that these clinics help to alleviate their suffering, but problems arose when there was a need for advanced treatment.

Educational services: The poor (especially in remote areas) complained of the shortage of schools and classrooms and the problems of overcrowding, which force many students to travel to schools in other localities.

Social assistance: The poor said that social assistance is limited, irregular, and excludes a large proportion of the poor.

Agricultural assistance: Farmers complained of the ineffectiveness of the Ministry of Agriculture’s services. There is a shortage of agricultural inputs (such as cuttings and fertilizers) provided by the ministry as well as poor monitoring of the use of pesticides and agricultural chemicals and additives.

Local government institutions: The poor criticized the level of services provided to the municipalities. They said that garbage collection is the only regular service provided and that municipalities pay inadequate attention to infrastructure construction and rehabilitation.

NGOs that deal with the poor: Large numbers of the poor praised the regular assistance and medical services provided by the Zakat Committees. The poor complained about credit and lending institutions, some of which require collateral or a guarantor as a pre-condition for loans. Moreover, loan amounts are insufficient for setting up projects that generate adequate levels of income, and interest is high and the payment periods are short.

- The value of participatory approach was strengthened through study and analysis of a number of local and national initiatives in the various areas of development. The study and analysis of such initiatives (the “Points of Light”) helped to deepen the applied and practical dimensions of the report.

⁴ Ministry of Planning and International Cooperation & UNDP. *The Poor Speak Out: National Report on Participatory Poverty Assessment (Voice of the Palestinian Poor)*. Ramallah, 2002.

Israel began to build the Separation Wall, which is approximately 750 kilometers in length.

The Israeli vision of settlement was limited to concessions by neighboring nations in return for normalization of Israeli-Arab relations.

Section Four: The Environment Constraining Development and Independence

1-4-1 Israeli Occupation and Systematic Destruction of the Potential of Palestinian Society

Israeli military aggression continued and reached dangerous heights after the full-scale invasion of the West Bank in April 2002. During this invasion, Israel destroyed Palestinian infrastructure and institutions, besieged the headquarters of the late president Yasser Arafat, and declared the absence of a Palestinian peace partner. Israel created conditions

designed to alter the structure of the PNA in accordance with American and Israeli objectives, couched in the language of reform. It also began to build the Separation Wall, which is approximately 750 kilometers in length, and will annex 58 percent of West Bank land and establish new facts on the ground to advance the Israeli agenda for the desired contours of the final resolution. Numerous local and international reports provide relevant data, clearly showing the systematic destruction of Palestinian society during the past four years.

1-4-2 The Impact of International and Regional Changes

The peace process between the Palestinians and Israelis came during a period marked by dramatic global changes. Indeed, it may be said that the peace process was an offshoot of these changes on the regional level. Most important among these changes was the collapse of the Soviet Union and consequent consolidation of a new, unipolar world order, and the first Gulf War and deepening crises within official Arab establishments overall. Without delving into the details of political twists and turns the peace process has taken since establishment of the PNA, it may be said that peace negotiations were the result of underlying regional changes, which pushed the parties toward negotiation of a new formula for settling the conflict. In reality, however, these negotiations were in response to pressure by the United States to realize its vision—which went beyond merely settling the conflict in Middle East.

To an equal degree, Israel has never worked towards a principled, peaceful resolution to their conflict with the Palestinians. The Israeli vision of settlement was limited to concessions by neighboring nations in return for

normalization of Israeli-Arab relations. Exploiting its undisputed superiority, Israel rejected peace based on recognition of the occupied people's right to self-determination and the concessions it would require of Israel.

Within this general framework, Israel was able to turn its back on the signed agreements, and it continued to act as an occupying power even after the establishment of the PNA, particularly given the favorable American treatment of Israel in the peace process. The Israeli occupation plan centers on preserving most of the occupied land while getting rid of the Palestinian demographic burden by transferring authority for overseeing the Palestinians to another party.

Thus, the failure of the peace effort was part of the general atmosphere of negative developments in the Palestinian situation, a scene completed by the weak performance of the PNA. The PNA failed to keep a minimum level of its promises to build a Palestinian government founded on institutionalization, development, and attainment of economic prosperity so

Table 1-1: Land Confiscated in Residential Areas in the Path of the Wall, according to Governorate, Ownership, and the Number of Families and Individuals Who Were Displaced or Isolated West of the Separation Wall as of August 2003⁵

Governorate	Area of Confiscated Land (dunams)			Displaced Persons		Persons Isolated West of the Wall	
	Government	Private	Total	Families	Individuals	Families	Individuals
Jenin	37143	20261	57404	113	664	918	5223
Tulkarem	2465	37395	39860	59	422	1119	7166
Qalqielya	800	49077	49877	100	600	395	2388
Salfit	40	6000	6040	0	0	2	15
Jerusalem	12	7934	7946	130	637	10040	27220
Bethlehem	0	3656	3656	0	0	8	85
Total	40460	124323	164783	402	12323	12482	42097

Box 1-7: Siege of the Holy City of Bethlehem

Since the beginning of the Palestinian Intifada, Bethlehem has been subjected to intense Israeli siege, cutting the city off from the rest of the West Bank, especially the city of Jerusalem. As a result, Bethlehem's economic base was totally destroyed, since it had hitherto been greatly dependent on tourism (and religious tourism in particular). In 2002 alone, the city was under curfew for 156 days.

At present, Bethlehem is encircled by nine Israeli settlements and more than 10 kilometers of the Separation Wall (whose length around Bethlehem is expected to extend 63 kilometers), in addition to approximately 78 barriers (checkpoints, cement and earthen blockades, and iron gates).

These measures have led to increased restrictions on freedom of access to the holy sites in Bethlehem and Jerusalem, in contravention of Article 12 of the International Convention on Civil and Political Rights, which includes the freedom of movement, and in contravention of the advisory opinion issued by the International High Court on 9 July 2004, which mandated that Israel endure freedom of access to the holy places that came under its control after 1967.

as to pave the way for its eventual sovereignty over the land and success in the Palestinian national endeavor—the establishment of an independent Palestinian state with East Jerusalem as its capital.

The changes cited above exacerbated the overall repression of the Palestinian people. Perhaps the failure of the Camp David talks gave the Palestinians and Israelis renewed justification for opening a new chapter in the conflict. On the Palestinian side,

among the people at least, the idea of negotiating with the Israeli government became an absurd notion. The Palestinians grew certain that attainment of national independence would require creative modes of resistance, and an active approach to managing the conflict that went well beyond sitting on opposite sides of a negotiating table. On the Israeli side, they deduced that Palestinians would grant no concessions in the absence of the use of military force.

⁵ The Palestinian Central Bureau of Statistics, *Survey on the Consequences of the Separation Wall on Residential Centers in the Path of the Wall, August 2003*.

Thus, the Intifada set the stage for retrenchment by the warring parties. The Israeli government found the conditions favorable to commence tearing down the recently built foundations of the Palestinian national endeavor—both its liberation and state-building components. Israeli policies unequivocally target the abilities and potential of the Palestinian people for systematic destruction, through such measures as

demolition of homes and institutions, bulldozing farmland, urban siege, ethnic cleansing, and starving people out. The Israeli occupation aims to reduce all of the Palestinians' viable options to a bare minimum, and so to bring about their eventual collapse and surrender.

Internal and external pressures have required the PNA to change the structure of the executive branch. The

There will be no success for peace in the Middle East unless it is just and comprehensive.

Box 1-8: Excerpt from the Arab Peace Initiative⁶

- There will be no success for peace in the Middle East unless it is just and comprehensive, in implementation of Security Council Resolutions 242, 338, and 425 and the principle of land for peace, and affirming the necessity of the Syrian and Lebanese issues and their integral connection to the Palestinian issue in achieving the Arab goals for a comprehensive resolution.
- The Council of the Arab League further calls for full Israeli withdrawal from all the Arab territories occupied since 1967, including the Syrian Golan Heights, to the June 4, 1967 lines as well as the remaining occupied territories in the south of Lebanon.
- Achievement of a just solution to the Palestinian refugee problem to be agreed upon in accordance with U.N. General Assembly Resolution 194, and the acceptance of the establishment of a sovereign independent Palestinian state on the Palestinian territories occupied since June 4, 1967 in the West Bank and Gaza Strip, with East Jerusalem as its capital.
- Consequently, the Arab countries shall undertake the following: Consider the Arab-Israeli conflict ended, enter into a peace agreement with Israel, and achieve security for all the states of the region; establish normal relations with Israel in the context of this comprehensive peace; assure the rejection of all forms of Palestinian repatriation in the Arab host countries.

The Israeli occupation plan centers on preserving most of the occupied land while getting rid of the Palestinian population

office of prime minister was created on 17 March 2003, and Mahmoud Abbas (then Secretary-General of the Executive Committee of the Palestinian Liberation Organization) was charged with the responsibilities of forming the government, whose structure had been ratified by the Palestinian Legislative Council at the end of April 2003.

Perhaps the collapse of the Iraqi regime and redoubled international

and regional efforts to end the freeze in the Israeli-Palestinian peace process pushed the Israeli government to engage in the process of implementing the Road Map. The first steps were shaky however, beginning with the failure of the Aqaba summit between the Palestinians and Israelis attended by the US President George Bush and Jordan's King Abdullah II. The summit failed when the Israelis

⁶ Clauses from the Arab Peace Initiative, which was announced at the conclusion of the 14th Arab Summit, held in Beirut on 28 March 2002.

Box 1-9: Isolation of Jerusalem

The issue of Jerusalem is among the most important and the most complex issues in the history of the Arab-Israeli conflict, and is central to the framework of the current peace process and negotiations. Since first occupying Jerusalem, Israel has tried to isolate the city from its Palestinian surrounds and erase the evidence of the city's Palestinian heritage on material and nonmaterial levels. It has done so by applying pressure to the city's Palestinian residents through various means, such as preventing any new residential or commercial construction, seizing property, closing institutions in East Jerusalem (the most prominent example being the closure of the Orient House), strangling the city with a settlement belt and the Separation Wall, and confiscating the identity cards of Palestinian residents under various pretexts.

Added to these actions are Israeli attempts to elicit international recognition of Jerusalem as the capital of the State of Israel, without taking into account the applicability of the description "occupied land" to East Jerusalem and the international resolutions on Jerusalem that affirm this fact.⁷

attempted to tie the Palestinians to a set of security conditions they had no hope of implementing.

The cycle of violence subsequently resumed. At the same time, the US vision of a new political order in the Middle East was being advanced by the US administration while the official Arab establishment became increasingly fragmented over the issues of Iraq, the war on terrorism and the issues of democratic reform within Arab governments, including an overhaul of education curricula.

The government of Mahmoud Abbas lasted a total of 130 days,⁸ but it did succeed in effecting a few real changes in the structure of PNA institutions and their modes of operation. Significant financial and administrative reforms took place, including repatriating returns from the national investment fund back into the Palestinian treasury, abolishing price controls on oil and cement and breaking up those monopolies, and enforcing some aspects of the Civil Service Law. The most significant

achievement was on the political-security level: Prime Minister Abbas brokered a truce in which the Palestinian government fulfilled the security conditions stipulated in the Road Map without affecting Palestinian solidarity or conceding the right to legitimate resistance against the occupation.

1-4-3 The Disengagement Plan

Israeli Prime Minister Sharon first announced the disengagement plan on 18 December 2003. This plan represented the first step towards the Israeli version of a long-term, phased settlement of the conflict. The core objectives of the Israeli plan are guaranteed Israeli security and postponement of any final solution for years to come. Prime Minister Sharon stated on 23 February 2004 his intentions to bolster security through continued construction of the Separation Wall, withdrawal of the Israeli army from the Gaza Strip, and rejection of any further pressure on Israel to move

⁷ See the appendix at the end of the report for statistical information and indicators on Jerusalem.

⁸ Mahmoud Abbas, in his resignation speech before the Legislative Council on 4 September 2003, placed responsibility for the failure of his government on: the United States, which acted in accordance with Israeli government plans and did not push for implementation of the Road Map; on the Israeli government, which continued its aggression against the Palestinian people; and, finally, on the Palestinian leadership, which did not facilitate implementation of his government's policies, but rather placed obstacles in its path.

The failure of the Camp David talks gave the Palestinians and Israelis renewed justification for opening a new chapter in the conflict.

Box 1-10: The Road Map

In December 2002, the Quartet (made up of the United States, the European Union, Russia, and the United Nations) prepared a peace settlement initiative that forms the basis for resumption of negotiations between the Palestinians and Israelis. This plan, called the “Road Map,” includes three stages, with the first stage lasting from October 2002 to May 2003, during which time the two sides were to fulfill a number of obligations.

In the first stage, the Palestinian obligations were specified as follows: the Palestinian Authority must bring to a halt to all forms of Palestinian resistance, including incitement against Israel; restoration of Palestinian-Israeli security coordination; and preparation for electoral and constitutional appointment of a Palestinian government, including creation of the office of prime minister with wide executive powers. The first tasks of this government would be to implement the security provisions, achieve actual separation of powers, reconstitute the Palestinian security agencies under a unified central leadership, and implement the reform plans set down by the international work team.

The Israeli obligations during the first stage consisted of: halting attacks on Palestinian civilians and their property, freezing settlement activity, and withdrawing Israeli forces from the areas occupied since 28 September 2000, concurrent with increasing security cooperation with the Palestinians.

The second stage, which was to end in October 2003, includes staging an international conference to initiate negotiations to establish a Palestinian state with temporary borders until the end of 2003. The third and final stage, which was to end in 2005, includes an international conference to establish permanent, final agreements on the issues of Jerusalem, the settlements, and establishment of normal relations between the Arabs and Israel. Many people maintain that the Road Map ended with the end of the commitment of the main party—the United States—to work toward the plan’s implementation. However, the United States maintains that it may be implemented if there is an end to “acts of violence,” and it holds the two sides responsible for the plan’s failure. By contrast, other parties, such as the United Nations representative, hold Israel responsible for killing the plan.

forward in negotiations with the Palestinians, which will likely ensure that most settlements remain under Israeli sovereignty.

A close reading of the disengagement plan, or the plan for unilateral withdrawal from the Gaza Strip, reveals a number of implicit dangers that underscore the expansionist settlement mentality of the Israeli occupation. According to the Israeli plan, withdrawal from the Gaza Strip will take place in exchange for annexation of large portions of the West Bank (specifically

the largest settlement blocs and the land west of the Separation Wall). This plan rids the Israelis of the largest portion of the Palestinian population—what Israelis refer to as the demographic burden—while still preserving the largest portion of occupied land. Further, unilateral Israeli withdrawal places no obligations on the Israeli government, which will continue to control the crossings, borders, water, and airspace and, indeed, may invade the Gaza Strip as it wishes. Moreover, such unilateral steps create new facts on the ground,

Israeli Prime Minister Sharon announced the disengagement plan as a first step in the Israeli version of a long-term, phased settlement of the conflict.

making it more difficult to move to the final status issues or even implement the agreements previously ratified with the Palestinians.

1-4-4 The Institutional Environment and Reform

Since the establishment of the PNA, there have been calls for adherence to the standards of institutionalization and transparency in forming and managing the Authority's institutions.⁹ During the years prior to the outbreak of the Intifada, however, the experience of the Palestinian Authority confirmed that the general direction of Palestinian Authority work would not be based on establishing a state of institutions. This was due to primarily to its general lack of governing experience and because much of the institutional legacy of the Palestinian Liberation Organization carried over to the newly established PNA. Moreover, the values of institutionalization run counter to the authoritarian, individualistic nature of the Palestinian political system.

The following chapter will analyze the performance of PNA institutions in detail. Here, it will suffice to say that the performance of the Authority institutions overall, given the wide variations in their performance and the extent of their responsiveness to demands for reform and effectiveness, remains far removed from what the Palestinian public expects and needs. The questions that the report subsequently poses focus on:

- What is the extent of the capability and authority of these institutions, and what are the origins of their authority and legitimacy?

- How can they empower the Palestinian public if they are not empowered themselves?

The varying degrees of vulnerability of PNA institutions and their generally inadequate response to the challenges imposed by the Intifada confirmed the need for institutional reform. International pressure on the PNA to restructure its institutions has escalated. As a result, a few substantive changes in Palestinian Authority operations have occurred, especially in the following areas: the constitution, the rule of law, the independence of the judiciary, finance, the security agencies, the legislative branch, local government, and corruption issues.

International pressure on the PNA reached its height when the U.S. administration tied the continuation of the peace process to comprehensive reform of the Palestinian Authority and its modes of operation¹⁰, and the installation of a new Palestinian leadership. In early July 2002, the Quartet Committee for the Middle East Peace Process was established. In September 2002, the Quartet publicly affirmed that political, economic, and security reforms in the PNA were a central and integral component of the peace process, a position which was reiterated in the three-stage Road Map officially presented to the Palestinians and Israelis in April 2003.

1-4-5 The Internal Security Situation

The absence of a central vision or strategy and unified resolve has been

Since the establishment of the PNA, there have been calls for adherence to the standards of institutionalization and transparency in forming and managing the Authority's institutions.

⁹ On the Palestinian level, the General Oversight Report for 1996 was issued and published in 1997. On the international level, a work team of international and local experts was formed under international auspices and headed by former French Prime Minister Michel Rocard, known as the "Independent Working Group for Empowerment of the Palestinian Authority Institutions." In 1999 it issued the report "Empowerment of the Palestinian Authority Institutions." As for the present internal Palestinian demands for reform, they were initiated within the Fatah movement (specifically, among members of its Revolutionary Council and Central Committee) during April and May 2002, in addition to the Legislative Council, which on 15 May 2002 issued a declaration on development and reform of the Palestinian Authority institutions, encompassing the various constitutional, legal, executive, judicial, and financial aspects.

¹⁰ President Bush's statement on the Palestinian-Israeli conflict, made on 24 June 2002.

reflected in the legal, societal, and development situation. This situation is evidenced in continuing transgression of the law, a deepening entrenchment of tribalism, and the erosion of national

unity through factionalism, especially between the main political groups within Palestinian society. This potential for conflict goes beyond threats of a clash between various partisan groups within

Point of Light 7: Tireless Work in Government Institutions

Despite the external and internal challenges, earnest efforts toward institutionalization and development are visible in some agencies. This is seen in some ministries' serious, persistent efforts to provide services to the Palestinian public. Despite criticisms of their shortcomings on quantitative and qualitative levels, it must be acknowledged that these ministries fill critical public service gaps in the areas of education, health, social affairs, and labor.

In addition, some ministries do engage in comprehensive strategic planning in terms of poverty alleviation, human development, and capacity building. Numerous ministries have formulated short-term plans, and others have formulated medium-term plans, in an attempt to connect their aid-based performance to the development needs of the Palestinian people. Further, the financial performance of PNA institutions has improved, wherein the Ministry of Finance has cooperated with partners in setting budgets and delineating payment and financial inquiry mechanisms. Finally, the unification of the security agencies has gotten underway.

the Palestinian Authority, its security agencies, and its main party (Fatah).

Often, rulings of the Palestinian Supreme Court were transgressed (whether in political or civil cases), promoting infractions against citizens and their property. These transgressions and infractions occurred due to the absence of a firmly established legal structure for promoting citizens' rights and protecting their freedoms regardless of standing, rank, or political or social influence. Various infractions occurred against media professionals and journalists, such as the assassination of one Palestinian journalist, the abduction of foreign journalists, and attacks on local and foreign media headquarters. Moreover, on more than one occasion there were tensions between national and political activities, and the rulings of civil and other courts were not upheld.¹¹

1-4-6 The Performance of the Legislative Branch

The legislative branch has been widely criticized by political and social groups and the public in general since the expiration of its legally mandated term and for its ineffectiveness in terms of oversight and legislative performance. On 11 April 2004, the Improvement of Status Law sparked discontent among citizens, especially in light of the daily hardships to which citizens are exposed and which have led to record increases in rates of poverty, unemployment and malnutrition. This law stipulated that ministers, Legislative Council representatives, and governors are to be paid \$15,000 in bonus compensation. It also outlines the salary scale for ministers, governors, and Legislative Council representatives. This was done under the pretext of reform while the

¹¹ *The Palestinian Independent Commission of Citizens' Rights, Report on the Status of Palestinian Citizens' Rights during 2003, pp. 131-179.*

Point of Light 8: The Conference on the Constitution

Drafting a modern Palestinian constitution requires harmonizing all community-based efforts which lay the constitution's foundation and ensure that all needs specific to the Palestinian context are fulfilled. This task will take place on two levels. The first level is to achieve a balance between the demands of development-based progress on the one hand, and national political liberation as a vision of comprehensive emancipation on the other. The second level is achieving equilibrium among the various special interest groups within Palestinian society.

To accomplish this task, on 27-28 September 2003, Birzeit University's DSP held a conference on the Palestinian constitution to broaden the horizons of rational, responsible debate. Its purpose was to bring together the various visions and agendas for the proposed constitution and to provide an open and inclusive environment for internal Palestinian dialogue, especially on the controversial issues of refugees and borders. The desired outcome of the conference was to help form a comprehensive, integrated document which both identified and addressed the myriad social and national issues.

It also aimed to ensure the broadest representation of the different Palestinian groups and to give expression to their perspectives, visions, and needs in the process of drafting the constitution. The backgrounds of conference participants varied. They included academics, specialists in the fields of media, development, economics, and refugees, representatives of economic sectors and trade unions, private sector professionals, labor representatives, and youth groups, in addition to delegates from all mainstream political groups and parties. The concluding recommendations of the conference were:

- To recognize the conference, along with its working papers and recommendations, as a starting point for forming a broad coalition to lead the call to action for drafting a modern, democratic constitution and to offer a national democratic vision based on fulfilling the dual tasks of national liberation and nation building.
- To provide institutional and popular grassroots support for the preparation of the constitution, through public awareness activities, education, and mobilization, to ensure inclusion of wide sectors of society in the process. Inclusion in the process will best ensure expression of the needs of the myriad groups, whose legitimate and rational proposals will be incorporated within the proposed constitution.
- To affirm the need for mechanisms (such as the Constitutional Court) that will ensure respect for the constitution and guarantee the objective application of its provisions.

Continuing the discussion on the constitution, a forum on the proposed Palestinian constitution was held in Birzeit on 10 October 2003,¹² through the cooperation of Birzeit University's Development Studies Programme and the Committee of Civil Society Organizations in Lebanon. The forum emphasized that the entire Palestinian community possesses a shared perspective and a common fate, wherever they may reside. It also affirmed that any proposed Palestinian constitution must include the same rights for Palestinians of the Diaspora as for Palestinians residing in Palestine.

Civil Service Law remains unratified, even though its provisions apply to the largest sector of public employees.

This critical view of the performance of the Legislative Council does not invalidate some of the positive steps it has undertaken. A number of laws were

ratified between 2002 and 2004, and the text of those laws was published in the official gazette of the PNA. The laws that were passed and published in the official gazette include: Judiciary Branch Law No. 1 of 2002, Law No. 6 of 2001 amending certain provisions of

¹² Birzeit University – Development Studies Programme, *The Palestinian Constitution and the Requirements of Human Development (research studies and working papers)*, Editing team: Nader Said, Abdel Karim Barghouthi, and Ayman Abdel Majid, May 2004.

Point of Light 9: Registration for the Palestinian Elections

The Central Elections Committee succeeded in registering 72 percent of Palestinians for the elections in spite of numerous external and internal obstacles. One thousand seven (1007) voter registration centers were established throughout the West Bank and Gaza Strip. The centers opened to Palestinian citizens on Saturday morning 4 September 2004, and registered voters daily until 7 October 2004. To bolster the integrity of the election registration process and its oversight, approximately 82 local bodies and three international bodies monitored voter registration and the elections, utilizing roughly 5,500 observers. A total of eight Palestinian political parties and organizations also took part in monitoring the registration process.

the Civil Status Law No. 2 of 1999, Banking Law No. 2 of 2002, Water Law No. 3 of 2002, the Basic Law of 2003,

the Legislative Council Bylaw, and the Law on the Capital of Jerusalem.¹³

International pressure reached its height when the U.S. administration tied the continuation of the peace process to comprehensive reform of the Palestinian Authority.

Box 1-11: The 100 Days Plan

The Ministerial Reform Committee was formed by presidential decree on 12 June 2002. It prepared, in cooperation with the international donors, a reform plan for Palestinian Authority institutions known as the “100 Days Plan.” This plan contained the donors’ views of required steps for the Authority to undertake on the path to reform. The most prominent components of this plan include:

1. Firmly establishing the principles of separation of powers, rule of law, independence of the judiciary, and strengthening the judiciary system.
2. Restructuring ministries and Palestinian governmental bodies; issuing, in this framework, a review of the Civil Service Law; and preparing a modernized retirement system.
3. Preparing for presidential, legislative, and local elections.
4. Restructuring the Palestinian security agencies and unifying the police, Preventive Security, and Civil Defense agencies under the authority of the Ministry of Interior.
5. Consolidating the Authority’s financial revenues, establishing a Palestinian investment fund to manage all of the Palestinian Authority’s commercial and investment activities, regulating the relationship between the Ministry of Finance and local bodies, and amending the process of preparing the General Budget.

¹³ There are also many laws awaiting the president’s approval following passage by the Legislative Council on the third reading, most important among them the Law of the Palestinian Child, the Illicit Earnings Law, and the Amendment to the Monetary Authority Law. Further, some important laws have completed the second reading, most importantly the Compensation Fund for Removing the Effects of Israeli Aggression. Some bills have also been approved on the first reading, most importantly those for the Prisoners and Ex-Detainees, and the Administrative and Financial Oversight Bureau. Some other laws have been accepted for general debate, most importantly those for Public Electricity; the Judicial Clerk; the Supreme Constitutional Court; the Social Security Fund; Income Tax; Insurance; and Commercial, Industrial, and Agricultural Chambers of Commerce. Some laws were referred to special committees for their opinion, most importantly the laws for the Elections, Care for Youth, Lands, and Workers’ Unions. (See: the items issued by the Legislative Council, entitled “Draft Laws in the Legislative Council, 1 June 2004.”)

The number of laws promulgated in one year is approximately 5-6 per year with amendments, and 48 laws have been approved thus far. Some of the detailed laws adopted by the legislative branch, such as the Independence of the Judiciary Law and the Basic Law, were ratified only after intense pressure was brought to bear from the international community. Further, the abolition of the State Security Court occurred for the same reasons, sparking debate and controversy about the need to address national and civil demands first, rather than to respond to the pressure of outside influences.

1-4-7 Chapter Conclusion

As seen above, the environment constraining development and

independence in Palestine involves a process of push-and-pull between groups' disparate visions, goals, and methodologies. It is a complex and dynamic mix of contradiction and coexistence, confrontation and vulnerability, liberation and construction. Yet the empowerment that Palestinians seek has become dynamic and lasting, rather than a mere starting point for development. For empowerment—any empowerment—in situations such as ours, constitutes creative action that preserves the presence of the Palestinian individual and society, applying and refining individuals' innate energies in order to achieve emancipation from all forces that deny their freedoms and right to action, change, and initiative.

Transgressions and infractions occurred due to the absence of a firmly established legal structure for promoting citizens' rights and protecting their freedoms.

Point of Light 10: The Supreme Follow-up Committee of National and Islamic Forces

Political groups formed a coordination framework, known since the beginning of the current Intifada as the Supreme Follow-up Committee of National and Islamic Forces (this is in the Gaza Strip, whereas the equivalent in the West Bank is known as the Factional Coordination Committee). The committee controls the pace of resistance against the occupation, in addition to playing a role in resolving internal disputes resulting from differences in vision and approaches among the political factions and their resistance wings. The committee included 13 political groups in addition to some national figures. Much of the time, it was able to forge agreement to resolve internal Palestinian disputes, although its role remained restricted due to the lack of a unified national approach constituting a framework for joint Palestinian action.

This committee was formed out of an awareness of the need for holding fast to points of Palestinian national consensus to confront challenges posed by the occupation and reduce possibilities for internal repression, which could translate into tensions or conflicts between political groups or between them and the Palestinian Authority. This awareness transcended political competition and differences in main goals and approaches and the resulting lack of consensus among the numerous Palestinian political groups regarding modes of resistance.

Box 1-12: The Absence of Law Creates an Environment Ripe for Corruption – The Cement Scandal

In the “cement scandal,” Palestinian companies surreptitiously sent large quantities of Egyptian cement to Israeli companies for use in construction of the Separation Wall and settlement activity (approximately 420,000 tons, according to Legislative Council estimates). This scandal was a distinctive chapter in the saga of corruption. It reminded people that fighting corruption is a fundamental component of reorganizing the internal Palestinian situation and shoring up the development process in combating the challenges of occupation. It also affirmed that corruption is a disease-like obstacle to development, progress, reform, and the realization of national goals.

Point of Light 11: We Love Life Whenever We Can

Just as Palestinians make sacrifices to defend their freedoms and their right to independence, they also exert efforts, to the extent possible, to contribute to the creative human endeavor—despite the difficult circumstances in which they live. Perhaps this dialectical relationship between sacrifice for the sake of freedom and love of life for the sake of creativity is reflected in the expression of Palestinian poet Mahmoud Darwish: “**We love life whenever we can.**”

Additional shining examples of Palestinian creativity that have extended beyond the local framework to achieve recognition in the global arena are: **Edward Said**, as a prominent thinker and musician whose books are read worldwide; **Sahar Khalifa**, as a novelist whose works have been translated into various languages; **Ahmed Jadallah**, a photojournalist who won a World Press Photo first prize in 2003, **Bader Zama’rah**, the young person who won the United Nations Appreciation Award for his role in combating poverty through development and activating the role of Palestinian youth as a representative of the Arab world; and **Reim Al-Khatib**, as the youngest person in the world to earn the UNESCO International Computer Driving License.

Points of Light 12-15: Models of Cultural Events in Palestine

- **Point of Light 12:** The Khalil Sakakini Center: The center has hosted scores of exemplary art exhibitions and musical productions, bringing in art and music from Palestine and all over the world.
- **Point of Light 13:** The Wednesday Meeting: There is a weekly meeting for culture and development in Gaza organized by the Kanan Institute, and another to discuss political and strategic developments organized by the Dar Al-Karama Institute. The importance of these two gatherings stems from their continuing treatment of contemporary new issues in the Palestinian arena in the spheres of politics, development, and culture.
- **Point of Light 14:** The Cultural Palace: This is a Palestinian and international venture, bringing together local efforts with funding from the government of Japan and the United Nations Development Programme in order to construct and launch the largest cultural structure for theater and the arts.
- **Point of Light 15:** The Abdel Muhsen Al-Qattan Foundation: It has organized numerous cultural and art competitions to encourage a new generation of Palestinian artists and innovators.

Chapter Two

HUMAN DEVELOPMENT INDICATORS IN THE WEST BANK AND GAZA STRIP

This chapter of the Palestinian *Human Development Report (PHDR)* focuses on human development indicators. It should be noted from the outset that even the most rigorously collected quantitative data, while significant, may fail to reflect a complete picture of actual conditions existing within the society. Data sometimes show progress in certain specific areas addressed by the human development indicators, but may still not fully capture the whole social context. The qualitative dimensions of indicator analysis are very rarely addressed in research studies and data they provide. International and local indicators used in the field of human development cannot alone provide a true representation of the special conditions that exist within Palestinian society. Those special conditions methodically destroy Palestinian society's innate potential to achieve any significant levels of sustainable human development at the macro level and in the long term.

Introduction: Palestine and the Human Development Index - A Critical Perspective

The United Nations Development Programme (UNDP) 2003 Human Development Report includes a classification of nations of the world according to a predefined human development index, which includes: average life expectancy; adult illiteracy rates (15 years and older); educational levels whether primary, secondary, or post-graduate; and GDP per capita (estimated using average purchasing power in US dollars). The UNDP 2003 placed the Palestinian territories among nations enjoying an average or mid-level of human development, equal to Turkey's and ahead of China, Iran, Algeria, South Africa, Syria, Morocco, India and Egypt. It occupied the 98th position among 175 countries included in the classification. Seeking to set quantitative standards for measuring "human development" – which is defined as an expansion of human choices – tends to marginalize the concepts of freedom, equality and justice.

It is in fact difficult to comprehend an expansion of human choices that does not also include an expansion of individual and collective freedoms, of equality between individuals and peoples, and higher levels of social justice. This index reduces human development to mere indicators that do not reflect reality, where freedom and development opportunities are quashed and where social justice is imprisoned. It does not fully account for circumstances and conditions that hamper development of human rights and freedoms. Therefore, the Palestinian territories were placed, on the Human Development Index, at the same level as countries such as Turkey and China, and higher than great nations that have been independent for decades and that possess enormous capacities and resources.

The reality in the West Bank (East Jerusalem included) and Gaza Strip is

an environment characterized by continued occupation, colonization, and land confiscation; methodical and deliberate destruction of PNA institutions; thousands of deaths, tens of thousands of injuries and several thousand prisoners; hundreds of demolished homes; a quasi-paralyzed dependent national economy; partitioning of Palestinian territories into small isolated strips; roadblocks and closures; and the construction of a Separation Wall to further isolate regions.

These conditions, many of which have prevailed for decades, have most recently resulted in doubling the percentage of Palestinian families living under the poverty line and an exponential increase in unemployment rates between 2000 and 2003. Inexplicably, the Human Development Index increased from 0.70 to 0.731 between 1997 and 2001. This increase implies an improvement in human development processes in the Palestinian territories, which in fact fails to reflect the true situation on the ground.

This quantitative distortion is due to the intellectual bases used to establish the Index. Such bases are situational. They focus on what can be quantified and ignore political dimensions, as they do not take the relationships of power into consideration (whether they are local, regional or international), abuses and restrictions on freedom of choice and the growth and continuance of unequal relationships at various levels. These bases deal with societies as organic, independent entities, completely insulated from the consequences of the surrounding international or regional systems and from distortions in the military, economic and diplomatic power balances among different societies. Furthermore, they either ignore or fail to take into consideration the differences within society itself.

Seeking to set quantitative standards for measuring human development tends to marginalize the concepts of freedom, equality and justice.

The current PHDR presents measurement alternatives and proposes additional indicators that provide a more comprehensive picture of the situation.

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SECTION ONE: INDICATORS SPECIFIC TO THE PALESTINIAN CONTEXT: AN INTRODUCTION

Any thorough analysis of the human development situation in Palestine must consider the following sets of indicators: collective indicators related to the Palestinian cause, social indicators, economic indicators, human indicators, demographic indicators, educational indicators, health indicators, and gender indicators.

2-1-1 Collective indicators related to the Palestinian cause and the collective rights of Palestinians, wherever they might be, including:

- The extent to which United Nations principles and resolutions related to Palestine are implemented, including Resolutions No. 242 and 338, and resolutions concerning the right to development, the right to self-determination and refugees.

- The Palestinian society's level of sovereignty, which is measured by presence or absence of an occupying power and the relief of the population, the land within borders, and a country's natural resources from external military and political control.

- Measurement of the effect of continued occupation on daily strategic and practical decisions that need to be taken by Palestinians, whether on the individual or institutional level. Therefore, the total withdrawal of the occupation forces would be a prime indicator of Palestinian development status.

- The extent of Palestinian society's ability to secure international support, whether official or unofficial. This ability was affected by international events that led to the rise of the US as the world's single largest power as well as the acceleration of the "war against terrorism" and its consequences on national liberation movements. These consequences have left nations and their people doubting the credibility of concepts in which they once firmly believed, such as the legitimacy of resistance to occupation and the universal importance of certain values, such freedom and independence. Nevertheless, international expressions of solidarity with the Palestinian people have grown stronger and more capable of confrontation, especially on the ground. Volunteers from abroad actively demonstrate against Israeli policies, especially those regarding closures, roadblocks, and the Separation Wall. They also played an important role in protecting the headquarters of the late President Arafat during the Israeli siege of his compound. They also organize solidarity campaigns for the Palestinian people within their own countries, in addition to their local activities in Palestine.

2-1-2 Social and Political Indicators:

It is normal for social development indicators to be affected by the political environment and by changes within the Palestinian economy, with unemployment and poverty rates soaring and dependency on local and foreign aid increasing. Continued violence, weak and poorly organized security forces incapable of executing their duties properly, and the gap between society and its executive, legislative and judiciary institutions have all played a role in the regression of social indicators. Among such indicators:

The total withdrawal of the occupation forces would be a prime indicator of Palestinian development status

Continued violence, and weak, poorly organized security forces played a role in the regression of social indicators.

Tribal affiliations and protective networks played a much larger role in providing assistance and support to needy families, defusing individual conflicts and limiting occurrences of crime.

- Tribal protection networks strengthened during the past four years. Tribal affiliations and protective networks played a much larger role in providing assistance and support to needy families, defusing individual conflicts and limiting occurrences of crime. Such a result would usually be viewed as positive. Unfortunately, it demonstrates in fact a backward step in the authority and effectiveness of central government institutions and an indicator of weakness in their operations. It actually destabilizes the foundations of any future Palestinian

state and contributes to a deterioration of the infrastructure of Palestinian civil society, which had been gradually built up during the last several decades.

In recent years, Palestinian society found individual and collective solutions to its problems. It protected itself and resisted a slide into the abyss of internal violence, crime and chaos. Palestinian society survived against all odds; in the absence of any central organizational or problem-solving source of leadership, and in spite of the pressure exerted by the chronic state

Palestinian society found individual and collective solutions to its problems.

Support to secular and leftist democratic trends decreased.

Point of Lights 16-19: Coping Mechanisms within the Palestinian Society

One of the most significant examples of empowerment in Palestine is the mobilization of Palestinian self-reliance, in a manner that enhances a collective ability to stand firm in the face of the occupier. Self-reliance may well be one the most important aspects of Palestinian empowerment, reflecting the Palestinians' creative and successful approach to a constantly changing set of negative circumstances. The following examples illustrate adaptive developmental situations within Palestinian society in previous years:

- **Point of Light 16 – Self-sufficiency through Organic Agriculture:** The idea behind this initiative is based on the development of land reclamation practices and chemical-free agriculture using local resources alone. The initiative was launched by a Palestinian returnee, who had decided to live and invest in his homeland. The project expanded within five years to include animal husbandry (cows, sheep and poultry), and the venture's revenues fully covered his family's needs and expenses. He was even able to start marketing his produce within the local community.

- **Point of Light 17 – Rabbit Farm Prototype in Al Shawkeh Village:** The particular relevance of this developmental initiative, implemented by the Rural Woman Development Society (RWDS), resides in the fact that it provides a model for working with poor rural women, one of the most marginalized segments of Palestinian society. One of the RWDS's biggest accomplishments was to identify available skills within the community and evaluate the needs of these women in order to create appropriate projects. Women were involved in all of the project's stages, from implementation to marketing the final products. The pilot rabbit farm was built at the end of 2003 with very limited resources (approximately \$7,000). It now has 92 productive rabbits. The whole project is conducted under technical and medical supervision to safeguard project assets and to maximize production. (The capital investment is expected to be fully recouped within 2 years.)

- **Point of Light 18 – Union of Agricultural Relief Committees (Savings and Lending Program):** The Savings and Lending Program initiative allows small group of rural women to pool their savings, and then periodically offer micro loans to union members from the pooled capital for purposes related to the development and empowerment process within the community.. The Union of Agricultural Relief Committees now has 5065 members in 12 separate savings and credit associations. The micro loans are most often used to finance women's education and training needs, or to provide start-up capital for micro businesses within the community.

- **Point of Light 19 –Union of Women's Social Work Committees/ Women's Psycho-social Counseling Center (Job Creation Program):** This project provides training in the production of handcrafts to poor women, and then purchases the handcrafts produced for resale.

of dysfunction and a total lack of any social impetus for unity and cohesion. Notwithstanding the fact that data indicate an increase in violent crimes, these rates remain far less than what would be expected by psychologists and sociologists from any community forced to endure similar pressures. Palestinian society's deeply rooted civic tradition and its strong internal unity contribute to steadfast adherence to core values and a sustained focus on the one key social issue: ending the occupation and achieving Palestinian freedom and independence.

The Palestinian human experience is manifest in the capacity to maintain self-control, relationship management skills, family, professional and social cohesion, a set of basic civil services consistently provided by government institutions, local voluntary support of poor families, poverty alleviation programs, and support from relatives and friends abroad.

Empowerment programs designed to support marginalized groups contributed to an evolution in the social standings of women, youth, children and the handicapped.

● **Increasing factionalism** within Palestinian political environment, and decreasing support to secular and leftist democratic trends: The contemporary history of the Palestinian revolution, represented by organizations such as the PLO and its sub-factions, has been characterized by the fact that it adopted a revolutionary proactive stance with regard to the separation of religion and state, and prohibited the use of religion as a pretext for political and financial gain. Palestinian officials sincerely embraced the notions of religious tolerance and the need for peaceful coexistence of all religious identities within Palestinian society.

On the opposite side, especially during the past four years, the popularity of conservative religious trends increased sharply, particularly in Gaza, while the authority of secular democratic perspectives declined. Conservatism has grown not only within Palestinian society, but in all Arab nations and the

world in general. Thus, religious agendas moved to the forefront in political and social decision-making processes and in future development planning.

This trend towards overt religiousness is expected to pose new challenges to any political authority, both at the ballot box and in military, financial and institutional arenas, where the trend has already gained a significant foothold in recent years. The spread of religious conservatism is also expected to exert a negative impact on recent advances in the areas of democratic governance, individual and collective freedoms, women's rights and foreign affairs, particularly in relations with the developed nations of the West. The popularity of the Fatah movement, PLO's largest faction, continues to decline, and progress towards democratization in governance is haphazard. Fatah's authority and influence in legislative and local councils is on the wane as the demographics of these groups increasingly reflect the trend towards religious conservatism.

● **Empowerment programs** designed to support marginalized groups contributed to an evolution in the social standings of women, youth, children and the handicapped. These groups are now more readily able to assert themselves as result of numerous programs which provide training, raise collective awareness and build internal capacity. These achievements represent significant advances on the road to empowerment, but empowerment will never be fully realized without fundamental changes in society's economic, social and cultural structures, which ultimately determine the extent to which marginalized groups will benefit. Full empowerment demands the removal of obstacles to growth found within these structures and their external manifestations (in legislation, cultural

Empowerment will never be fully realized without fundamental changes in society's economic, social and cultural structures.

attitudes, religious belief and educational curricula) and the ultimate integration of these groups into the heart of development and decision-making processes.

Empowerment also requires active and effective participation in the decision-making process both inside and outside the scope of the family unit. At the same time, political and social commitment to equal opportunity is fundamental to the creation of an environment conducive to the active participation of marginalized groups in civic life. Empowerment necessitates

major changes in the cultural framework of Palestinian society, which sometimes contributes to the social isolation and political marginalization of specific groups while reinforcing the authority of other groups.

- The crisis generated by the Palestinians' plight and the resulting stress on society have led to the entrenchment of a number of problems which require attention and resolution. Violence is present in every aspect of Palestinians' lives in addition to the afflictions of unemployment and poverty, an underperforming and

Decreases will occur in Palestinian life expectancy rates, school enrollment rates, and literacy levels, due to the continued decline in the economic situation.

Box 2.1: Problematic Legal and Legislative Issues

Despite efforts exerted in the interest of improving the quality of existing Palestinian legislation, some difficulties still hamper its evolution, i.e. loopholes, contradictory texts, or problems with application and implementation. This legislative disorder is due to several factors: the absence of a Palestinian constitution; a heritage of separate and often conflicting legal traditions; a weak judiciary system; and a general disregard for a common rule of law within society. The following examples demonstrate the legal quandaries inherent in some Palestinian laws:

The Handicapped Law No. 4 of 1999: Article 10.4.C. of the law stipulates that “government and non-governmental institutions shall be compelled to employ the handicapped in at least 5 percent of their staff positions, each according to the nature of its work, and to modify the physical premises in order to make it accessible to them”. This provision is in line with another set forth in Article 24 of the Civil Service Law No. 4 of 1998, which stipulated that “A totally or partially blind individual, or a physically challenged person may be appointed if their disabilities do not prevent them from performing the duties of the position for which they have been appointed, by virtue of a medical certificate issued by the competent medical authority, provided that they meet other health requirements”. However, the actual hiring procedure of the civil service recruitment authority compels job candidates to undergo medical examinations with very strict criteria, thus impeding the implementation of the two progressive laws and preventing many physically-challenged people from taking up public service positions¹.

The Palestinian Penal Code: One of the problems with this law resides in its traditional nature, which is at odds with human rights standards for issues relating to women's and children's rights, family violence and sexual aggression. Some examples include failure to provide special protection for children and to impose strict punishments for crimes perpetrated against them. The same applies to elderly people, women and physically-challenged individuals. A clear example of failure to provide special protection for children may be found in the provision of Article 208, which sets the legal age for marriage at 15 years for women. Fifteen years is still defined as part of childhood by the Palestinian Children's Rights Charter; thus the established legal age for marriage for women is in direct contravention to the Children's Charter. Palestinian law also contains no provisions related to family violence and domestic aggression, making it impossible to prosecute such occurrences as crimes.

Family Law: Although there are few provisions regarding women in the civil status law, those that exist are distinctly discriminatory. This is the case in the law's definition of the “head of the family” as male and in provisions related to the declarations of marriages, divorces, births and deaths.

¹ Bahauddin Saadi, *Appointing Physically-challenged Individuals in Civil Service Positions*, Periodical, Palestinian Independent Commission for Citizens' Rights, Issue No. 16, September 2003, p. 16.

unresponsive government infrastructure, and a general sense of insecurity due to checkpoints and dangers associated with highway travel. In addition, the trends are increasing towards uncontrolled population growth, high school drop-out rates, especially among females, rising crime, decreased concern for the environment, increasing instances of defective products dumped in the Palestinian market, continued monopolies in the fuel and communications markets, illegal constructions, and a rapidly deteriorating quality of life in small towns and villages due to increased pollution, noise and overcrowding.

- The collective negative impact of these factors will certainly affect human development indicators related to education, health and other social services. However, the effects of these conditions cannot be quantified instantly, as they all have significant incubation periods. Eventually, decreases will occur in Palestinian life expectancy rates, school enrollment rates, and literacy levels, due to the continued decline in the economic situation and the limited resources made even scarcer by the confiscation of Palestinian land and sources of fresh water, and exploding population growth among the poor.

2-1-3 Economic Indicators:

The Palestinian economy is unique in that it is completely dependent on Israel and can be virtually shut down by Israeli policies of border closure and inter-city travel restrictions. At present, the Palestinian economy is so battered that it is kept afloat by the financial largesse of donor nations. Up until 1994, the devastation of the Palestinian economy has led to the rise of two contradictory and simultaneous phenomena, namely individual enrichment and collective

impoverishment. A condition of individual enrichment was created by a general improvement in Palestinian families' disposable income, thus leading to above-average living standards according to world indicators. Paradoxically, at another level, collective impoverishment increased, as the Palestinian economy lost the capacity for independent growth and self-sustenance and its ability to provide employment and the basic necessities of life to its population. The subjugation of the Palestinian economy to that of Israel works to the latter's benefit, as it solidifies its control over Palestinian natural resources and the labor force through the policies of occupation. The past four years, especially, have witnessed intensification of these adverse conditions, creating a new situation in which individual impoverishment and collective impoverishment are occurring simultaneously.

2-1-4 Human Indicators:

The military conflict and the continued occupation have resulted in the chronic suffering of victims living a never-ending tragedy. When discussing quantitative indicators that describe such victims, it is imperative to mention their broken dreams, their unaccomplished projects and their uncertain future. Therefore, in order to understand the true nature of the Palestinian condition, additional human indicators must be examined.

2-1-5 Palestinian Refugees²:

- **Population conditions:** Approximately 4 million Palestinians live as refugees in their country and abroad. Each and every one of them dreams of returning to his/her country, home and farm. In the West Bank and Gaza, the number of refugees has almost tripled, from 560,000 in 1950 to 1,562,192 refugees in 2003. Many of these refugees live in camps officially

Collective impoverishment increased as the Palestinian economy lost the capacity for independent growth and self-sustenance.

Refugees live in camps concentrated into an area that, if gathered together, would not exceed 20 square kilometers.

² The section regarding refugees is a quote from: Anwar Hamam, *Palestinian Camps in the West Bank and the Gaza Strip and UNRWA's Role in Empowering Refugees*, background paper prepared for Palestine's 2004 Human Development Report.

recognized by UNRWA. The refugee camp population in Palestine is distributed as follows: 176,514 refugees reside in 19 West Bank camps, and 478,854 refugees reside in eight camps within the Gaza Strip. The remaining 906,824 refugees live in towns, cities and unofficial camps scattered over the West Bank and Gaza Strip. The dramatic population increase is generating extreme pressure inside the camps, intensifying poor living conditions already characterized by inadequate housing and limited or nonexistent social services.

- More than 1.5 million refugees live in camps concentrated into an area that, if gathered together, would not exceed 20 square kilometers. In other words, each individual refugee has an average of 32.8 square meters of living space. In view of the fact that the camps' total square meters have not changed over time (the land on which they were built is rented by UNRWA), and that the number of refugees continues to grow, individual living space is therefore in constant decline. Hence, family homes within the camps are intensely overcrowded, and the situation is expected to grow worse. Families in which three members share one room represent 40 percent of the population in Gaza camps and 31 percent in West Bank camps. The average size of a refugee dwelling is 93.3 square meters for a family of 6.6 persons in the West Bank. The average refugee home size in Gaza is 107.9 square meters for a family of 7.8 persons.

- **Education conditions:** School registration rates in West Bank and Gaza camps are relatively high for primary school children. These rates begin to gradually drop as the students' ages increase. According to UNRWA 2002 statistics, the number of schoolchildren enrolled in primary schools was 177,458, while enrollment dropped to 71,862 children in secondary level classes. The general

average of female students rose to 50.6 percent, with 48.9 percent in Gaza and 59.1 percent in the West Bank.

- UNRWA schools in the West Bank and Gaza are overcrowded in comparison with schools in other areas. The average number of students per class in UNRWA schools is 43, with an average of 38.6 in the West Bank and 47.1 in the Gaza Strip.

- Furthermore, available data indicate that refugees living in camps are more educated than Palestinians residing in other areas. In fact, 11 percent of camp refugees reach post-secondary education, while this percentage only reaches 10 percent in cities and 9 percent in villages. The percentage of female refugees who complete their secondary education is 10 percent higher than among non-refugees. As for male refugees, the difference is only 5 percent higher. Forty-five percent of registered refugees have received at least ten years of schooling, compared to only 35 percent of those living in urban or rural areas finishing ten years of school.

- The UNRWA financial crisis is affecting the performance of UNRWA's teaching staff, with workers striking and demanding better living conditions. The conflict between UNRWA administration and workers also impacts the study performance of students.

- **Health conditions:** UNRWA provides health services to refugees through its health centers located in all Palestinian camps in the West Bank and Gaza. These centers offer programs that focus on the health of babies, women and pregnant mothers. They conduct vaccination campaigns and provide medical services for the treatment of general diseases, in addition to supplying medication. Such centers refer serious cases to UNRWA hospitals or other contract-bound institutions. UNRWA covers 70 percent of the treatment cost. Fifteen percent of

UNRWA schools in the West Bank and Gaza are overcrowded.

The financial crisis is affecting the performance of UNRWA's teaching staff.

UNRWA employees work in health-related fields. The agency allocates 18 percent of its budget to health.

Health conditions inside the camps are in a state of constant degradation. In general, the number of malnutrition cases rose during the Intifada and reached 22 percent among refugee children. Refugees' psychological health also suffered under deteriorated security conditions. The situation is most apparent among children, who are exhibiting increased behavioral aberrations. Many have become more prone to violent behavior and suffer from bedwetting and chronic anxiety. Eighty-five percent of refugee parents have reported negative behavioral changes in their children.

Prisoners' families suffer from greatly reduced living standards.

The number of children arrested since the beginning of the current Intifada exceeds 2500 children below the age of 18 years.

2-1-6 Palestinian Prisoners:

- The report issued by the Ministry of Prisoners' Affairs on September 15, 2004 stated that the number of Palestinian prisoners now totals 5874 prisoners, distributed as follows: 630 prisoners from Gaza (10.7% of the total number of prisoners), 4824 prisoners from the West Bank (82.1%), 328 prisoners from Jerusalem (5.6%), and 92 prisoners from regions within the 1948 borders (1.6%), in addition to the 1400 other prisoners who have not yet been registered in the Ministry's records. There are 15 prisoners who have spent more than 20 years in Israeli prisons and 409 prisoners incarcerated for more than 10 years.

- Among the total number of prisoners, there are 1893 detainees who have been tried and sentenced (32.2% of the total number), 920 common-law prisoners who have never been indicted (15.7% of the total number), and 3061 detainees awaiting trial or undergoing investigations (52.1% of the total number).

- Since the Al-Aqsa Intifada of September 2000, more than 300 female prisoners have been jailed, in addition to 3 female prisoners who already were in detention. One hundred nine female prisoners are still being detained, representing 1.8 percent of the total number of documented prisoners. The following figures describe the situations of the women currently held: 22 married prisoners, 18 mothers, and two live births in prison. Forty-one female prisoners have been tried and sentenced, 63 are detainees, and five are common-law prisoners. The total number of prisoners' children amounts to 75.

- Data indicate that there are more than 150 detainees who have been in jail since before the Al-Aqsa Intifada who suffer very poor health. Some suffer from heart conditions, others from cartilage infections, while others suffer from acute arthritis and severely impaired eyesight. There are around 900 prisoners who are afflicted with chronic diseases. Some were arrested after being shot and did not receive appropriate medical care. Two detainees are hemiplegics.

- The report states that 99 percent of detainees have been subjected to torture, with 73 percent having been placed in freezers, 85 percent having been intimidated, 90 percent were forced to stand for hours on end, and 95 percent suffered from sleep deprivation, in addition to other internationally prohibited means of torture which are still commonly used against Palestinian prisoners.

- One hundred seventy-one prisoners have died in prison, 69 of those due to torture (40.3%), 34 from medical negligence (19.9%) and 68 homicides, prisoners who were deliberately killed during detention (39.8%)³.

Prisoners' families suffer from greatly reduced living standards, as the majority of detainees are young people who were

³ Ministry of Prisoners' Affairs, Press Report on Palestinian Prisoners in Israeli Prisons, Ramallah 15/09/2004. Also cf. Palestinian Prisoner's Club, *The Chains Will One Day Be Broken*, Periodical Annex, Issue No. 3, 21/02/2004.

the primary breadwinners for their families. Beyond the economic dimension, there are many human aspects of detention that worsen the suffering of prisoners' families, such as the prolonged absence of a family member in a society where family ties are very strong; the psychological impact on

the family of detention circumstances on such prisoners – hunger strikes, torture, etc.; the difficulty and sometimes impossibility of obtaining the right to visit your loved one in prison. Female members of prisoners' families usually bear the heaviest burden imposed by the loss of the family's main financial provider.

Box 2.2: Palestinian Children: Victims of Detention and Exploitation in the Conflict

All international conventions regarding human and children's rights emphasize the necessity of protecting children's lives and well-being. They also establish guidelines for children's affairs and for the protection of their freedoms. Nevertheless, these conventions are not observed by the Israeli occupation forces. The number of children arrested since the beginning of the current Intifada exceeds 2500 children below the age of 18, of whom 391 are still under detention. More than 100 of them are below 16 years of age⁴.

Children who are detained in Israeli prisons⁵ are being deprived of their basic rights, including arbitrary arrest, failure to advise them of the reason for their detention, depriving them of the right to contest the charges filed against them, in addition to enduring physical and psychological torture, especially during interrogations and in order to pressure them into working for Israeli security forces.

A former child prisoner stated: "The soldier asked me: "Why were you throwing stones?" then he tried to scare me by yelling to his comrades: "Where are the sticks? Do you have a power outlet here? Are the dogs here yet?"... Then, immediately after that, he threw himself at me and I could feel his fists and heavy ranger boots kicking me all over my body"⁶.

Beyond that, the matter of recruiting children to work with Israeli security forces through pressure and intimidation is generating numerous legal complaints relating to children's rights in the Palestinian territories. Israeli authorities ignore international conventions which protect civilians and prohibit forcing them to collaborate with an occupying power. As for Palestinian resistance groups, they abide by their declared positions not to recruit children, considering that the current struggle against the occupation is a popular uprising and not an armed conflict between two armies. Hence, one cannot say that children have been forced to participate and hence, they may not be described as boy soldiers. In all cases, the issue of children remains problematic in this field.

SECTION TWO – DEMOGRAPHIC INDICATORS⁷

The demographic issue is a top developmental and political priority, with an emphasis on fertility rates. Traditionally, fertility rates are integrally linked to culture. Researchers consider the high fertility rates in the Palestinian territories a result of social customs and tradition, both of which encourage large families and prefer early marriage for girls. Nevertheless, the bulk of development

literature supports the theory that political stability, economic growth, expanded job opportunities and lower rates of poverty would simultaneously elevate the status of women in Palestinian society and slow the burgeoning rate of population growth. Moreover, a controlled population growth rate may be achieved through: a clearly established demographic policy in addition to political commitment on all

The demographic issue is a top developmental and political priority with an emphasis on fertility rates.

⁴ Ministry of Prisoners' Affairs (Child and Youth Department), *Report on Child Prisoners in Israeli Jails*, October 2004.

⁵ For more details, please refer to reports issued by the Ministry of Prisoners' Affairs and by the World Movement for the Defense of Children, (2000 – 2004).

⁶ Save the Child Institution, Sweden, *One Day in Jail Seems Like a Whole Year: Palestinian Children Tell Their Stories*, 2004, p. 26.

⁷ For more information regarding demographic indicators, please refer to the publications of the Palestinian Central Bureau of Statistics, such as *Statistical Monitoring of Social and Economic Conditions within the Palestinian Society*, (First Quarter 2004), p. 17-19.

Political stability, economic growth, expanded job opportunities will elevate the status of women.

institutional levels; a wider understanding of the consequences of the current population growth; and institutionalized family planning in order to help Palestinian society realize its ambitions for development and guarantee an acceptable quality of life for future generations.

- **Population size and distribution:** The number of Palestinians living in the West Bank and Gaza, as of first quarter 2004, is estimated at 3,767,000 persons, of whom 1,909,000 are male and 1,858,000 are female — a gender ratio of 102.7 males for every 100 females. The geographic distribution of Palestinians is as follows: 2,385,000 persons in the West Bank and 1,382,000 in the Gaza Strip. Roughly 56.4 percent of the total population resides in urban areas, 28.5 percent in rural areas and 15.1 percent in camps.

- **Population density:** Population density in the Palestinian territories is considered to be high, especially in the Gaza Strip, which is ranked as one of the world's most densely populated areas. In general, Palestinian population density in 2004 was estimated at 636 persons per square meter, with 428 persons per square meter in the West Bank and a staggering 3853 persons per square meter in Gaza. These wide statistical variations in demographics are due to the fact that Israel controls the major part of Palestinian lands, and persists in its land confiscation policy, building and expanding settlements, building ring roads, and most recently confiscating and isolating lands in order to build the Separation Wall.

- **Low average age of the Palestinian population:** The population pyramid shows that Palestinian society is a young society, considering the width of the pyramid's base. Young people (below 15 years) constitute a high proportion of the

population in comparison to other age groups. Data has shown that Palestinians in the Gaza Strip are younger on average than those living in the West Bank. The percentage of children below 5 years was evaluated in mid-2003 at 17.8 percent (17% in the West Bank and 19.2% in Gaza). The percentage of individuals aged between 0 and 14 years was estimated, in the same year, at 46.1 percent of the total population living in the Palestinian territories (44.3% in the West Bank and 49.2% in Gaza). The same statistics indicate a drop in the percentage of individuals over the age of 65, who represent 3.2 percent of the Palestinian territories' population (3.3% in the West Bank and 2.7% in Gaza).

- **Fertility:** Fertility rates in Palestinian territories are among the highest in the world, if compared to other similar countries, especially Arab countries. In 1999, the Palestinian fertility rate was 5.9 children per family, compared to 4.4 children per family in Jordan and 3.3 children per family in Egypt.

- **Emigration:** Statistical data indicate an increase in the internal migration rates in the years that followed the creation of the PNA. Internal migration during the first three years that followed the establishment of the PNA (1994-1997) rose to 29.1 percent as compared to an average annual rate of 17.2 percent between 1990 and 1993. In 1997, the rate of Palestinian individuals owning a permanent dwelling outside the Palestinian territories reached 10.5 percent of the total population, divided between the West Bank and Gaza at a rate of 65.3 percent and 34.7 percent, respectively. Results show that nearly half of those who came back from abroad came back after the creation of the PNA, and that 53.6 percent of them were males, while 46.6 percent were females⁸.

⁸ Palestinian Central Bureau of Statistics, *Statistical Monitoring of Social and Economic Conditions within the Palestinian Society, (First Quarter 2004)*, p. 19.

The reason behind the increase in the number of males returning is due to the fact that many male individuals came back without their families, in addition to the return of many single male Palestinians working or studying abroad. There are other indicators that

show a decrease in the number of people coming back due to the harsh living conditions endured by Palestinian citizens. Some data indicate that the rate of returnees has dropped from 10 percent to 6 percent ⁹.

Box 2.3: Palestinian Emigration Abroad

The results of the opinion poll conducted by the DSP (Survey 19, 28/09/2004), show that 5 percent of the survey sample declared that one of their family members had permanently emigrated from the Palestinian territories during the Intifada. Eleven percent declared that one of their family members had left the Palestinian territories for study or temporary work purposes during the same period.

- The percentage of surveyed individuals expressing a desire to emigrate has reached 18 percent (according to gender: 24% males and 12% females).
- Furthermore, results have shown that 25 percent of youth (18-27 yrs.) wish to permanently emigrate (27% males and 16% females), in addition to the fact that 37 percent wish to leave the Palestinian territories on a temporary basis, for work and/or study purposes.
- Results also show that readiness for permanent or temporary emigration is higher in Gaza than in the West Bank, with 21 percent of the Gaza survey sample expressing the wish for permanent emigration, compared to 16 percent in the West Bank. Furthermore, 43 percent of the Gaza sample wish to temporarily emigrate compared to 34 percent in the West Bank.

SECTION THREE: EDUCATION INDICATORS

2-3-1 Impact of Israeli Measures on the Education Sector in the Palestinian Territories

As was the case with all other sectors, the Palestinian education sector has suffered from Israeli aggression, with countless educational facilities closed or deliberately destroyed. From the beginning of the Intifada through May 2004, 1289 schools were closed and 282 schools destroyed. Education sector losses reached \$5.2 million in primary and secondary schools and 4.85 million at the university level. There were 723 students killed during the

Intifada, including 493 school students, 196 university students and 27 teachers, along with many thousands injured or taken prisoner.¹⁰

Despite these measures, and ever since Israel occupied the Palestinian territories in 1968, maintenance of high educational standards has constituted a major element of the Palestinian strategy to surmount the challenges of Israeli military occupation. Investment in

⁹ Palestinian Central Bureau of Statistics, *Statistical Monitoring of Social and Economic Conditions within the Palestinian Society, (First Quarter 2004)*, p. 19.

¹⁰ Ministry of Education and Higher Education, *A Report on the Impact of the Occupation on Palestinian Education*, Ministry of Education web site: www.mohe.gov.ps.

the education sector remains a fundamental empowerment tool and provides a basis for sustainable development objectives in the Palestinian territories.

Within this vision, education has two aspects: material and moral. The first aspect is based on the fact that education improves Palestinians' living conditions by opening doors to employment and reduces the economic consequences of their physical

displacement. From the moral perspective, large numbers of well-educated individuals within Palestinian society provide some immunity against attempts to dissolve the Palestinian national identity and shred the Palestinian socio-cultural fabric. The Palestinian Human Development Report of 2002 asserted that education, learning and curricula were major pillars of emancipatory human development. It is certain that specialized institutions have taken major steps to safeguard the

Completing the construction of the Separation Wall will have a negative impact on an estimated 170,000 students.

Box 2.4: The Separation Wall and the Educational Process

Completing the construction of the Separation Wall will have a negative impact on an estimated 170,000 students in 320 schools, who will be on the outer side of the wall, while more than half of them will attend schools located on the inner side of the wall. For example, there are 150 teachers and 650 students in the District of Tulkarem alone who have difficulty reaching their schools. It is expected that these numbers will increase dramatically once the wall is completed. The number still does not include those schools which have been damaged or will be demolished. Education costs for families will increase as students are forced to travel long, circuitous routes from their villages to their schools which will be located, once construction is completed, on the opposite side of the Separation Wall. Thus, a bad educational and economic situation will be made even worse.

Confiscation of land owned by the Al-Quds University in order to build the Separation Wall represents a clear example of Israeli aggression against Palestinian educational institutions. The decision was disapproved of even by the Israelis themselves. Students of Hebrew University issued a statement objecting to their government's actions, and 30 professors, teachers and lecturers from Hebrew University took part in a sit-in organized at Al-Quds University.

Maintenance of high educational standards has constituted a major element of the Palestinian strategy to surmount the challenges of Israeli military occupation.

educational process and improve its performance.

Nevertheless, many issues are being raised with regard to the quality and type of education offered to students such as: To what extent has the Palestinian educational environment adopted the requisites of emancipatory human development? Does Palestinian education create a true sense of citizenship in the hearts of students? Does it produce good citizens possessed of the values of creativity,

innovation, human rights, women's rights, non-violence, scientific thinking, open-mindedness, tolerance, and the respect of personal opinions?

Education is a pivotal pillar of empowerment and for decades has served as major factor in ensuring Palestinian society's capacity to face and overcome crises, both individually and collectively. Palestine's overall schooling rates were the highest in the Middle East and North Africa. Despite the fact that Palestine occupies a

somewhat lower economic position among medium-income states, its educational performance is nevertheless advanced among countries of the same category.

However, the quantitative indicators showing high educational performance do not paint a complete picture of Palestinian educational reality, unless quality of education indicators is taken into account. Such qualitative indicators include curricula excellence indicators, the relationship between educational institutions and society, the quality of vocational and professional training received by teachers, the quality of educational methods and capacities, and levels of creativity and rational thought achieved by the education process.

Some consider that the Palestinian educational system, in spite of its successful expansion to accommodate upward population trends, has not yet fully achieved its most basic task: i.e. preparing upcoming generations to meet the demands of the future. They believe the Palestinian educational system must adapt in order to expand each student's ability to learn over a lifetime to make the development of the student the central focus of the education process, rather than rote learning.¹¹

At the same time, others believe that educational institutions are seeking innovation, development and capacity-building among those who have made education their career, in addition

Education, learning and curricula are major pillars of emancipatory human development.

Quantitative indicators showing high educational performance do not paint a complete picture of Palestinian educational reality, unless quality of education indicators is taken into account.

Point of Light 20: Continuation of the Educational Process despite the Challenges

The Ministry of Education and Higher Education, along with other institutions responsible for the maintenance of primary, secondary and university level schooling, has demonstrated tremendous resilience in facing down the common practices of occupation. They created emergency plans to ensure the continuity of the educational process. Alternate schooling sites were set up in homes, mosques, and other community centers. Secondary school certificate examinations were held on time and universities and other educational facilities found ways to continue all activities.

These strategies proved to be very efficient in countering Israeli military aggression on Palestinian towns and urban centers, as well as the forced closure procedures and curfews. The Ministry and UNRWA have begun work on programs to remedy violence in schools. They are also working hard to integrate the concepts of human rights and gender equality into their curricula.

to organizing the institutional framework of education in order to meet tomorrow's challenges.

2-3-2 Public Schooling Kindergartens

The kindergarten¹² sector's educational importance resides in the fact that it deals with children at a flexible and sensitive age, one at which children are

particularly open to psychological, physical and mental development. However, in Palestine, this sector does not meet international norms and standards. Kindergartens lack curricular and educational programs designed to enhance children's capabilities, creativity, and skills. Their programs are restricted to the processes of teaching children how to read and write. They do not know how to employ games as

¹¹ For more information about this subject, please refer to Ramzi Rihan, *Palestine and the Knowledge Society*, in *Knowledge Society and Development Capabilities*, previous reference, p.99-106.

¹² The official age for kindergarten enrollment is from 3 years and 8 months to 5 years and 8 months. As for children less than 4 years old, they attend kindergartens under the supervision of the Ministry of Social Affairs, and which only attract 1% of children.

The number of pupils registered for kindergarten has decreased.

learning tools (a standard practice throughout the world for this age group), and lack professionally trained preschool and kindergarten level educators specifically qualified to teach children of this age. At this age, Palestinian children

are rarely recognized as independent persons ready for learning -a prejudice which negatively impacts educational and social development. Kindergartens are often considered as nothing more than day-care centers.

Table 2-1: Statistical Indicators Regarding Kindergartens¹³

Indicators	Number/percentage
Number of kindergartens	847
Number of classes	2761
Number of educators	2668
Number of male kindergarten pupils	36,578
Number of female kindergarten pupils	33,578
Total number of pupils	70,170
Total enrollment rate for both genders	29%

Box 2.5: Kindergartens – Forming the Future

If, as stated in the previous chapter, empowerment requires investment in human beings in order to realize their full potential and creative powers, then this definition takes on a deeper meaning when it comes to children. Many educational and child-rearing institutions attempt, through their own unique systems and curricula, to help children acquire skills, values, and knowledge adapted to their readiness, capacities and needs. Not all methods are successful. The degree to which children acquire adequate skills, values and knowledge determines their future and their capacity to work as active members of their society.

However, kindergarten conditions in Palestine – in general – are showing signs of declining competencies in skills required to adequately supervise children during this delicate stage. In this regard, the following issues should be noted:

- Kindergartens are being established without any planning for the needs of the children and the needs of the various locales where they are established. Many of them are simply profit-making ventures. Most kindergartens lack professionally trained staff with a background in lower primary education.
- Most kindergartens focus, in their curricula, on preparing children for primary school in the areas of reading, writing, and basic math, while ignoring the importance of encouraging and developing children’s social skills, respect for authority figures and the need for regular supervised exercise periods designed to release excess energy in a healthful and positive manner.
- Some kindergartens are affiliated with political or religious groups, which means that children are indoctrinated with ideological values at the expense of developing their general mental capacities. Furthermore, kindergartens that are related to religious groups tend to infuse into children a set of traditional religious values that express the group’s religious views and beliefs.¹⁴
- Qualitative supervision and control over kindergartens does not exist. The role of the Ministry of Education and Higher Education is restricted to mere technical supervision, and this authority is delegated over a vast array of departments within the institution.

¹³ Ministry of Education and Higher Education – National Education for All Agency, *Education for All: Reality and Challenges – The Summarized Report, Part One, 2004*, p. 9.

¹⁴ Refer to the enquiry published in *Al Baydar Journalistic Annex*, issued by the Development Studies Programme, in regard to this subject: *Al Baydar*, Issue No. 44, 18 March 2004, p. 4.

The public sector plays almost no role in education during the preschool and kindergarten years. It is an enterprise left entirely to the private sector, as well as to charitable and women's organizations, and UNRWA. The Ministry of Education mounted a modest effort to organize kindergarten education by setting certain hygiene standards that must be met in order for a kindergarten license to be issued. However, the issue is still under debate. The following table provides some information regarding Palestinian kindergartens.

Other data received from the Palestinian Central Statistics Bureau indicate that 70,255 pupils registered for the 2003-2004 school year, i.e. 7,177 pupils less than four years ago. This drop may be due to many reasons, possibly due to declining levels of public safety or the perception thereof due to the current circumstances (61% according to Survey No. 16, Development Studies Programme, June 2004). Furthermore, the citizens' economic situation, especially with increasing unemployment rates, may prevent families from meeting all of their children's needs, including kindergarten.

Schooling

The number of students enrolled in West Bank and Gaza schools for the 2003-2004 school year totaled 1,017,443 students of both genders, and 37,226 teachers. It is clear, according to these statistical data, that the education sector is the largest in Palestine, whether in regard to the number of beneficiaries – students – or the labor force. Teachers constitute the largest employment sector in Palestine. Despite the tremendous expansion of this sector, it still enjoys the highest level of public confidence of all Palestinian sectors and institutions — 82.4 percent of Palestinians

are confident in their school system.¹⁵ The education sector – especially public education – has undergone dramatic development since the establishment of the PNA in 1994, especially in the areas of employment, school construction, and improvement of school education quality.

Supervising Education

Available statistics indicate that the PNA supervises 69.4 percent of all schools. These schools provide education to 69 percent of all Palestinian students. UNRWA supervises 24.7 percent of schools, thus providing education to 25 percent of the total number of students in the Palestinian territories. As for the private sector, it supervises 5.9 percent of schools with 6 percent of the total number of students.

Palestinian schools are divided, according to gender, into three categories: boys' schools, which represent 34 percent of the total number of schools; girls' schools, which also represent 34 percent of the total number; and coeducational schools, which represent 32 percent of schools. The percentage of students in coeducational schools is far less than the percentage of these schools in the total number of schools. As a matter of fact, available data show that the number of classes in these schools does not exceed 20 percent of the total number of classes. Coeducational schools are, for the most part, restricted to basic elementary levels (first to fourth grade), and are scattered throughout small towns or urban areas. A number of private schools also adopt the coeducation system. Separating genders in school reflects the conservative traditional educational vision, thus preventing the development of normal relationships between students of both genders in Palestinian schools.

The education sector -especially public education- has undergone dramatic developments since the establishment of the PNA.

¹⁵ Birzeit University – Development Studies Programme: Opinion Poll No. 17, 4-6 June 2004.

Box 2.6: The Five-Year Plan for Educational Reform (2001-2005)

The Ministry of Education and Higher Education crafted a new strategy aimed to keep up with the evolution of teaching methods and meet the challenges of a modern educational system. This strategy's main goals include: providing enrollment opportunities to all school-aged individuals, to improve the quality of education; to develop official and alternative education; to develop organizational capacities; and to develop human resources within the educational system.

The basic principles of educational development include: education is a human right; education is the basis for citizenship; education is a social and economic development tool; education sustains democratic governance; education is a continuing innovative and mutual process. It is certain that if these concepts are efficiently integrated within the educational process and the curricula they would play an essential role in empowering Palestinian individuals and society.

From the educational point of view, the curricula are criticized for not doing enough to encourage creativity and scientific thinking,

Drop-Out Rates

The act of "dropping out" or permanently leaving the school system in Palestine occurs for economic, social and educational reasons, as well as for other

reasons related to political and security conditions. The main economic reasons are poverty and lack of job opportunity. Social reasons include family problems, custom and tradition, which mostly affect girls (in the 2001/2002 school year,

Box 2.7: Palestinian Children on the Labor Market¹⁶

Harsh economic and social conditions and the absence of legislation that protects children from exploitation have pushed Palestinian children into the job market to seek employment to support themselves and their families. The following conclusions discuss some of the results obtained following a study undertaken by the DSP, in collaboration with UNICEF:

Factors that push children to work: Participation in providing for the family's livelihood and basic needs; the sense that schooling is futile and the desire to learn a trade; provision of the working child's personal needs, especially in poor families.

Nature and place of work: Boys perform many types of work not suitable for their age group, such as agricultural work, construction work, car repair, stonecutting, etc, while girls usually undertake tasks traditionally related to women such as sewing and house cleaning. These children are often compelled to work in places far away from their homes — a large percentage of them work inside Israel.

Risk sources for children: Working children are often exposed to numerous risks, namely the risk of being killed, shot or arrested by occupation forces; exposure to sharp objects, toxic gases and heavy machinery; sexual harassment or beating.

Work impacts on children's health and sanity: Working children are exposed to severe physical stress causing chronic pain in various parts of their bodies and shortness of breath. Many children also feel afraid, insecure, anxious, frustrated, as well as many other emotions that affect their physical and mental health.

Relationship to school: The results of the study have shown that 70 percent of working children are school dropouts who claim that the harsh treatment they received from their teachers and peers was behind their decision to quit school. Others state that it was their academic incompetence that pushed them to drop out of school and seek other life opportunities. The need to help support the family is causing more and more children to quit school and join the job market.

¹⁶ Birzeit University – Development Studies Programme and UNICEF, *Palestinian Children on the Job Market (Participatory Qualitative Study)*, Ramallah, 2004.

Point of Light 21: Universal Education: “Education That Excludes No One”

The Ministry of Education and Higher Education has adopted the Universal Education concept, in collaboration with UNESCO, and with the support of the Diaconia Institute in Sweden. This program promotes the principle of equal rights to all student categories to integrate individuals with special needs into mainstream schools.

The Universal Education concept includes a series of procedures to train teachers to work with special needs students, providing them with adequate learning tools, and to adapt curricula to serve the needs of the largest number of student categories. This program has succeeded in integrating 259 schools by the end of 2003, providing mainstream education for 67 totally sight-impaired students, 1128 partially sight-impaired students, 67 totally or partially hearing-impaired students, and 563 physically disabled students.

early marriage was the reason behind 64 percent of drop-out cases involving female students). Educational and cultural reasons include falling behind in studies, in addition to poor education quality or hostile or improper behavior on the part of a teacher. Finally, political and security-related reasons include occupation measures such as arrests, restrictions on travel and reduced access to schools.

Despite all of the above reasons, data indicate a steady decline in the drop-out rate, which reached around 7 percent in elementary grades for both

genders in the 2002-2003 school year. In secondary grades, drop-out rates average 3.7 percent (4.8% for female students and 2.6% for males).

Illiteracy in Palestinian Society

According to 2003 data, the illiteracy rate among individuals aged 15 and older is 3.7 percent for males and 12.6 percent for females. These data indicate a decrease from the rates recorded in 1997, when they amounted to 7.8 percent for men and 21.3 percent for women, thus reflecting a clear progression in the push for eradicating

Data indicate a steady decline in the drop-out rate.

Seventy percent of working children are school drop-outs.

Point of Light 22: Adult Education Program (Ya..noon)

Palestinian community and official institutions have endeavored, over the last years, to reduce the rate of illiteracy in Palestinian society, considering education one of the most important access routes to development and empowerment. There are many illiteracy eradication programs sponsored by various institutions. These programs often use the media because of its vital role in the developmental process, and in view of its capacity to create social trends. Programs presented by the media largely contribute to developmental and social issues, by spreading progressive developmental and cultural concepts and sponsoring public debates on subjects such as education, health, and unemployment.

Within that framework, Birzeit University's Development Studies Programme produced the “Yanun” TV series for learning and civic culture, which is intended for adults and young people of both genders. This 17-part series deals with the issues of early marriage, pregnancy, children, gender, education, refugees, emigration, and the environment. This series allows men and women to learn at their own pace through television, using educational material based on active learning methods and personal initiative. Yanun also provides institutions involved in civic education with materials that deal with various social issues and which may be used with all social classes. The Yanun series was produced by a Palestinian production firm called “Smart Frame”.

A new vision for preparing Palestinian curricula was born, one which would reflect a uniquely Palestinian context and perspective,

Palestinian universities play a major role in the academic preparation of tens of thousands of Palestinian students.

illiteracy over the last six years. In addition, it should be noted that illiteracy rates among women are 3.4 times higher than among men. By comparing results from the West Bank with those collected in Gaza, illiteracy rates among men in Gaza are 7 percent higher than in the West Bank, while illiteracy among woman in the Gaza Strip is 1 percent less than in the West Bank. Illiteracy rates according to residence clearly indicate the quality of educational and cultural services provided within various demographic areas, with cities recording the lowest rates, followed by camps, then villages. This clearly shows that camp residents (refugees) give great importance to education when compared to village residents. Furthermore, it is generally noted that the percentage of individuals who read and write is on an upward trend, despite the persistence of the gap between men and women in this regard.

Palestinian Curricula

School curricula, and especially the textbook, are the main tools for

teaching and conveying educational messages to students. With the creation of the Ministry of Education and Higher Education, a new vision for preparing Palestinian curricula was born, one which would reflect a uniquely Palestinian context and perspective, and stay abreast of all scientific and technical advancements. The Center for Developing Palestinian Curricula was established in 1995. The curricula plan was completed in 1998 and the new curricula launched in the 2000-2001 school year. These curricula have been put in place for eight grade levels. The plan is expected to be completed with implementation of the new curriculum for secondary school students (9th through 12th grade) in the 2005-2006 school year. The main educational developments taken into consideration within the Palestinian curriculum are:

1. Teaching English as of the first elementary grade.
2. Teaching Technology as of the fifth elementary grade.

Box 2.8: A Gender Analysis of the Palestinian Curriculum – Starting Again

The 2002 Human Development Report included an express criticism of the weak gender dimension in Palestinian curricula. The committee in charge of the curricula sent a memo to the work team explaining how keen committee leaders were to incorporate gender sensitive references into the new curricula. Despite improved gender sensitivity in some Palestinian curricula books, quantitative and qualitative analyses undertaken on a sample of textbooks, regarding masculine, feminine and neutral expressions appearing in content situations, roles or images, produced the following conclusions:

- Masculine idioms are much more commonly used than feminine idioms in the sampled books. The masculine form is usually chosen to illustrate situations and exercises, with men's names and pictures of men surpassing female references. Most stories' protagonists are male, and they are usually depicted as the strong, intelligent characters, i.e. hero, scientist, sportsman, writer, inventor... while women are presented in secondary roles, and often portrayed in situations that take place inside the home. Occasional instances can be found in which women are engaged in non-traditional work or activities.
- Stereotypical gender roles are confirmed through the frequent depiction of women in the home, performing housework and other traditional roles. References to female pioneers or women in non-traditional situations are too infrequent. Women are also typically portrayed as sentimental and non-analytical, while men are rational and methodical.
- Inconsistent or incorrect usage of gender-specific language. Frequently, textbooks do not correctly employ the proper forms of the root word, and colloquial expressions are frequently masculine in nature.

3. Introducing subjects such as health, environment and civic education as independent topics.

4. Preparing for the introduction of computer technology, contemporary issues, economics and management into 11th and 12th grade curricula.

Nevertheless, despite the many positive changes in the Palestinian curricula and the complete evolution in some areas, its content is still subject

to criticism. From the educational point of view, the curricula are criticized for not doing enough to encourage creativity and scientific thinking, and they are also criticized for not sufficiently reflecting gender sensitivity. Moreover, they are criticized for failing to meet the objective of realizing students' full potential and encouraging creativity, especially because the introduction of the new curricula did not coincide with a strategy for training

A more proactive role in the dissemination of progressive thought and cultural openness is one of the major challenges facing higher education.

Points of Light 23 to 26: The Community-Based Development Role for Palestinian Universities

● **Point of Light 23 – Community Service Center (SSC) – Al Najah National University:** This initiative highlights and underscores the important socio-developmental role that can be played by Palestinian universities. The SSC's objective is to empower individuals to solve their own social problems, and to strengthen the perceived value of volunteer work. The SSC offers an integrated program of three types of social services; guidance and referral, local social work, and volunteering. The SSC raised the profile of the university in the local community; promoted the concept of volunteerism by attracting large numbers of volunteers from the student body and the local area from all age groups and social classes; built capacity within other social organizations; and collaborated on numerous humanitarian programs that serve children, the elderly, the poor, victims of the Intifada, and patients afflicted with thalassemia.

● **Point of Light 24 – Community Action Center – Al-Quds University:** The center launched the Community Action Center as part of the Palestinian Curriculum for Physical Education with the slogan "For you, my country". This initiative is based on the view that children and youth form the foundations of the future, and that communities must promote extracurricular activities that reinforce a sense of belonging within a collective Palestinian culture. The center implemented these activities during academic year 2003-2004, in ten schools spread throughout East Jerusalem and its suburbs, with the help of 45 student volunteers. Community Action Center activities included approximately 700 students, of both genders, aged between 11 and 14 years.

● **Point of Light 25 – Islamic University (Project of the Center for Assistive Technology to the Blind):** The Assistive Technology Center was established in late 2000. Its objectives are to assist the blind in the use of advanced technology by training them to use computers and to produce materials and curricula specifically designed for blind students. Currently 61 blind students of both genders attend Islamic University.

● **Point of Light 26 – Women's Community College (Specialization in Jewelry Making):** The project idea is to provide free professional training to refugee women, from poor marginalized social classes, in the art of goldsmithing using the latest modern techniques in order to prepare them to enter the job market.

teachers in the new methods and provide necessary teaching materials. In addition to the foregoing, regarding books as the sole source of knowledge creates stagnation and can actually counteract efforts to keep up with the evolution of educational advances.

2-3-3 Higher Education

Palestinian universities play a major role in the academic preparation of tens of thousands of Palestinian students for civic and professional life. Although the significance of this role is clearly recognized, education at the university level in Palestine now faces a number of challenges.

Palestinian universities must use their influence in the areas of economic, cultural and scientific research to facilitate and speed the processes of empowerment and development. Universities and their academic teams

must become a major catalyst for the creation of a qualified professional workforce, both adaptive and innovative, which will propel the national economy forward and stabilize Palestinian institutional infrastructure.

Palestinian education at the university level must keep up with scientific and technological trends throughout the world. Universities must become financially self-sustaining, and must maintain close ties to the Palestinian private sector to ensure that programs of study reflect the needs of society. They must assume a more proactive role in the dissemination of progressive thought and cultural openness, while promoting respect for Palestinian traditional values and the national character. If universities succeed in meeting these challenges, social advancement and qualitative gains in empowerment will be assured.

Box 2-9: Statistical Indicators for Higher Education in Palestine¹⁷

- The number of students enrolled in university colleges and facilities in the Palestinian territories totals 123,600 students of both genders, representing 4 percent of the population. The students are distributed among 11 universities, 5 colleges and 25 community colleges.
- There are 9,000 employees working in higher education institutions, 45 percent of whom are academics.
- Higher education institutions provide 288 educational fields of study and award diplomas, bachelor's degrees, Master's degrees and PhDs.
- The higher education operational budget for academic year 2003-2004 totaled \$85 million.
- Roughly \$42 million in financial aid is provided to 150,000 students annually.
- The Ministry of Education established the National Board for Certification and Quality, which launched its operations in mid-2002.
- Higher education enrollment rates in the Palestinian territories rose at the rate of 6.4 percent for male students and 11.6 percent for female students between academic years 1997-1998 and 2002-2003. The statistically larger increase in women's enrollment rates may reflect an increased social awareness of the value of education for women. In addition, difficult economic conditions have forced many male high school graduates directly into the workforce out of financial necessity within families.

¹⁷ For more information, please visit the website of the Ministry of Education and Higher Education: www.moe.gov.ps and the website of the Palestine National Information Center: www.pnic.gov.ps

SECTION FOUR: HEALTH STATUS INDICATORS¹⁸

Israeli violence against Palestinian civilians is one of the primary causes of deteriorating health conditions in the Palestinian territories. During the current Intifada, occupation forces deliberately targeted the Palestinian service infrastructure, including the vital sectors of health and education.

According to Palestinian Ministry of Health estimates, the number of Palestinian injuries incurred as result of Israeli aggression during the period from 29 September 2000 to 31 December 2003 totaled 28,272, in addition to 2,726 killed, 707 of which were children. Israeli checkpoints hamper the work of medical services organizations by preventing paramedics from accessing injured persons and by refusing to allow ambulances to transport them to the hospital. At least 103 Palestinians died at checkpoints due to deliberate Israeli delays, in addition to 31 instances of miscarriage and 55 live births.

Twenty-nine Palestinian medics were killed by Israeli fire, while 424 others sustained injury while attempting to assist the wounded. Recorded data

also show that 335 cases of aggression against ambulances occurred, in which 37 vehicles were totally destroyed. Other data show 945 cases of ambulances being prevented from reaching hospitals with patients on board, in addition to 285 instances of the deliberate destruction of health facilities in Palestine. Data also indicate that 40 percent of Palestinian families have experienced difficulty obtaining medical services for their children (44.6% in the West Bank and 32.1% in Gaza).

2-4-1 Health Conditions Infant Mortality

Infant mortality rates recorded in the Palestinian territories for the past ten years show significant improvement. Prior to the establishment of the PNA, the infant mortality rate stood at 27.3 deaths per 1000 deliveries. That rate dropped to 25.5 deaths per 1000 deliveries in the five years following the establishment of the PNA. (In Gaza, however, the rate actually rose to 27.3 deaths per 1000 deliveries, without significant variations by

Israeli violence against Palestinian civilians is one of the primary causes of deteriorating health conditions in the Palestinian territories.

Data also indicate that 40 percent of Palestinian families have experienced difficulty obtaining medical services for their children.

Point of Light 27: Achievements of the Ministry of Health

Despite the existence of internal and external restrictions placed on the Ministry of Health, it still achieved a number of qualitative and quantitative gains in the quality its services and performance. The Ministry – as well as all other health sector institutions – successfully dealt with the large number of Palestinian deaths due to Israeli aggression, as well as with the partitioning and closure of its key service areas. The Ministry maintained service at its facilities throughout the Palestinian territories, including those in remote rural areas. Statistical indicators show progress in many areas, such as reduced infant mortality rates, expanded health insurance coverage, and improvements in the number and quality of services specifically provided to women.

¹⁸ Ministry of Education and Higher Education, A report on the impact of the occupation on Palestinian education, Ministry's website: www.mohe.gov.ps.

gender.) The improvement in the West Bank might basically be due to the combined efforts of the PNA's Ministry of Health, the UNRWA, and NGOs, through the national immunization program, health education, and the increase in the number of motherhood care and primary health care centers.

Women's Health

- **Mother's mortality:** Women of reproductive age (15-49 years) represent 22.3 percent of the total number of women. Maternal mortality rates recorded in the Palestinian territories stood at 12.7 per 100,000 births (21.3 in Gaza and 6.7 in the West Bank).

- **Births:** 84 percent of births take place in hospitals, with hospital stays ranging between 1.4 days for natural births and 3.4 days for Caesarian-section births. Fifteen percent of births taking place in public hospitals are Caesarian sections. Miscarriage rates were reported at 113 and 107 cases out of 1000 pregnant women in Al Chifa' and Khan Younis Hospitals, respectively.

- **Family Planning Programs:** The number of family planning clinics increased from 97 clinics in 1997 to 197 clinics in 2003. Available data show that 51.4 percent of married women use at least one family-planning method. The Ministry of Health provides contraceptives at affordable rates, i.e. 4 NIS (about \$1) for a monthly supply of birth control pills (used by 34.8% of women) and 12 shekels (about \$3) for an intrauterine device (used by 34.3% of women).

Nutritional Conditions

Nutritional survey data for 2002 collected by the Palestinian Central Bureau of Statistics show that 63.4 percent of Palestinian families reported trouble obtaining food during the current Intifada.

Shortages in food supplies resulted from the many sieges and lengthy curfews, as well as the high unemployment rate and overall deterioration of the economic situation. Many Palestinian families lost their primary source of income during this period. Twenty-six percent of Palestinian families were forced to rely on food donations. In addition, the chronic malnutrition rate among Palestinian children (below 5 yrs.) has reached 10.2 percent.

Health Authorities

Four separate sectors supervise Palestinian health care services: the public sector, local community organizations, private concerns and UNRWA. Seventy-eight hospitals operate in the Palestinian territories, with a total of 4,679 beds. Twenty-three hospitals are affiliated with the Ministry of Health and they contain 55.9 percent of the total number of beds. The ratio of beds per person is of 1 bed per 779 persons. The Ministry of Health increased the total number of beds available by 38.2 percent between 1999 and 2003. Palestinian Central Bureau of Statistics 2002 data showed 1 bed per 741 persons.

Hospitals are distributed by area of specialty as follows: 39 general hospitals, 21 maternity hospitals, 14 hospitals for specialized types of treatment and 4 rehabilitation and physical therapy centers. The practice of external referrals for specialized treatment continues, due to the fact that the Palestinian health sector has only the minimum required technical and human resources in major areas of medical specialization, such as cardiology and oncology, and has no capacity at all in less common areas of specialization. The ratio of physicians to population was 1.5 percent in 2002 (0.99% in 1997).

The ratio of hospital beds per person in the Palestinian territories is one bed per 779 persons.

The chronic malnutrition rate among Palestinian children below 5 years has reached 10.2 percent.

More than 64 percent of Palestinian families reported trouble obtaining food during the current Intifada.

Box 2.10: Green Space in Palestinian Cities

A comprehensive public health agenda must include strategies for the preservation of natural and environmental resources in order to achieve improved quality of life and sustainable development. The creation of “green space” within urban areas – multipurpose public parks, playing fields for sports, public gardens, natural and manmade bodies of water – is universally considered beneficial to the population and to the natural environment. Natural green space within Palestinian cities is rapidly shrinking as a result of haphazard urban expansion and the lack of adequate zoning oversight by municipalities and other planning authorities.

The Israeli policies contribute to the destruction of green space as well, through the confiscation and partition of Palestinian land in order to build or expand settlements, constructing ring roads and prohibiting Palestinians from expanding their settled areas to accommodate population growth. There are currently 260 Israeli settlements built on Palestinian land, inhabited by 435,000 Israeli settlers. Seven hundred thirty kilometers of ring roads have been constructed (on Palestinian land) to link these settlements to one another.

Point of Light 28: Environmental Protection

The Road Safety and Environmental Protection Center has started to pave sports fields and children’s playground areas using shredded automobile tires to create environmentally friendly surfaces. Used tires are recycled into a sturdy but cushioned surface under play equipment areas, or even filled with earth and used as flower planters to beautify public places. Between the end of 2002 and 2004, seven such gardens were built in West Bank towns (Deir Izbzigh, Beit Aor Al Tahta, Qbayya, Qrawa Bani Zeid, Birzeit, Abou Qash, and Kafr Eddeek). Roughly 12,000 children, of both genders, are expected to reap the benefits from the new and innovative play areas.

Box 2.11: Obstacles Facing the Health Sector in Palestine

Many Palestinian health facilities are severely overcrowded, especially small local clinics serving areas where population growth has outstripped the growth of the health care infrastructure. Generally speaking, health care centers and hospitals are not situated according to the demographic distribution of the population.

Pharmacies attached to public hospitals and clinics, affiliated with UNRWA or located in small communities are constantly in short supply of prescription medications, especially drugs for chronic conditions such as diabetes and high blood pressure. Palestinian hospitals rarely perform complicated surgeries of the brain or heart or for cancerous tumors, due to a lack of qualified physicians and proper medical equipment.

SECTION FIVE: ECONOMIC INDICATORS

The Palestinian economy is undeniably vulnerable to a host of external influences, most notably the Israeli policies related to occupation. These policies include: restrictions on the movement of goods and people; denied access to urban centers, costly delays at ports and crossing terminals; and a system of

geographic partitioning and security measures which adds significantly to the cost of overland transport of local products. The following economic indicators provide a statistical picture of the effects these policies have had on the Palestinian economic situation for the past three years.

The creation of “green space” within urban areas is universally considered beneficial to the population and to the natural environment.

The Palestinian GDP dropped 13.1 percent between 2000 and 2003.

2.5.1 Gross Domestic Product (GDP) and Economic Sectors

The Palestinian GDP dropped 13.1 percent between 2000 and 2003 to \$4,0¹⁹ million. GDP per capita for the same period dropped 24.4 percent to \$1,108.70. The Palestinian Gross National Product (GNP) also dropped by 15.7 percent between 2000 and 2003, with a corresponding drop in GNP per capita of 28.8 percent.

Israeli occupation has affected the overall performance of individual Palestinian economic sectors as well. Total industrial sector losses amounted to \$540,000,000 at the end of 2001²⁰. Employment in this sector decreased between 2000 and 2003 from 14.3 percent to 12.5 percent²¹. The 2004 World Bank report covering the effects of the 27 months of the Intifada reported that only 7 percent of industrial facilities managed to maintain pre-Intifada production levels. The food, textile, leather and plastic industries were hit hardest. A slight change was recorded in the industrial sector’s contribution to the GDP for this period, but the numerical figure does not reflect the true extent of the regression in the industrial sector. Value added statistics for the industrial sector dropped 13 percent between 2000 and 2002.

Employment in the agricultural sector grew from 13.7 percent in 2000 to 15.7 percent in 2003²². The agricultural sector absorbed some of the laborers who used to travel every day into Israel to work, but who became unemployed as result of the closing of the Israeli borders to Palestinian laborers. The

employment increase in the sector is, therefore, not due to any structural improvements in its capacity to provide jobs. Agriculture’s contribution to the GDP rose from 8.5 percent to 9.3 percent in 2002, although the sector’s value added figures for the same period dropped.

The Building and Construction Sector depends heavily on the importation of basic construction materials (cement, steel and wood) from Israel. Work on hundreds of public and private construction projects was halted during much of the Intifada, as well as in the factories that process the imported raw materials into various components used in the building industry.

Tourism, however, was undeniably the hardest hit sector of the Palestinian economy. The industry suffered a near-total shutdown, causing regression in all related economic indicators. The number of hotels in operation dropped from 106 in 2000 to 76 by 2003. The number of guests and overnight stays dropped 86 percent as of the second quarter 2003²³.

The financial sector, which includes banking and capital markets, was also greatly affected. After posting total net profits of \$21,900,000 in 2000, the collective net profits of commercial banks operating in Palestinian territories dropped to \$8,600,000 at the end of 2003, despite the fact that their assets increased in value, from \$412.4 to \$520 million during the same period. Funds on deposits fell from 38.4 percent to 30.4 percent, which indicates regression of credit quality within the banking system²⁴. The newly established Palestine

¹⁹ Nasr Abdel Karim, *An Evaluation Study of the Impact of the Palestinian National Authority’s Developmental Economic Policies on the Right to Work in the Transitional Period*, Center for Democracy and Workers’ Rights, 2003.

²⁰ Palestine Central Bureau of Statistics, *Manpower Survey, various issues (2000 -2003)*.

²¹ Palestine Central Bureau of Statistics, *Manpower Survey, various issues (2000-2003)*

²² Visit the web site of the Palestine National Information Center: www.pnic.gov.ps

²³ Palestinian Monetary Board – Department of Studies and Monetary Policies, *Statistical Leaflet No. 71, unpublished data, 2004*.

²⁴ Nasr Abdel Karim, *Performance of the Palestinian Banking Sector During the Transitional Period Between Private Sector Expectations and Bank Management Estimates*, *Financial and Banking Studies Magazine*, Arab Academy for Finance and Banking, 2003.

Securities Exchange lost 40 percent of its value during the first year of the Intifada²⁵.

2-5-2 Foreign Trade

Foreign trade constitutes one of the basic elements of the Palestinian Gross Domestic Product (GDP). Its impact on the GDP has always been negative, considering that historically, Palestine's imports have always exceeded its exports. Trade with Israel alone accounts for 77 percent of Palestine's overall foreign trade. Consequently, the closures and sieges occurring during the Intifada deeply impacted the Palestinian balance of trade.

Exports dropped nearly 42 percent in 2002, while imports fell by 41.5 percent, compared to their 1999 levels. The relative weight of imports in foreign trade being much higher than that of exports, the decrease in import levels actually improved the Palestinian trade deficit by 41.4 percent²⁶. Although reduction of the national trade deficit is ostensibly a desirable outcome, the drop in imports was in fact accompanied by an equal drop in the level of exports, which illustrates that the overall Palestinian foreign trade situation is structurally flawed.

Palestinian export levels are very sensitive to events on the ground, a fact that only serves to exacerbate the already existing trade deficit. Low levels of exports are attributed to many factors: (1) the high cost of transporting the goods from the manufacturing location to final markets, due to Israeli obstacles, thus increasing their overall cost and reducing their competitiveness on foreign markets; (2) importers stopped carrying Palestinian-made goods in favor of products from other

countries whose delivery capabilities are more dependable; and (3) Palestinian producers focus on meeting local demand for goods and forego opportunities to penetrate foreign markets due to the numerous logistical difficulties associated with manufacturing for export.

2-5-3 The Labor Market

The Palestinian job market and its associated indicators clearly reflect the impact of Israeli actions directed at Palestinian labor during the Intifada. The number of Palestinians working in Israel has dropped by more than 50 percent between 2000 and 2003, down to 57,300 workers in 2003. This loss of Israeli jobs further aggravated an already serious unemployment problem in the Palestinian territories where jobless rates hover at 25.6 percent of the total workforce, and spike to 38.4 percent among young males. Employment levels in Gaza are chronically lower than in the West Bank, with unemployment rates reaching 29.2 percent in Gaza compared to 23.8 percent in the West Bank. Furthermore, unemployment affects men (26.9%) more than it affects women (18.6%) probably because of the high proportion of males working in Israel unemployed after the onset of the current conflict. Total participation in the workforce also dropped slightly, from 41.5 percent to 40.4 percent. Palestinian women have a lower rate of workforce participation than many other countries. Palestinian women constitute only 12.8 percent of the workforce (9.2% in Gaza and 14.7% in the West Bank) It was also noted from manpower surveys that the average daily wage has increased both in the West Bank and Israel, reaching 72.2 and 125.1 NIS, respectively. The wage increase is

The tourism industry suffered a near-total shutdown, causing regression in all related economic indicators.

Trade with Israel accounts for 77 percent of Palestine's overall foreign trade.

Unemployment rates have reached 29.2 percent in Gaza and 23.8 percent in the West Bank.

²⁵ Palestine Central Bureau of Statistics, *Foreign Trade Statistics, various issues*.

²⁶ Ministry of Finance, *General Budget Data, various years*.

Arab nations pledged \$10 million per month to pay the wages of Palestinian civil servants.

The published budget data of the PNA shows a chronic deficit.

attributed to decreased available Palestinian manpower in Israel, and the depreciation of the shekel, the primary wage currency. Average daily wages in Gaza remained virtually unchanged at 52 NIS per day.

2.5.4 General Treasury

General Treasury revenue in the Palestinian territories is derived from three sources: (1) taxes levied on commercial activity undertaken in the Palestinian territories; (2) employment taxes levied by Israel, on behalf of the PNA, then transferred back to the PNA in the form of revenue; (3) aid given to Palestinians by international donors. Revenues from these three sources have dramatically dropped over the last three years, with revenue from general commerce taxes decreasing by 42.5 percent as compared to their pre-Intifada levels, down to \$207 million in 2003. The loss of tax revenue is due to the general slowdown in Palestinian economic activity.

Employment tax revenues, which constitute more than 60 percent of the PNA's budget, dropped by 46.2 percent to \$324 million. Israel habitually withholds tax revenue due to PNA as a form of collective punishment. Israel transferred a portion of the monies due at the beginning of 2003 after the appointment of the new Palestinian Minister of Finance. However, the level of uncertainty surrounding the continuance of regular revenue transfers remains high, and depends in

large part on the whims of the Israeli government.

International aid is the third significant source of Palestinian treasury revenue, and total support levels have changed considerably since the beginning of the Intifada. Arab nations pledged \$10 million per month to pay the wages of Palestinian civil servants. Despite wavering commitments on the part of some Arab nations to pay their respective shares, more than \$920 million was transferred by the end of 2003. Total aid received over the last three years exceeded \$3 billion, in comparison with the \$1.47 billion received between 1998 and 2000. Fifty percent of foreign aid goes to job creation programs and humanitarian and emergency relief while the remainder is used to support the functions of the PNA's current budget. Generally speaking, efforts to rehabilitate and expand the Palestinian infrastructure and its manufacturing sector received little funding during the Intifada.

Changes in the PNA's sources of revenue have had an impact on the general budget deficit and on the PNA's public debt. The PNA's published budget data shows a chronic deficit, as well as a new off-budget "accounts payable" line item totaling \$50 million appearing in 2000. The accounts payable item represented remittances or checks issued by the PNA for which no official budget allocation exists. The "payable" amount rose to \$155 million in 2001 and when added to the actual

Box 2.12: The Increase in Public Debt

During the ten years since the inception of the PNA, there was a constant increase in its indebtedness, until it amounted, in the year 2000, i.e. six years after its founding, to roughly \$392 million. During the first year of the Intifada, the public debt rose to more than \$840 million. This clearly depicts the magnitude of the financial crisis endured by the PNA since its creation. The public debt continued to increase until it reached its peak in 2003, when it exceeded \$990 million²⁷.

²⁷ Palestine Central Bureau of Statistics, Consumer Price Index.

budget deficit amounted to \$371 million. This figure continued to grow throughout 2002 and totaled \$753 million (\$328 million in deficit + \$425 million “due”).

The 2003 budget showed substantial improvement in that there was no scheduled shortfall due to increased foreign assistance. The amount of the deficit covered by foreign aid amounted to \$747 million. In addition, employment taxes released by Israel on account from previous years amounted to \$480 million, of which the PNA used \$415 million to settle accumulated overdue amounts. Moreover, loan premiums amounting to \$65 million were also settled, thus reducing the budget deficit to zero.

In view of the size PNA's financial problems, it is easy to see the effect of this ongoing crisis on the government's level of public spending, as well as the consequences in terms of reduced levels of public services.

2-5-5 Prices and Living Standards

The cost of living and the prices of most consumer goods have noticeably increased since the start of the current Intifada. Data collected by the Palestinian Central Bureau of Statistics indicate that record-high consumer prices were reached during 2003, when prices stood at 137.7 percent, i.e. an increase of 37.7 percent compared to prices in 1996. This increase came as a result of a rise in the index prices of the majority of basic consumer goods classified according to key expenditure groups. The highest price increase was recorded in the transport and communication group, where prices rose by more than 73.5 percent, from their 1996 levels, while average prices

dropped in the entertainment goods and services group. Another factor has also played a key role in price increase — the sharp depreciation of the Israeli shekel over the past few years. Furthermore, there appear to be considerable differences in price levels between various Palestinian regions, whereas the consumer price index rose by 40.8 percent in the West Bank, while it only rose by 36.1 percent and 27.7 percent in Jerusalem and Gaza, respectively²⁸.

This necessarily has an impact on the living standards of Palestinian families, especially taking into consideration the high unemployment rates currently recorded all over the Palestinian territories, and the drop in (or total absence of) income for the majority of Palestinian families, 72.3 percent of which depend on earned income to cover their expenses. The results of the survey undertaken by the Palestinian Central Bureau of Statistics have shown that more than 35.5 percent of families in the Palestinian territories have suffered from poverty in 2003, according to consumer spending patterns.

On the other hand, the relative poverty index has shown that 67.6 percent of families have suffered from poverty according to income, considering that the average poverty line for a six-member family is set at 1,800 Israeli shekels in 2003 (around \$395). Survey results also show the importance of aid in alleviating poverty among Palestinians. More than 64.5 percent of families describe themselves as poor, but assert that direct financial aid would help lift them out of poverty. Seventy percent of families surveyed stated that providing job opportunities is the main factor which would serve to change their financial circumstances.

There was a constant increase in the PNA's public indebtedness, exceeding \$990 million in 2003.

The Palestinian CPI reached a record high of 137.7 percent in 2003.

More than sixty-seven percent of Palestinian families lived below the poverty line in 2003.

²⁸ Palestine Central Bureau of Statistics, Press release regarding the basic results of poverty survey in the Palestinian Territories, 2003.

SECTION SIX: GENDER INDICATORS²⁹

Universal participation in development is considered a basic human right according to United Nations resolutions³⁰, and everyone must take part in the development process in order to reap its fruits. The UN's Millennium Development Goals contain a special clause dedicated to gender equality and the empowerment of women.

Women's participation in development bears double importance in the correlation between participation and development. No real development is possible without women's participation. This importance is also rooted in the existing gap between men and women, when it comes to opportunities, choices and living conditions.

Gender is a key element of the human development concept. Measuring women's participation in the developmental process is key development indicator and a comparison guide. Understanding that

human development is "a process that expands the choices that are available to people », there is a resulting need to aggressively promote true equality between men and women.

In Palestine, statistical data indicate weakness in women's participation in the official development process, whether in the job market or in public institutions' decision-making procedures. Contradictions exist between what these indicators state quantitatively and what they qualitatively signify. Additionally, some indicators are misleading regarding women's participation in the development process. For instance, in spite of the increase in women's education levels, there is no corresponding increase in women's participation in professional occupations. Although women constitute roughly half of all university and higher education institution graduates, women's participation in the

Box 2.13: Feminization of Poverty

There is a close relationship between female poverty in Palestinian society and the nature of the male-dominated job market. A closer look at the job market reveals a horizontal and vertical segregation between men and women, which, in itself, has a negative effect on women, especially those who live below the poverty line. In 2002, poverty rates among female-headed families reached 30 percent, while they only reached 20 percent among other families. According to the Palestine Central Bureau of Statistics, there is a drop in the participation of women in the workforce (13.4% in 2000, down to 12.7% in mid-2004), which constitutes one of the lowest female labor force participation rates in the world. As for unemployment among those who are aged 15 and older, the rate is 30.5 percent among men and 19.1 percent among women. This does not constitute a positive indicator for women, because the qualitative significance of this rate and its relationship to job and education opportunities must be taken into account. Moreover, women receive lower wages than men, in all sectors, with men's average daily wage reaching 78.1 shekels compared to 63.1 shekels for women.

²⁹ Ministry of Women's Affairs, Department of Policies and Studies, *Women and Development Priorities: A participatory View*, Ramallah, 2004.

³⁰ Such as the Universal Declaration of Human Rights 1948, the Convention for Eradication of all Types of Discrimination against Women 1979, which stipulate the necessity for empowerment of women.

job market reached only 12.8 percent in 2003. At the same time, increases in early marriage rates and a fertility rate of 5.9 children per family are observed.

Available data shows that women's access to decision-making and policy-implementation positions is still very limited, especially when one considers the sacrifices and suffering they endure as result of the occupation. These data indicated that women constituted 49 percent of voters in the first legislative elections of 1996, but only 3.7 percent of the total number of candidates, and they secured only 5.6 percent of Palestinian Legislative Council seats. As for Ministry leadership positions, women headed only two out of 25 ministries — the Ministry of Higher Education and the Ministry of Social Affairs — from 1996 to 1998; and then only one ministry — the Ministry of Social Affairs — from 1998 to 2003. During the Al Aqsa Intifada, there were three cabinet shuffles, none of which included appointments of women, until the creation of the Ministry of Women's Affairs in 2003.

As for local council leadership, the percentage of women appointed to the councils did not exceed 5 percent of the total number of appointees. In the policy-making process, women held 15.2 percent of director generalships and higher positions, 12 percent of directorship positions, and 25 percent of section head positions. Furthermore, the percentage of female civil servants tends to increase as the relative importance of the position decreases. Finally, women's participation in the judicial system is very limited, and only 7 percent of all judges are female (10 judges, including 6 in the Gaza Strip).

Several reasons may lay behind the marginalization of women at the policy- and decision-making levels. In addition to the occupation's hindrance of all development processes, there is

a strong connection between a woman's socio-economic status and her ability to reach decision-making positions. Poverty reports show a clear increase in the percentage of families headed by women (11 %), and that the overall percentage of poor families headed by women is greater than that of poor families headed by men.

Furthermore, the early marriage and school drop-out (especially at secondary levels) rates are related to popular culture, with female drop-out rates reaching 4.8 percent in 2003 (at the secondary school level), compared to 2.6 percent among males. Overall, the drop-out rate for this period declined (8.2% in 1998). This may be due to the PNA's efforts to improve educational services, and the role played by various institutions to raise public awareness as to the importance of female education.

Reasons behind female drop-out rates often include early marriage. Nineteen is the average marriage age for women in Palestine, which means that half of the girls get married under the age of 19. One can assume that at this age, they are not sufficiently qualified, either academically or professionally, to participate in the job market, and that they are more vulnerable to the threats of discrimination, domestic abuse and violence.

The creation of the Ministry of Women's Affairs was not accompanied by a comprehensive commitment to create national public policy that would contribute to improving the conditions of women. Female representation in ministries, parties and communities organizations is still very limited. An indication of the weak levels of political participation of Palestinian women is demonstrated by the decreasing number of women in executive, legislative and local institutions. Female representation on the Palestinian National Council does not exceed 8

Women's access to decision-making and policy implementation positions is still very limited.

Women's participation in the judiciary system is very low.

Eleven percent of all Palestinian families living below the poverty line in Palestine are headed by women.

Many women's initiatives have been launched, seeking to improve women's conditions and enhance their participation in political and social life.

Point of Light 29: The National Campaign to Promote Women's Participation in Elections

Palestinian women have taken part, throughout Palestine's recent contemporary history, in the national liberation movement. Women's active participation is needed so that progress can be made in improving the condition of all women in Palestine at the social, political and economic level.

Thus, since the inception of the PNA, many women's initiatives were launched, seeking to improve women's conditions and enhance their participation in political and social life. The "Campaign for Women's Participation in Elections" was the latest of these initiatives. It coincided with the public debate with regard the laws that organize local and legislative elections. The campaign emphasized the need to adopt laws that promote a policy of positive intervention on behalf of women, by establishing a quota for 20 percent female representation on local councils and on the Legislative Council.

The campaign was launched by the General Palestinian Women's Union, which is a popular organization of national stature which serves as an umbrella organization for a large number of women's groups. The Union launched an initiative to open a public dialogue among women's groups, political parties, and other civil society organizations, in order to secure the largest possible support for the female quota concept. This campaign's activities expanded to include many Palestinian regions, with dozens of workshops and training sessions held on the topics of women's participation and elections.

The campaign's various activities increased levels of support for the female quota concept within Palestinian society, with various public opinion polls indicating that 70 percent of Palestinians favored the establishment of a female quota. The campaign also enjoyed the support of 45 Legislative Council members, and achieved its first success with the amendment of the local elections law, with Article 29 now stipulating: "The following text shall be added to Article 47 of the Local Council Elections Law No. 5 of 1996: 'Whenever there are female candidates, female representation on any local council board may not be less than two seats among those having secured the highest number of votes'".

The creation of the Ministry of Women's Affairs was not accompanied by a comprehensive commitment to create national public policy that would contribute to improving the conditions of women.

percent, while the Legislative Council has only 5 women members out of a total of 88. Within the executive authority, the current Cabinet includes only two women ministers, while women represent only 12.5 percent of the 250 directors general currently appointed in various ministries.

In municipal and local councils, the percentage of women never exceeded 1 percent until the elections held in late 2004, when the percentage leapt to 17 percent. Moreover, women's organizations have not yet attained the required level of effort coordination to actively promote women's issues.

Chapter Three

The Role of Palestinian National Authority Institutions in Society Building and Empowerment of the Palestinian People

This chapter analyzes the role and performance of PNA institutions in terms of their ability to empower the Palestinian people and to rebuild Palestinian society, which has suffered considerable damage during the past four years. The analysis will address the separate areas of institutional operations, characteristics and performance. This chapter will also examine empowerment as a concept, as well as its function as a tool for the reinforcement of institution-building. Finally, it explores the role of empowerment in the facilitation of internal capacity-building within society, and its potential to bolster sustainable and balanced development.

Introduction

This chapter analyzes the role and performance of PNA institutions in terms of their ability to empower the Palestinian people. It also looks at the impact they have had on the process of rebuilding Palestinian society, which has weakened and deteriorated significantly during the past four years.

In the context of the PHDR, the term “empowerment” refers to all aspects of social activity and interaction including: political, legal, administrative, financial and institutional reform; effective political participation; assurance of freedom of speech, pluralism and organization; the development of effective antipoverty strategies; and the acceptance of common visions and agreed upon goals in confronting Israeli policies of occupation. It also refers to the development of a strategy unified in both content and implementation method. This strategy must incorporate political and resistance-related processes, and must be followed by all members of PNA institutions, NGOs and the private sector in order to achieve Palestinian aspirations and goals and to reinforce the capacity to strive for liberation.

Institutional empowerment – the focus of this chapter – is an important component of development. Strong institutions are critical to Palestinian society, especially in view of the relentless effort to destroy the Palestinian will. A sense of determination is required to construct an institutional framework that will prove to the entire world that the Palestinian people can build and lead a democratic state based on effective participation and rational governance. Therefore, each time the Palestinians come close to achieving any level of institutional empowerment and democratic governance, it is expected that the Israeli occupation forces will redouble their efforts to destabilize Palestinian society.

Understanding the nature of the challenges that impede development and empowerment initiatives increases the potential for overcoming those obstacles. Institutions can expand and intensify social problems and crises as easily as they can help overcome them. In other words, institutions can reinforce the status quo or challenge it, depending on the conditions present.

Because institutions are so influential in either reinforcing or destabilizing society's beliefs, values and behavioral patterns, those in the Palestinian territories are increasingly the focus of attention for foreign governments, political parties and civil society, as well as regional and international organizations and forums. This increased level of attention from the outside is shown in a number of ways, including the current demands for reform – a condition put forward by donor countries, the World Bank, the International Monetary Fund and various international agencies which provide the PNA the support and assistance needed to implement its developmental programs. In the Arab region (including the Palestinian territories), calls for reform (particularly those from the United States) have gained considerable strength and can exert a powerful influence not only on politics, social welfare and the economy but also on cultural values.

In the Palestinian case, the relationship between efforts to produce sustainable development and the need for reform has become clearer. Any work to address one area automatically impacts and influences the other area. Therefore, if Palestinians proactively address the case for reform, their aspirations for sovereignty and independence might still continue to face numerous obstacles and challenges.

The empowerment process includes the development of a unified strategy in both content and implementation, and incorporates political and struggle-related processes.

The Palestinian people can build and lead a democratic state based on effective participation and rational governance.

Democratization of all aspects of political life within a pluralistic system leads to rotation of power and leadership.

Cultural reform requires laying the grounds for rational thinking, safeguarding intellectual and religious freedoms, and providing an environment conducive to the strengthening the foundation of a democratic culture.

If Palestinians proactively address the case for reform, their aspirations for sovereignty and independence might still continue to face numerous obstacles and challenges.

Box 3-1: Arab Reform – Conceptions and Visions¹

The Alexandria Document issued by the Conference on Arab Reform Issues: Vision and Implementation (March 2004) identified the resources needed to advance reform within Arab societies. Participating governmental and civil society organizations concluded that advancing reform efforts is important, urgent, and fundamental to all aspects of national development, including:

- **Political reform:** Democratization of all aspects of political life within a pluralistic system that includes rotation of power and leadership. Steps required to achieve political reform include ratification of constitutional and legislative amendments to ensure the following: separation of powers, conducting periodic elections that prevent monopoly over power, revamping of political institutions and structures, and ensuring public freedoms, such as formation of parties and an independent news media.
- **Economic reform:** Building an infrastructure that provides an environment conducive to the efficient functioning of the public and private sectors, encouraging privatization, improving the quality of production and upgrading the output of underperforming economic sectors.
- **Social reform:** Enhancing familial relations and reconsidering certain traditional values, promoting the creation of a well-informed society by focusing on education and providing a conducive atmosphere for building such society, ensuring social stability through the equal distribution of resources and ensuring the full participation of all levels and classes of society, such as ethnic and religious minorities, children, youth, women, poor and marginalized social groups.
- **Cultural reform:** Laying the grounds for rational thinking, safeguarding intellectual and religious freedoms, providing an environment conducive to the strengthening the foundation of a democratic culture, reforming cultural institutions and encouraging cultural exchange with other nations.

In order to prevent this, maximum mobilization of Palestinian resources is needed. Within this idea, the need to identify the role of PNA institutions within the empowerment process becomes obvious, as well as the need

to advance an understanding of the role of the empowerment process itself in institution-building and creating comprehensive, balanced and sustainable development within Palestinian society.

¹ See also: papers issued by the Conference on Reform Priorities and Mechanisms in the Arab World, Cairo 5-7 July 2004, and the text of Tunisia Declaration, 22-23 May 2004.

Section One: Main Characteristics of the Palestinian Political System

Ten years after the establishment of PNA and its institutions and four years after the outbreak of the Al-Aqsa Intifada, the Palestinian situation is defined by several important and complex attributes that greatly impact the role and performance of Palestinian institutions in terms of empowerment. These characteristics influence in turn the overall Palestinian political, economic and social situation. Some of the major attributes include:

- **Serious but inadequate efforts to build and reform institutions:** The Palestinians have made significant progress in the area of reform. Several organizations have exerted effort to sustain progress made in institution-building and to improve performance within those institutions. Certain ministries were abolished and some were merged with other structures, while new ministries were created (such as the Ministry of Women's Affairs). In addition, specialized committees now handle the task of reforming the operational functions of PNA institutions. Significant advances have been achieved in promoting transparency and accountability in the area of national finance.
- **Continuous but uncoordinated attempts to build institutions:** Most attempts to promote institution-building within the PNA depend on personal commitments of the respective institutions' leadership or the availability of international financial support. Regrettably, few or none of these attempts are coordinated or linked with other efforts in order to create a unified vision towards comprehensive reform.
- **Ambiguity and contradiction of constitutional bases governing the Palestinian political system:** There have been serious attempts to develop a Palestinian constitution that agrees with

and complements the Palestinian Basic Law and the Declaration of Independence, which serve as a constitutional framework in the absence of a constitution. However, a succession of disparate and often conflicting legal systems and regional variations in both interpretation and enforcement result in widespread ambiguity and confusion in a number of crucial areas, including: the freedoms and rights of individuals; the legitimacy and scope of the governing authority; common objectives, and the nature of the relationship between the government and the society it governs on both an individual and collective level.

- **Maintaining the heritage, traditions, values, culture, methods and approach of the Palestine Liberation Organization (PLO)** in managing the public domain has led to the dominance of political, factional and personal factors over professional considerations and competence. Consequently, systems of accountability, modern management and the rule of law have been weakened. The incentive to create institutions designed to empower society remain weak and efforts to modernize Palestinian life are symbolic and/or superficial. True decision-making power was never vested in and remained outside official institutions and structures, such as the PLO National and Central Councils, the Legislative Council, even the PNA Council of Ministers or the Prime Minister.

- **Traditional structure of the political system:** The Palestinian political system is based on an alliance of political elites, security apparatuses and traditional social structures and on a network of relations of loyalty and personal and interest-oriented connections with people in power at all levels. The system of personal alliances

The Palestinians have made significant progress in the area of reform.

Women have the right to full participation in social, political, cultural and economic life.

Palestine is an independent state enjoying full sovereignty with a republic system of government. Its territory represents an integral unit with borders as of the fourth of June 1967 without breach of international resolutions related to Palestine.

Box 3-2: Excerpts from the Proposed Palestinian Constitution (Third Revised Draft, 15 May 2003):

Although Palestinian society is not yet ready to create a comprehensive constitution, which requires that the conditions of independence and liberty exist, this situation does not preclude discussion of the development of a constitution. Two separate areas of public discussion exist on the constitution issue.

The first represents a view held by a large number of Palestinians believing that discussion of the constitution is important at this time so as to advance the formulation of a vision for the future. The second area deals with the international pressures on the PNA to develop a constitution that incorporates the reforms demanded by external parties. Nevertheless, some of the draft articles in the new constitution are irrefutable and should be included in any final document.

Article 1: Palestine is an independent state enjoying full sovereignty with a republic system of government. Its territory represents an integral unit with borders as of the fourth of June 1967 without breach of international resolutions related to Palestine. All those living in this territory are subject to the Palestinian law solely.

Article 3: Palestine is a peace-loving state that denounces terrorism, occupation and aggression, calls for solving international and regional problems by peaceful means, and adheres to the Charter of the United Nations.

Article 19: All Palestinians are equal before the law, enjoy civil and political rights and assume public duties without any discrimination based on race, gender, color, religion, political opinion or disability.

Article 23: Women have the right to full participation in social, political, cultural and economic life. The law seeks to remove obstacles that prevent women from participating in building the family and society.

is accompanied by a host of illegal practices, such as bribes, corruption and various means of bypassing or disregarding the rule of law. In spite of a nominal level of pluralism in this system, features of authoritarianism are still present.

● **Weakness of the Palestinian political system and a chronic failure to take initiative:** The system's inability to manage the confrontation with the Israeli occupation stemmed from an uncoordinated and disordered approach to the dilemma, coupled with internal polarization and competition for power. The Israelis capitalized on the Palestinians' internal state of disarray.

● **Weak legislative and judicial authorities:** The legislative authority faces numerous challenges, including: the absence of clear constitutional and legal references, restrictions imposed by agreements with Israel that limit legislative powers, marginalization of its role by the executive authority and submission to the influence of political sphere, and the lack of information and documents required to decide directions for developing, implementing and evaluating public policies. The judiciary authority also suffered similar challenges, examples of which are: prior agreements which impose restrictions on its powers, absence of a constitution governing relationship

between the branches of power, the patchwork legal heritage in Palestine, the reluctance of the executive authority to establish the Higher Judicial Council, interventions by the executive authority in the judiciary system and usurping a number of its functions, such as appointing, promoting and transferring judges, rationalizing inconsistent salary scales, dismissing and retiring judges, establishing courts, and extensive and persistent intervention in the affairs of the Justice Ministry.

- **Large number of fragmented security apparatuses:** At the time of the writing of the Human Development Report, nine separate security

organizations exist, each employing a large number of forces, with each branch reporting directly to the PNA chairman. The functions and powers of these organizations overlap and are often contradictory. Within the organization, the hierarchy of power is ill-defined, and procedures, rules and regulations are unclear or nonexistent. The unsurprising result is a state of confusion and chaos and a total absence of discipline.

In July 2004, this state of chaos resulted in a serious confrontation in the Gaza Strip, with a number of people wounded and killed. The seriousness of this issue becomes more pressing in view of the pressures on the Palestinians and

Competition for donor funds sidelines prioritization of the Palestinian domestic agenda.

Point of Light 30: Reforming the Palestinian Security Apparatuses – Initial Steps Requiring More Reinforcement²

Following the establishment of PNA and the subsequent creation of its various security apparatuses, several positive developments were made in terms of improving the organizational function of the security forces. A number of upgrades were made in the areas of human resources (training courses for security personnel in human rights and proper civil procedures) and the structure and functionality of individual departments. However, these developments were reversed when the security personnel and their operations centers became the targets of Israeli army forces.

The targeting of Palestinian security forces led to a complete disintegration of the security situation for Palestinian citizens. Internal and external calls for reforms within the security apparatus were renewed, and especially for the reinstatement of the rule of law. From the Mitchell Report to the Road Map, all agreements called for security reforms designed to effectively fight terrorism and for the merger of the nine security apparatuses in three organizations reporting to the authorized Minister of Interior.

Major steps achieved in relation to the security apparatuses include:

- Merging three security apparatuses within the Ministry of Interior and creating a Council for National Security. The Council coordinates and supervises reforms in the security apparatuses and monitors all security-related issues in the PNA-controlled areas.
- Work is underway to train the security personnel and reorganize the security forces to enable them to carry out their functions. Several projects have been proposed in this regard. Jordan and Egypt would be responsible for developing and implementing the training program for these forces, in addition to providing institutional and NGO-directed training for security personnel on principles of human rights and democracy.

² See: Ahmed Abu Dayyeh, *Reform Process in the PNA Institutions: Reform Motives, Requirements, Mechanisms and Achievements*, Palestinian Center for Political and Survey Research, January 2004.

demands for reform that come from several international parties with distinct political agendas. Recently, many powers related to the security apparatuses were transferred to the Prime Minister following the death of the Palestinian President Arafat.

● **Scarcity of internal resources:** Palestinian resources are scarce. The impact of such scarcity intensifies when combined with habits of extravagance and wastefulness, poor planning, lack of transparency, poor participation and the spread of a cultural acceptance of illegal gains.

● **Great dependency on external assistance:** In spite of the well-known positive implications of external aid, there have been negative repercussions associated with it as well in Palestine. As Palestinian institutions compete for donor funds, prioritization of the domestic agenda is sidelined, and those agencies lacking the personnel and expertise to secure donor funding are further marginalized. In addition, foreign aid negatively affects PNA legitimacy, sovereignty and independent decision-making processes and, consequently, affects the concept and

Point of Light 31: Financial Reforms in the PNA³— A Step in the Right Direction

The issue of financial reform was first addressed in a Presidential Decree issued on 15 January 2000, as well as in a number of issues brought before the Higher Council for Development. These issues include unifying all budgetary resources in a central account and promoting transparency of the public financial system in order to facilitate the systematic implementation of a budget. Major issues discussed at that time include transferring the department responsible for salaries to the Ministry of Finance (MOF) in order to control the scope of public sector employment. These measures are expected to ensure PNA financial stability in the short and intermediate terms.

Major deficiencies in PNA financial performance prior to the initiation of the current reforms include: PNA involvement in non-transparent commercial activities, insufficient operating funds at the MOF, a rapid increase in current spending levels as result of the enormous expansion in government jobs, and the management of most PNA assets and commercial activities in a covert manner. Significant financial reform efforts since mid-2002 include:

The Palestinian Investment Fund: The bylaws of the fund were approved on 14 August 2002, merging all PNA commercial activities and investments into the Palestinian Investment Fund (PIF). The establishment of the PIF codified national investment policy and the management of public revenue, whether inside the country or outside. In addition, profits from these investments of public funds are directed to a unified account in the PNA treasury.

The government's economic role: The new reform vision is based on the notion that trade is a matter for the private sector and the role of the government is limited to the provision of the required basic services—a sound infrastructure and modern regulatory and legal environment. The government must also create a social security network to address the needs of the underprivileged social groups. The role of government in the economy should focus on the responsible collection of tax revenue rather than profit-making.

³ Wael Qdeih, *Economic and Financial Reforms in the Palestinian Authority*, in the *Journal of the Palestinian Planning Center*, Issue 9 and 10, January and June 2003, website: www.oppc.pna.net

The principle of a unified treasury: Unifying revenues and depositing them in a unified treasury account is considered the biggest achievement of the PNA. Continued adherence to this practice will improve the management of public revenue and public expenditure in accordance with the general budget approved by the Legislative Council. Public expenditures will be subjected to internal and external audits, and financial observers from MOF maintain a presence within government ministries to audit transactions and ensure their validity.

Management of public revenue: The financial reform program has focused on the management of public revenue with the intention of creating highest possible level of accountability. Achieving an organic link between revenues from investments and the budget and channeling the revenues to a unified central treasury is considered a major step towards consolidating public revenues and reinforcing the principle of placing all public funds under the direct control of MOF.

General budget: The statement of general budget for 2003 has been received with an unprecedented level of acceptance by the Legislative Council compared to previous PNA budgets and was seen as a professional effort that deserves implementation. The 2003 budget met international standards and included an objective presentation of conditions it was expected to reflect. The budget was based on realistic assumptions and included a monitoring mechanism not present in previous budgets. Therefore, this draft budget represents a major step forward compared to previous budgets, although it was largely linked to collecting revenues due from taxes taken by Israel.

Total revenues in the draft budget were estimated at NIS 6.392 billion, whereas expenditure was also estimated at NIS 6.392 billions, which means that there would be no budget deficit in the event the revenues are channeled to the public treasury as expected. The total revenue figure included local revenues of NIS 2657 million and grants and aid to the public treasury at NIS 2675 million, whereas revenues from grants to fund development projects reached NIS 1060 million. The total expenditure included current costs at NIS 5.222 billion, development expenditures funded by the treasury at NIS 110 million, and development expenditures funded by donor countries at NIS 1.06 billion.

Civil service law: Early in 2003, the MOF developed a timetable for gradual implementation of the financial aspects of the civil service law promulgated in 1998 according to the financial resources available to the PNA. It emphasized that all new government employment within the PNA should be completely halted until organizational structures are developed and endorsed in accordance with the provisions of Article 4 of the civil service law and the housing and transport of employees enrolled in the civil service are completed. In light of the above, \$2 million was to be allocated per month in the draft overall budget law for the fiscal year 2002, in addition to the line item "salaries and wages". In its session on 17 May 2003, the Council of Ministers decided to terminate the services of employees in the civil service whose ages exceeded 60 years with the disbursement of a pension equaling 75 percent of their original salaries and the profession's allowance. No extensions are to be granted to any employee without a decree by the Council of Ministers until the new retirement law is issued.

practice of Palestinian citizenship. Widespread reliance on donor aid within the PNA, the political opposition and the

NGO community makes it very easy to disregard the need for domestic accountability to the Palestinian community.

Section Two: Palestinian Institutions – Role and Performance

Effective monitoring of institutions and councils at the operational level is difficult, especially in the absence of clearly stated professional standards to evaluate performance.

Official Palestinian institutions fall into three main categories: political institutions, operational institutions (including security apparatuses) and local councils. Political institutions are those deciding the goals, programs and policies of the government in general, in addition to determining the budget and the nature and direction of organizational management. Political institutions include the Office of the President, the Office of the Prime Minister, the Legislative Council and the Judiciary Authority. Operational institutions are the providers of services, including ministries, councils, centers, bureaus and authorities. Finally, local councils are composed of municipal and village councils.

Some representative PNA institutions reflect to a certain extent the overall pattern of Palestinian governance and provide significant indications as to the status of other institutions. These institutions vary in terms of history, physical and human resources, quality of leadership and types of service they provide. The rules and regulations that govern their structure, functions, and relationships are often ambiguous. Institutions are frequently bureaucratic in nature, and many deliver substandard services. Inadequate attention is paid to the functions of strategic planning, goal-setting and prioritization. Their development resources are limited, and those resources that do exist are often mismanaged.

3-2-1 Political Institutions:

This category of institutions consists of: the executive authority comprised of the Office of the President, the Office of the Prime Minister and the executive staff, *the legislative authority* (the Legislative

Council) *and the judiciary authority.*

3-2-2 Executive Authority:

The Office of the President is linked to several departments, bureaus, offices and apparatuses and a large number of consultants and directors general, in addition to numerous institutions and councils. In general, these institutions share a common ambiguity of employment standards, bases for promotions, and enforcement of laws and court rulings. Effective monitoring of these institutions and councils at the operational level is difficult, especially in the absence of clearly stated professional standards to evaluate performance.

The Office of Prime Minister is a recent creation. It is supposed to serve as the implementing authority of the programs areas controlled by the legislative body, including: policy implementation, administrative organization, budget development, law enforcement, ministry oversight and ensuring public order and security.

Close examination of the general budget presents a clear picture of gaps in the performance of PNA institutions, which prevent them from positively contributing to the required development and empowerment processes. In spite of technical and essential improvements in many aspects of the budget, several practices remain unchanged.

More than 3000 new jobs were added in 2003, mostly in governmental institutions that already suffer from inflated numbers of employees. Public funds were also allocated for several public institutions and structures without identifying the person

Box 3-3: Palestinians' Assessment of the Executive Authority

Opinion polls indicate that the Palestinian public holds a variety of opinions as to the performance of the executive authority. Various perspectives differentiate between the individual governing bodies in terms of function and performance, as well as in strength of criticism leveled at the organization and calls for public accountability. Although 70 percent of the Palestinians acknowledge corruption is present in executive institutions, the institutions themselves are not viewed as uniformly corrupt. Up to 80 percent believe corruption exists in ministries and government bureaus, 75 percent believe it is present in the security apparatuses and police, but only 41 percent believe it is present in the presidential office. Respondents apparently differentiate between the top executive post and all the other governing bodies and institutions. The conviction that corruption is absent at the highest levels of authority might be an indication of public fear and/or respect of this institution, in which case people would hesitate to openly question the integrity of the presidential office. Whatever the reason, this institution is viewed as less corrupt in comparison to other institutions.

In addition, executive institutions are frequently mentioned by the public when asked about means to confront corruption, with 92.5 percent stating that this task would require control over the role, performance and practices of these institutions.⁴ The Prime Minister's office is viewed by the public in a comparable way. For example, 60 percent believe that Ahmed Qurei's cabinet is unable to eliminate corruption, 54 percent believe it is unable to control the internal situation and 57 percent think it does not possess the ability to improve people's economic situation.⁵

responsible for oversight of the expenditure before the Legislative Council. The budget also did not outline the details of the financial and monetary situation in the public treasury, debts and loans and plans for their payment, and PNA investments in local and external structures and businesses. The budget is also criticized for the fact that the share of social development (education, health and social security) remains below the desired level, not exceeding 25 percent of the total budget.⁶ In addition, due to

the enormous size of employment in the public sector, expenditure on wages and salaries and other related aspects has consumed about 60 percent of the budget, leaving only a small proportion for production sectors, as low as 1 percent, for example, for the agricultural sector. The increased percentage of public debt, exceeding 15 percent of the GNP and Israel's failure to transfer clearance tax amounts to the Palestinians, caused further disruption to the integrity of the general budget.

⁴ See, Bassem Ezbid, *Corruption and the Palestinian Political System in Corruption in Palestine*, edited by Bassem Ezbid, Palestinian Research and Studies Center, Nablus, 2001. See also public polls issued by the Palestinian Research and Studies Center, Nablus, Jerusalem Media and Communication Center (JMCC) and Birzeit University Development Studies Programme, all of which have shown comparable figures and classifications.

⁵ See, in particular, Poll No. 4, January 2004, issued by the Polls and Survey Research Center, Najah National University, Nablus.

⁶ For example, allocations for social services (\$52.6 million) were only a little higher than those for security and public order (\$43.3 million). See Ministry of Finance, *Comparison of the Total Current and Capital Expenditures for Fiscal Years 2002-2004* at <http://www.mof.gov.ps/comparison3-dollar.htm>.

Box 3-4: Reallocation of the PNA Budget⁷

The different data and analyses of the PNA budget indicate the need to reallocate the budget in order to include the following:

1. Elimination of debts and loans, especially those spent in non-production areas which do not produce developmental outputs.
2. Giving more weight to social development programs to replace the numerous unwarranted, non-productive expenditures.
3. Inclusion of basic line items in the budget that take into consideration the difficult living conditions of people affected by the prevailing situation, including those affected by the Separation Wall.
4. Linking the general budget to considerations of population growth and the interests of future generations and their rights to education, health, adequate civil services, job opportunities and a decent life.
5. Reevaluating the budget law as a legal framework for the Palestinian development plan in order to make it more compatible with empowerment-related goals.

Legislative Authority:

The legislative authority is composed of the Palestinian Legislative Council (PLC) elected in early 1996 during a period of political negotiations between the Palestinians and Israelis. Its mandate, responsibilities and authority were delineated in the agreements signed by the two parties and in the Palestinian

elections law. The PLC has been facing great difficulty in executing its functions and tasks, such as legislation, representation, debate, supervision, monitoring, investigation and constitution amendment. The difficulty arises in part due to constraints and limitations imposed by agreements signed with the Israelis; the marginalization of the role and position

Only 28 percent of the Palestinian public trusts the PLC.

Box 3-5: Palestinians' Assessment of the Legislative Authority

Palestinian public confidence in the Palestinian Legislative Council (PLC) is low. A public opinion poll⁸ indicated that only 28 percent of the Palestinian public trust the PLC, compared to a similar figure of 31 percent of people who have confidence in PNA institutions and ministries. In addition, 48 percent believe that corruption is present in the PLC, putting the PLC in an intermediate position between ministries (80 percent) and security apparatuses (75 percent) on one side and the executive (41%) and the judiciary (45%) on the other.

⁷ See the proceedings of the first conference on the PNA general budget, 17-18 December 2003, *Towards a Wider Participation*, issued by Al-Mezan Center for Human Rights, pp. 51-52.

⁸ Birzeit University Development Studies Programme, *Public Poll No. 16*, 4-6 June 2004.

of the PLC by the executive authority; the ambiguous constitutional relationship with the executive authority, the predominance of a single faction (Fatah movement); a lack of sound qualitative and quantitative data needed to make decisions and to shape the general political atmosphere, and the relative inexperience of PLC members.

Judiciary Authority:

There are a great number of internal and external difficulties and challenges facing the judiciary authority,⁹ effectively preventing it from carrying out its duties. The result is increased power and status

in the executive authority and the violation and endangerment of the rights and freedoms of individuals. These difficulties and challenges include: the executive authority's tendency to dominate and control; the absence of a governing constitution; the patchwork quality of the legal system; the existence of multiple court systems; an undefined power structure with no clearly established responsibilities; the shortage of trained independent judges, legal materials and funds; poor facilities and services. These internal shortcomings combine with constraints imposed by agreements signed with Israel on the mandate and

Box 3-6: Palestinians' Assessment of the Judiciary Authority:

A public opinion poll¹⁰ published by the DSP indicated that 43 percent of the Palestinian public has confidence in the judicial system and a comparable proportion of the public believe that the judiciary in Palestine is corrupt. In addition, 89.2 percent of the respondents believed that the absence of a strong judicial system is an important or very important reason for the existence of and the increase in corruption. Nevertheless, citizens believed that the judicial system is an important tool for conflict resolution and maintenance of the social order, including combating of corruption. The same poll indicates that confidence in tribal reconciliation committees has reached 57 percent.

powers of the three branches of authority, including the judiciary.

Operational Institutions:

These institutions include several ministries, councils, departments and bureaus providing civil services. These institutions were established and developed very rapidly, without a clear work plan and strategy for expansion and creation of new units, departments, activities and initiatives. Presently there are 63 operational institutions, and these include 27 ministries and a large number of councils, institutions, bureaus, centers, offices, authorities, and committees functioning in dependently from ministries, such as

the PCBS, PECDAR, the Palestinian Broadcasting Corporation, the Civil Aviation Authority, the Ports Authority, the Energy Authority, the Water Authority, General Petroleum Corporation and others.

Employment figures and organizational structures vary between the different governmental units. Some ministries, such as Education and Health, employ thousands of staff, while others have only few employees. In addition, communications and organizational breakdowns are common between bureaus, authorities and ministries that are supposed to cooperate and coordinate. Clear organizational and management directives are generally absent. These operational institutions

89 percent of the respondents believed that the absence of a strong judicial system explains the presence and increase of corruption.

⁹ The judiciary authority has a great importance in terms of empowerment. It has the responsibility of ensuring justice in the country by setting criteria for the resolution of disputes between individuals, protection of their freedoms and rights, application of the law and judicial review, and judgment of the constitutionality of laws and regulations. The judicial authority decides in disputes over law enforcement and rights to be approved, amended or revoked in order to ensure harmony of interests and stability of relations in the society. Therefore, this authority must be kept away from the daily political practice and struggle of powers and interests, although it stands at an even level with the two other authorities. At least theoretically, it possesses power that enables it to subjugate both of them to its control and trial. In order for the judicial authority to properly carry out its role, it should remain independent from the two other authorities and from public opinion in order to avoid being included in the struggle of powers and interests and to maintain its ability to administer justice effectively. The judicial authority includes trial courts, courts of appeal, the Supreme Court and the Constitutional Court.

¹⁰ Birzeit University Development Studies Programme, Public Poll No. 17, 4-6 June 2004

65 percent of the respondents believe the health care services provided by the Ministry of Health are inadequate.

Due to the difficult situation, MOSA developmental initiatives have been cut back in favor of additional relief services.

include direct civil service providers as well as other organizations that do not provide civil services directly to the public, but rather support in some way the provider network.

There is a large gap between the level of services provided today and people's actual needs. The Human Development Report presents below a number of illustrative examples to demonstrate the mechanisms, obstacles and opportunities related to the work of these institutions.

Ministry of Health (MOH):

In almost every society, the ministry of health functions as a key civil service provider. In Palestine, the MOH is one of the few ministries which adapted its functions to accommodate the chronic state of emergency within Palestinian society. At the same time the ministry faced multiple obstacles preventing it from delivering the needed level of performance including mobility restrictions, border closures, very large numbers of injuries within the population, medical equipment and medicine shortages and an inadequate budget. The MOH was forced to halt implementation of its five-year strategic development plan in order to focus on the delivery of emergency services to the Palestinian population.

An opinion poll was conducted to determine the public's assessment of the performance of health institutions and the quality and quantity of the services they provide under current conditions. Poll data indicate that 65.5 percent of the respondents view services provided as inadequate, 81.7 percent believe that the number of hospitals is insufficient and 81.3 percent believe there are too few physicians in various fields of specialty within the Palestinian healthcare system.

In addition, 43.6 percent of the population polled reported they did not

benefit personally from the services offered, 66 percent believed that health institutions discriminate to varying degrees between citizens seeking healthcare. Another 61 percent believed that health institutions do not provide special places for patients with chronic diseases, 72.1 percent believed health care centers are not equipped with the necessary tools and training to handle emergency cases, and 72 percent perceived the quantity of Palestinian health care services available inadequate given the population size. Generally speaking, this opinion is more commonly held among residents of poor, densely populated or remote areas - reaching a high 81.5 percent among camp residents, 71.9 percent among village residents and 69.3 percent of the urban population. Only 13.4 percent believe that health institutions provide adequate health education programs within local communities.

Eighty-two percent believe healthcare institutions need internal restructuring of human resources in order to improve their performance. However, 81.6 percent of the respondents have never offered suggestions or constructive criticism regarding the quality of services offered to them and 66.7 percent have never submitted any complaint regarding instances of improper behavior by a health staff member. Although 33.3 percent did submit complaints, 62.6 percent of those who complained report that their complaints were not acted upon by the health institution. Finally, 31.2 percent reported that they are not covered by any type of health insurance for various reasons; 44 percent because they believe the services are inadequate, 37 percent because they can not afford to pay the premiums, and 19 percent because they believe they do not need the insurance.¹¹ Although important, these perceptions require verification in terms of their

¹¹ See results of a poll conducted by Panorama Center on the performance of health institutions in Palestine, covering 63 communities in the West Bank and Gaza Strip. Poll results were published on 8 June 2004 in *Al-Ayyam Newspaper*.

compatibility with the actual needs based on a realistic assessment.

Ministry of Social Affairs (MOSA):

MOSA provides a number of permanent programs in addition to temporary programs and projects implemented within emergency initiatives, such as poverty alleviation measures, psycho-social support services for children and families victimized by

Israeli violence, and support to families of the killed and the wounded. Due to the difficult situation, MOSA developmental initiatives have been cut back in favor of additional relief services due to increasing poverty and unemployment rates.

At the same time, the increasing poverty rate has increased demand for MOSA services even as its budget is reduced. Social aid services are modest and often barely address the

Box 3-7: Summary of MOSA Staff's Appraisal of its Role in the Development Process

- MOSA's vision and goals range from relief-centered goals for the direct provision of aid and services to developmental goals designed to build capacity within targeted groups. Relief services predominate over developmental services, particularly as the developmental plans initiated by MOSA prior to the Al-Aqsa Intifada have declined in favor of emergency aid plans targeting groups adversely affected by the Intifada. MOSA employees believe that its goals and plans are not communicated well internally and that it has achieved only limited success in reaching its goals due to a number of internal and external challenges.
- MOSA developed a number of internal rules and regulations, but according to staff, the regulations are inconsistent and unclear, leading to numerous breaches and violations, especially at higher levels of management. The regulations are highly centralized in nature, particularly those that deal with financial procedures. The regulations themselves are often amended without those changes being clearly communicated to staff.
- Staff recruitment is conducted in a variety of ways, including free competition through the personnel department or appointments by a presidential decree, which are often of a political nature. The same inconsistencies apply to job descriptions, which are unclear and often not implemented. Procedures for delegation of authority also occur based on a combination of old rules and regulations; often procedures are communicated orally, with no written follow-up.
- Needs and programs: MOSA identifies the needs of the target population through its staff (general directorates and field offices). There is no mechanism for periodic review, with the exception of a few ambiguous provisions in the rules and regulations. In addition, these needs are seldom subjected to critical examination, and often programs are designed according to the availability of funds, with no clear link to MOSA plans and strategies.
- Major constraints obstructing the work of the MOSA, according to its employees, are first financial constraints; second, the poor (or lack of) coordination between the different directorates and between the West Bank and Gaza Strip; and third, various political, factional and personal hindrances that prevent professional advancement.

most basic needs of the recipients. In some instances, checks are issued to needy individuals by MOSA, but they cannot be cashed because the MOF failed to transfer the required funds. The following box provides more information on the MOSA role and its performance by summarizing the majority viewpoints of MOSA employees.

Ministry of Education and Higher Education (MOEHE):

Educational services have also suffered under the adverse conditions afflicting Palestinian society. MOEHE was forced to halt implementation of a number of its programs and projects, such as building new schools, maintenance of the existing educational infrastructure, and programs to improve the quality of education overall.

The current conditions have also resulted in delay or halt to the implementation of educational developmental programs, training and certification workshops, and the procurement of educational technology, such as science labs, libraries, computer facilities, sports and cultural facilities. Implementation and oversight of programs in the areas of inclusive education, integrated education, special education, parallel education, self-administered schools, literacy and adult education programs have also suffered.

Ministry of Labor (MOL):

The MOL has made significant strides in the alleviation of suffering in the working sectors in Palestine. It created the General Directorate of Employment which actively coordinates with other institutions, including PECDAR and local councils, to implement job creation programs and to distribute unemployment checks. Nevertheless, the MOL has failed to create sustainable, long-term solutions for the inevitable challenges that will be created by a continually declining labor market and increasing unemployment levels.

Like other Palestinian institutions, the MOL has had to limit its efforts to the provision of modest relief assistance in the form of food supplies and cash to very needy cases seriously affected by the Israeli policies. The MOL tried to develop a set of criteria and distribution mechanisms to address the increasing and chronic unemployment levels in the private sector, ministries and NGOs. In spite of improved performance, cases of confusion have still occurred, when names of employed and persons not in need were included on lists of persons seeking work, resulting in the elimination of names of many unemployed people who are in real need.¹²

Point of Light 32: Temporary Employment Program

The MOL seeks to accommodate unemployed workers in public institutions and NGOs within the temporary employment program. In 2004 the number of beneficiaries totaled 54,048 persons out of 235,395 persons registered at MOL employment offices as actively seeking work. In order to solve problems related to selection and to ensure the delivery of services only to those most in need, selection criteria were developed taking in consideration the age, marital status, gender, number of children, educational level, health status and date of registration at the employment offices.

¹² *Al-Ayyam Newspaper – 7 April 2004.*

On several occasions, workers have publicly rejected the principle of welfare or handouts and demanded instead full-time employment or legitimate compensation for work performed. This position was evident in demonstrations organized in Gaza in front of the PLC on 1 May 2004, where workers demanded that the

PNA provide them with a social security fund and job opportunities instead of temporary relief assistance. They also demonstrated for the holding of elections, indicating a clear linkage in the public mindset between the reduction in unemployment and poverty and active participation in the civic affairs.

On several occasions, workers have publicly rejected the principle of welfare or handouts and demanded instead full-time employment or legitimate compensation for work performed.

Point of Light 33: Bread Protests – Workers’ Spontaneous Mobilizations in the Gaza Strip

The first instances of the mobilization of the Palestinian work force took the form of stay-in-strikes and demonstrations known as the Bread Protests. These mobilizations started (in mid-2002 and recurring in May 2004) spontaneously without a central directive by trade unions or labor organizations. The workers sent messages to decision-makers, stating: *In order to reinforce our determination, sustain our dignity and protect our children from illness and despair, we ask you to ensure us permanent job opportunities. Enough with poverty and hunger! We are not beggars! We need jobs in order to ensure a decent livelihood. We demand measures to limit unemployment and provide a social security fund.*

Perhaps the factor that makes these spontaneous labor mobilizations a point of light in Palestinian life is recognition of the workers’ awareness and demand of their civil and human rights. They spontaneously created a link between the Palestinian struggle for liberation and the larger social struggle for attainment of human rights and dignity. The demonstrations occurred against a background of deteriorating economic conditions and unprecedented unemployment rates, especially for workers who lost jobs in the Israeli labor market. They occurred in response to ineffective employment programs and inadequate reaction to the crisis by labor unions and other labor representation organizations.

The MOL did not pay sufficient attention to development of long-term strategies, especially in areas related to collection of labor market data. In contrast, they focused on immediate and short-range plans and initiatives and remained too long in crisis management mode, at the expense of comprehensive strategic and long-term planning.

Non-service Institutions and Ministries:

This category refers to institutions and ministries that do not provide services directly to the public. These non-service institutions also face constraints that negatively impact their performance. A major impediment is the lack of a clear

strategic objective, causing confusion in terms of areas of jurisdiction, programs, and work plans to cope with the difficult conditions resulting from the Israeli occupation. Therefore, institutional response to community needs and to the challenges resulting from the Al-Aqsa Intifada remains weak and limited. The following are some contributions made by these non-service institutions:

- **Creating emergency programs.** Examples include: programs by the Ministry of Energy to address energy shortages, repair damages inflicted on the electricity network, and provide assistance to citizens unable to pay their electricity bills. The Ministry of Housing offers temporary residences for families who lost their homes due to demolition or shelling.

- **Adapting existing programs to emergency conditions.** For example, PECDAR converted a number of its developmental programs to emergency and rehabilitation programs and subdivided some of its large-scale programs into a series of small-scale programs in order to deliver maximum benefit across the highest possible number of target groups and service areas.

- **Providing targeted aid to specific groups most heavily impacted by Israeli aggression.** For example, the Ministry of Supply food allocation program distributes food supplies to those in need, assures a constant supply of basic foodstuffs to the marketplace and reallocates food supplies to besieged areas. The Ministry of Waqf contacts local and foreign donors to provide assistance to poor Palestinian families and to raise funds to cover the costs of Hajj for relatives of those killed during the Intifada.

- **Assessment of community needs.** For example, the Ministry of Supply conducted a study on the effectiveness of boycotting Israeli goods. The Ministry of Housing and Public Works prepared an inventory of buildings, establishments and infrastructure facilities damaged or destroyed by the Israeli army. The Ministry of Planning and Ministry of National Economy studied and quantified economic losses

and recommended measures to alleviate the scope of those losses. The Monetary Authority is working to safeguard the interests of local banks through management consultations and guidance, including the recommendation of development of emergency committees to address the issues of clearance taxes, currency and monitoring of bank activities.

Local Councils:

During the Al-Aqsa Intifada, local councils faced multiple and extraordinary challenges stemming from the weakness of the PNA and its institutions and the scarcity of resources. Some local councils were forced to close doors. Emergency plans were created in response to conditions resulting from closure and siege. These plans included: repairing damaged roads, creating municipal tax relief programs for families affected by the Intifada, job creation, providing assistance to owners of demolished and damaged houses, and exempting a large number of families from paying water and electricity bills.

There are 412 local councils¹⁴ supervised by the Ministry of Local Government (MOLG), which have significant collective impact in terms of empowerment. Some of the ways in which local councils impact the empower process include:

Local councils faced extraordinary challenges, causing some of them to stop providing services as result of the last four years of occupation.

Point of Light 34: A Project for Training Islamic Community Leaders in Development and Economy

The Nablus District Department of Waqf and Religious Affairs initiated this project in order to train imams and female preachers on communication, dialogue, and mutual respect. The impetus for this project is recognition of the wide role and broad scope of social influence that imams and female preachers wield within the society through the mosque and religious television broadcasts. This training project is unique in that it was both conceived and funded locally, reflecting the importance of tolerance as a religious and national priority in the Palestinian conscience. Within this project, 60 imams and female preachers were trained on ¹³ different topics related to development, human rights and the economy.

¹³ Palestinian National Authority, Ministry of Planning, *A Framework for the Palestinian Mid-term Development Plan 2005-2007*.

¹⁴ Palestinian Independent Commission for Citizens' Rights, *2003, Ninth Annual Report*, pp. 116-117.

Box 3-8: Ministry of Planning and the Palestinian Mid-term Development Plan 2005-2007¹⁴

The decline in the humanitarian situation in Palestine, as evidenced in by numerous social, economic and other indicators, prompted the PNA to develop a new strategy to adapt to the prevailing conditions. A major element of this strategy is to link emergency relief programs to development plans (within a mid-term development plan 2005-2007). This plan emphasizes projects and programs and promotes economic and social stability, focusing on job creation to combat unemployment and other strategies to mitigate the adverse economic impact of the Separation Wall. Main objectives of this plan include:

- To address humanitarian and social needs resulting from increased population growth.
- To respond to the special needs of the marginalized social groups.
- To alleviate the impact of physical destruction in both the public and private sectors.
- To improve the effectiveness of services provided by PNA institutions and local councils.

A number of mechanisms were developed to achieve these goals. Some of them can be implemented immediately; others will be put into effect when current conditions stabilize. These mechanisms include:

- Investment in the infrastructure as a tool for job creation.
- Encouraging private sector investment and job creation by giving priority to those production sectors with high employment capacity and which serve the local market, such as agriculture, housing and construction.
- Promoting the systems of education, health care and social services.
- Acceleration of reform processes and rehabilitation of public institutions.

● **Change of roles:** Siege conditions have increased levels of self-reliance within local communities. In several cases, local councils were able to achieve unprecedented examples of infrastructure rehabilitation and community participation. Many small towns made remarkable progress at the economic, social and environmental levels, while advances in large urban areas were comparatively slower, due to overcrowding, environmental pollution, declining standards of public health (especially in the area of hygiene services), shrinking green space and deterioration in levels of new construction and infrastructure expansion.

● **Creation of common service councils:** Several common service

councils have been created through active coordination between the local councils of adjacent geographical locations. The joint or shared approach to the provision of key municipal services has effectively reduced costs and improved the quality of services rendered. There have been several successes in this regard, although some councils have not made significant progress in this regard due to internal conflict or lack of resources. In addition, common councils have not yet been created in many other areas.

● **Appointing rather than electing:** Membership on a large number of councils was based on appointment by the MOLG, as elections have not been

Several joint service councils have been created through active coordination between the local councils of adjacent geographical locations, which has effectively reduced costs and improved the quality of services rendered.

By the end of 2004, election processes were launched in several local councils in the West Bank and Gaza Strip.

conducted recently. This practice has weakened the democratic nature of the councils and kept municipalities subjugated to the control of central government. In response to objections, officials claimed that council members were not “appointed” but rather “selected” due to extraordinary conditions in order to enable citizens to self-manage their affairs. In their opinion, the “selection” is a compromise between elections and appointment. This

system of appointments revives tribal traditions within Palestinian society, obstructing empowerment processes needed to create solidarity and cohesion within society. However, this situation started to change by the end of 2004, with the launching of election processes in several local councils in the West Bank and Gaza Strip.

- **Strict supervision by the central government:** In general, local councils

Point of Light 35: Mazra'a Sharqiya Municipal Council is Elected, Not Appointed

The first village council in *Mazra'a Sharqiya* was established in 1965. The town continued to be managed by elected or appointed councils until the start of the first Intifada, when the village council was dismissed by a decision of the United National Leadership of the Intifada. On 8 February 1996, elections were held in Mazra'a. These were the only free and direct elections for a local council conducted in the Palestinian territories at that time and on the initiative of the village residents themselves.

In 1997, the MOLG decided to upgrade the village council to a municipal council with wider powers. The significance of these elections in Mazra'a is based on the fact that they were conducted on the initiative of the village residents under their own management and supervision. The elections reflected a strong sense of community participation and involvement, as well as their willingness to challenge the conditions of Israeli occupation and regain control of their own affairs from the PNA.

are subjected to the control of a powerful central authority which controls decision-making on many local issues. This style of governance, although appropriate for many aspects of public affairs management, can have the effect of restricting local initiative and inhibiting the natural development and advancement of governing expertise within the local councils.

- **Scarce tax revenues:** Taxes represent only 25 percent of the total revenues of Palestinian local councils, compared to 80 percent in developed countries and 71 percent in the other developing countries. The situation is further complicated by the existence of multiple tax structures, which vary from one local council to another.

- **Low budget allocations for development:** Development allocations include the construction of schools, health centers and public facilities, purchase of government vehicles and property, development of commercial areas and industrial zones. The percentage of local council budgets allocated to development is often as low as 10-20 percent, generating excessive reliance on external grants and other forms of assistance.

- **The absence of local council representation in 25 percent of the West Bank:** Development status varies by area, particularly in terms of coverage by water and electricity services. The areas served by local

councils tend to be more highly developed than those areas without councils.

- **Poor adherence to constitutional provisions relevant to local councils:**

In this regard, councils are restricted from participation in the planning, prioritization, budgeting and budget allocation processes.

- **Traditional perspectives within the local councils themselves:**

Most local council leaders still perceive the council's role in a traditional way, i.e.

limited to the provision of customary services, such as water, electricity and public sanitation. In the absence of a clearly defined role for local government in day-to-day life, the role of local councils will remain limited to individual interpretations of their leaders and members, and will depend on the availability of material and human resources. In addition, the impetus for local councils to embrace the concepts empowerment and human development and to integrate those concepts into the functions of local

Point of Light 36: Children's Municipal Councils

Children's municipal councils grew out of the Child-Friendly Cities initiative implemented in the Palestinian territories during 2002. The idea was born of the collective vision and effort of UNICEF, the municipal councils, parents and teachers, who were concerned by the limited opportunities for the participation, development and interaction of children in community life.

Proactive participation in civic life through mechanisms such as children's municipal councils provides early instruction and promotes progressive thought and widespread awareness in areas such as community conflict resolution. These councils have improved the status of young people in a variety of ways, including providing them with opportunities to influence decisions that will affect their lives, encouraging them to become partners in the decision-making process, creating an environment conducive to the development and implementation of supportive children's policies, and changing adult perceptions of the children's capability and potential to contribute in a meaningful way to civic life.

Currently, children's municipal councils exist in the following cities: Jericho, Gaza, Jenin, Nablus, Rafah, Hebron and Tubas. Each council has a membership of 30-40 young people with equal representation of males and females, as well as representation for children with disabilities. Members of these councils are selected through a democratic election process in their schools. Children independently develop programs that reflect issues of concern to them, prioritize them, and adapt them to accommodate the input and advice of their parents and from other local community institutions.

It is hoped that these councils will mobilize governmental and non-governmental partners, such as religious leaders, local community leaders and school administrations, to work on achieving the following: support for children's participation, increased attention to children's issues, and assistance with designing, implementing and evaluating the children's small-scale projects through increased awareness of their unique needs. However, this hope has to withstand the challenges and difficulties that face children's municipal councils and children in general, in view of the current security situation and the obstacles imposed by the prevailing system of values and perceptions within Palestinian society.

councils remains limited, especially in the areas of gender equality, early childhood and youth programs, and environmental awareness.

In spite of an impressive roster of services and the support and relief activity administered by the local councils, the public still believes they do not provide services adequate to the demand. In fact, the failure of the scope of services to meet local demand is due to scarce financial resources, the ever-increasing needs of a growing population, and the damages inflicted on existing programs and service

infrastructure by Israeli occupation forces. The public criticizes local councils for not providing more opportunity for consistent community involvement in decisions on local projects of concern to the public. They are also criticized for a lack of rules and regulations for the delegation of authority and for follow-up on issues and complaints, non-adherence to transparency and accountability practices, and for the ambiguous power-sharing relationship between the local councils and the governorate office. The following box provides some details on the role, performance and conditions of local councils.

Box 3-9: Overview of Councils in the West Bank and Gaza Strip¹⁵

- **Legitimacy:** In the absence of elections, the legitimacy of local councils may be seen from two opposing perspectives. The first perspective is that appointments and political nepotism preclude true representation of community residents, while the opposing view holds that legitimacy derives from community participation in council activities, not from the manner in which the leadership of the councils is appointed. There are also two opinions regarding the encouragement of community participation. The first opinion holds that people's participation in identifying their needs and priorities contributes to the success of the councils and reinforces their legitimacy. The second opinion claims that community participation should be limited in order to avoid confusion that may result from excess input from multiple sources.
- **Coordination between local councils:** The strength and degree of inter-council relationships vary. On one hand, there are instances of fully-coordinated relationships that include the implementation and administration of joint municipal projects. Coordination is also manifested in the existence of the common service councils, particularly in the area of infrastructure. On the other hand, many local councils make little or no effort to coordinate with counterparts or logical service partners. However, it is generally agreed that developing active bilateral and multilateral coordination schemes between the different municipalities is desirable and important.
- **Relation with PNA institutions:** Relationships between municipalities and ministries take different forms. The MOLG plays the role of supervisor and coordinator of local councils, which includes monitoring, financial control, planning and implementation of local council programs. The Ministry of Planning interacts with local councils on allocations of funds for public works at the municipal level. Municipalities receive funding from the MOF either directly or through the MOLG. There is no evidence that these two ministries coordinate on needs identification. The Ministry of Labor coordinates with local councils to provide job opportunities for the unemployed. The Ministry of Public Works (MPW) provides assistance for projects to rehabilitate municipal infrastructure and provides a degree of technical assistance. Some local councils rate their coordination with the MPW highly, while others think that levels of coordination are inadequate. Local councils are subject to monitoring and control by multiple bodies and multiple levels. In addition to the internal control mechanisms, external control is exerted from two sources: the MOLG and the General Control Institution.
- **Limited resources:** Municipal resources are limited, especially financial resources. Councils must seek grants and aid from external donors, which increases their dependency on outside funding and contributes to the deterioration of self-reliance. Limited resources have greatly reduced the amount of social spending (on health, education and public security) by local councils.

¹⁵ This analysis is derived from information and interviews with representatives of a number of local councils, including: Habla Municipality, Al-Ram Local Council, Jenin Camp Services Popular Committee, Beit Hanoun Municipality, Wadi Al-Salqa Municipality and Rafah Municipality.

Section Three: Overall Evaluation

In the light of the above, the question to ask is: Do Palestinian institutions operate with a collective vision and programs designed to facilitate empowerment? Is there a common perception or interpretation of empowerment and a set of harmonized goals and strategies in order to achieve empowerment at multiple levels of Palestinian society? In order to answer this question, a number of institutions (service providing and non-service oriented) were approached and asked to identify their visions and assess that vision in terms of its ability to achieve empowerment. Different population segments were also approached in order to obtain their assessments and appraisal of programs, activities and services offered by these institutions. A number of conclusions were reached, mainly:

- The majority of institutional officials believe their departments do possess clear visions, although they were not able to expound on the content of those visions.
 - Confusion exists between having an organizational vision in professional terms and slogans based on national and ethical sentiments, such as saying that the vision of the Ministry is “embodied in the principle of democracy and accountability” or that it strives to “create a Palestinian generation characterized by consciousness and pride in their homeland, people and cause and prepare them to confront life challenges and contribute to the building of their state and homeland, etc.”
 - Visions are dominated by an abstract and generalized tone, such as saying that the future vision of the Ministry is related to reaching “social well-being through a future comprehensive perspective of the Palestinian society.”
 - Visions, goals and development plans
- range between the over-generalized and the too specific, as reflected in one statement by an institution that the features of its development plan are “basically derived from the national development plan” and by another institution that its plan is “to ensure one hospital bed per 600 citizens and provide adequate health services in order to avoid the need for referrals abroad.”
- Although visions were often unclear and sometimes nonexistent, institutions were more readily able to define their goals, since it is probably easier to quantify a concrete goal that to formulate a vision. However, clear relationships between institutional goals and institutional vision were again missing.
 - Most visions lack clearly defined implementation strategies and fail to identify target groups and/or beneficiaries.
 - Often visions, goals and strategies were not differentiated, although some institutions were successful in formulating their goals clearly and accurately. A good example is MOEHE, which stated its goals as providing students with opportunities to enroll in basic education, improving the quality of education, and upgrading education in order to develop human resources.
 - There was clear disagreement between personnel at different levels regarding the existence of an institutional vision. Some staff members believed their institutions had multiple visions, which underscores the lack of an internal communication and coordination within institutions.
 - Recipients of public services are apparently unsatisfied with the quality, quantity and method of distribution of

The level of public confidence in certain service providers, such as education and health, is higher than confidence in the output of other political, social and economic institutions.

A total of 58 percent of people believe that PNA institutions are not able to meet the day-to-day living requirements.

those services, especially those related to social welfare, such as education, health and social security. This dissatisfaction is not only attributed to destructive measures by the Israeli occupation forces, but is also linked to the size and type of available resources, means of quality control and budget allocations. This state of dissatisfaction reflects a perception of poor accountability mechanisms, which reinforces the alienation and marginalization of the different population groups.

Apparently, the level of public confidence in certain service providers, such as education and health, is higher than confidence in the output of other political, social and economic institutions. This is evident in the high level of public confidence in the MOEHE and the MOH (82.4 percent and 60 percent respectively) and low confidence in PNA institutions in general, the Legislative Council, and political parties and organizations, none of which scored confidence levels over 31 percent by the public. Low public confidence levels are also scored by the judiciary (43 percent compared to 57 percent confidence in tribal reconciliation), police and security apparatuses.

These findings indicate that people's confidence in institutions decreases when the output is related to general rights, national, political and security issues. Confidence increases when institutional outputs are tangible and direct services, such as education and health. The implications of this conclusion are significant in its relation to empowerment, as it indicates that policy-making institutions have a lower impact on the overall process of social empowerment than do the government organizations that provide services directly to the public. Another implication is that empowerment processes are only mobilized when people participate and directly interact

in these processes and are involved with the outcomes and consequences. The Palestinian public generally doubts that most PNA institutions are capable of identifying and responding to their collective needs. A total of 58 percent of people believe that PNA institutions are not able to meet the day-to-day living requirements of the population, 33 percent think PNA institutions do not fulfill their obligation to address social issues, such as conflict resolution, 35 percent think they do not provide public security, 57 percent believe that they do not confront and combat corruption or enforce the rule of law generally, in addition to 44 percent who believe that PNA and its institutions have lost both authority and legitimacy.

Many obstacles prevent PNA institutions from promoting and facilitating the process of social empowerment. The first set of obstacles is generated by constraints within the overall political, economic and social atmosphere in which these institutions operate. Examples are: interference and oppression from Israeli occupation forces, a weak Palestinian economy almost completely dependent on Israel, the lack of a Palestinian strategic vision, political miscalculations and missteps, the restrictive nature of agreements signed with Israel, and a shortage of financial resources. Internal or self-imposed obstacles, on the other hand, include those that stem from poor administration, planning and programming skills such as: the lack of a clearly defined body of rules and regulations for management of public affairs, a general lack of institutional experience, inadequate measures taken at the institutional level to address the impact of Israeli aggression and to respond to general community needs, as well as a low level of cooperation and coordination among these institutions and with other organizations, such as those in the NGO community and the Palestinian private sector.

Chapter Four

The Role of Civil Society Organizations in Society Building and Empowerment of the Palestinian People

This chapter examines the role of Palestinian civil society organizations in the empowerment process by analyzing their performance, relationships within their sector and with other social groups. The objective is to assess the adequacy of their efforts to confront and overcome the challenges to Palestinian society, and to aid in the establishment of a vibrant, viable state for the Palestinian people.

Section One: Palestinian Civil Society Organizations Their Structures, Culture and Performance

Palestinian society includes two types of social institutions. The first is the traditional social institution,¹ which includes tribes, clans, extended families, urban, rural, familial and sectarian networks and religious groups. The second type is the modern institution, such as political parties, charitable societies, trade unions, professional associations, women's associations, NGOs, media and advocacy groups and other service-providing organizations. Both types of social constructions are present and active in Palestinian society and represent different perspectives, whether related to Palestinian cultural heritage, modern, western or traditional patriarchal values.

The traditional social institutions and modern institutions differ from each other in their vision, goals, form and structure. However, similarities also exist - in purpose and in practice - as they both adhere at a very fundamental level to a common system of traditional values. Consequently, both traditional and modern institutions reflect, albeit in different ways, the basic values system of the society that creates them.

Because these institutions do vary widely in their practical interpretation and application of the traditional Palestinian value system, it should be noted that the conclusions drawn in this chapter do not apply to every institution equally. The purpose of the analysis is to monitor the significant trends within the two types of social structures and to assess the impact they have on the development process, given the challenges they face.

4-1-1 Palestinian Tradition and Modernization as Possible Empowerment Tools:

Palestinian culture played an important

role as an inhibitor of the social and cultural disintegration that might otherwise have been the result of the Israeli occupation. Palestinian culture possesses a unique heritage of structures, values, traditions, behavioral patterns and custom which are deeply ingrained in the collective consciousness of the people. Palestinian culture plays two opposing roles: the first as a strengthening agent for the fundamental linkages within society and a catalyst for empowerment; and the second as a stumbling block for development and modernization - a hindrance to progression of development and modernization within society.

In general, both traditional and modern institutions are affected by economic, value-driven and behavioral structures. In this sense, Palestinian society remains almost feudal, although it was largely impacted in 1948 and again in 1967 by the culture of forced displacement, as well as other external influences. A hybridization of Palestinian cultural values occurred when returnees and refugees brought with them their own unique relationships, values and social structures. Some of these dated back to their communities of origin, those from which they were expelled in 1948 or 1967, others were a reflection of the refugees' communities of exile, from which they returned in 1994. The traditional, homogeneous Palestinian culture continued to exert significant influence in spite of transformations and assimilations inflicted on refugee and native structures, values and cultures.

Palestinian modern institutions do not share a uniform level of enthusiasm for western-style modernization. Some strive to achieve modernization and the process of development in the context

Palestinian culture played an important role as an inhibitor of the social and cultural disintegration that might otherwise have been the result of the Israeli occupation.

¹ These social institutions are those based on traditional inherited relationships rather than on voluntary acquired ones. They represent a pattern of structures into which an individual is born or which he/she inherits.

Most modern institutions and organizations view modernization as an escape route from the cultural-historical predicament.

Traditional institutions play an important role in the maintenance of social cohesion. Cultural norms, habits and traditions work to form an unwritten social contract that regulates relationships between different parts of the community.

of and as a reflection of traditional social values. Others see modernization as a system in which prefabricated, foreign social systems are superimposed onto the Palestinian framework. Still others reject the concepts of modernization outright, and prefer to take Palestinian society back to the days of conventional thinking, which are now completely out-of-step and antithetical to any aspirations of holistic human development.

In general, however, most modern institutions and organizations view modernization as an escape route from the cultural-historical predicament in which the Palestinians now find themselves. Some believe that traditional institutions and their cultural and religious values hinder the efforts of Palestinian society to catch up and interact with the modern world. They see the existence of traditional institutions as a factor in the continued retardation of growth in Palestinian society. Unfortunately, more modern Palestinian institutions have not performed effectively enough to serve as convincing alternatives to the traditional ways of doing things. They have, however, achieved some success in bringing about a degree of social pluralism and have mobilized resources for change in several areas.

Palestinian society must unify its methodologies and consolidate its resources if it is going to effectively expedite the process of institution-building and modernize its traditional civil society organizations while preserving their contribution to Palestinian life. Some echelons of Palestinian leadership and the cultural elite do recognize the need for modernization, and have achieved a degree of success in realizing this goal.

4-1-2 The Culture of Palestinian Civil Society Institutions:

Tribes, clans, families, urban and sectarian networks and other traditional institutions have great influence at the social and political levels. They wield this influence through their systems and organizational mechanisms, habits, traditions, laws, symbols and ritual celebrations of holidays and the seasons, which hold great emotional appeal and a sense of belonging for its members. Traditional institutions draw members together through relations of kinship, communal property, central places of worship, collective charitable endeavors and group social activity. They are self-funded, and solicit donations, pledges, Zakat (Islamic charitable) funds, and pool revenue from common properties, which grants them certain level of independence from both modern community institutions and official authorities.

Traditional culture shapes the performance of some modern institutions and organizations. Sometimes, modernity is simply a veneer overlaying a deeply traditional core. For example, the rise of modern political parties and government structures does not necessarily mean that they espouse modern or progressive thought and values. Palestinian political factions and parties still display to a large degree the organizational culture and behavioral habits of traditional institutions, whether consciously or unconsciously. They also maintain the loose structure and tribal dynamic of traditional institutions as opposed to the more rigid, disciplined approach of a modern political party. Palestinian political groups do have a long history in the civil society arena and have played important functions in the

introduction of modern values to society and in the provision of community services.

4-1-3 Interaction of Traditional and Modern Institutions:

Traditional institutions play an important role in the maintenance of social cohesion.² Cultural norms, habits and traditions work to form an unwritten social contract that regulates relationships between different parts of the community and prevents breakdown within the social system. Some modern social institutions also have the potential to play a constructive role in the maintenance of social cohesion, although their activities are governed by conflicting or ambiguous laws issued by various official authorities— Ottoman, British mandate, Jordanian, Israeli occupation, or Palestinian. For example, village and municipal councils have failed to fully execute their expected role in the planning and organization of the activities of local communities. Often, they are

too closely affiliated to the executive authority. Or, through election or appointment, they do not operate under a clear mandate from the community they serve, and must constantly respond to an ever-changing legal framework and set of political conditions.

Relationships between traditional and modern institutions within Palestinian society have both positive and negative aspects. The two types of organizations have not yet been able to achieve a mutually beneficial method of interaction. This failure is attributed to two factors: first, defects in both types of institutions and in their performance, and second, the role of external factors, especially the Israeli occupation, in reinforcing contradictions in respective institutional goals. To a degree, each has adapted to the other's existence within society, but adaptation is not adequate if the two are to work in tandem to guide Palestinian society forward on the path to sustainable development. The reliance of certain political parties on a tribal system of

Box 4-1: Palestinian Empowerment: Between Grassroots Mobilization and Authoritarian Dominance

The first Palestinian Intifada in 1987 provides interesting examples of rational modernization in light of the significant role played by civil society organizations in the conflict. Men and women, adults and children, all participated in the struggle against the Israeli occupation, challenging traditional barriers that previously prevented their participation. The involvement of new groups helped mobilize traditional institutions to engage in Intifada activities and to promote its objectives. During the Intifada, Palestinians voluntarily created their own systems to replace services previously provided by the Israelis. However, internal relationships within Palestinian society were disrupted by a change in the political course taken after the Intifada.

After the establishment of the PNA and during the Al-Aqsa Intifada, many achievements of the first Intifada were reversed and steps towards modernization were marginalized or annulled. A tide of traditional conservative culture swept over official and informal institutions. In the second Intifada, popular participation in decision-making and problem-solving was blocked and the tasks left solely to official institutions, which failed to provide a convincing state-based alternative. As result, traditional social organizations, particularly the patriarchal system, regained their status and began to exert negative influences at both the formal and informal levels. Palestinian society was effectively split into two directions: the modern direction generated by the first Intifada and the reverse towards tradition that took place after 1994 and was intensified during the second Intifada.

² Migdal, Joel, *State and Society in a Society without a State*, pp.395-397, and Peretz, Don, *Palestinian Social Stratification –The Political Implications* pp. 412-414 in Ben-Dor, Gabriel-Ed.; (1978); *The Palestinians and the Middle East Conflict*, Ramat Gan, Turtledove Publishing.

Some development-oriented NGOs were established to address the everyday problems of life—going beyond the provision of direct and immediate relief, seeking instead to develop society's internal ability to create an alternative, parallel system to the Israeli occupation.

leadership represents a clear example of the interest-oriented cooperation and adaptation that characterizes the relationships between modern and traditional Palestinian institutions.

Palestinian society is also capable of rationalizing modernization when needed, as evidenced in the first Palestinian Intifada (1987), when traditional and modern institutions cooperated in a manner that enabled the uprising to continue for five consecutive years. Cooperation between these institutions at that time preserved and reinforced the Palestinian social fabric, ensuring the provision of basic services and significantly advancing the political cause.

However, in the years that followed, a hybrid state of genuine and artificial modernization within society took hold, which led to a gradual abandonment of the task of modernizing traditional institutions and widespread rationalization of the poor performance of the modern ones. This process eventually resulted in both disruption and distortion of a legitimate modernization process, and all the while the Israeli occupation continued to implement its destructive policies against Palestinian society.³

4-1-4 Activities of Civil Society Institutions:

Charitable organizations form the largest sector of Palestinian civil society. Some political movements and parties sponsor development organizations that wield influence in the social domain, such as emergency relief groups affiliated with nationalist and leftist parties and Islamic institutions. Benevolent associations,

such as clubs, familial/clan/tribal councils (diwans), are also active in social service and relief work in response to needs within the local community.

Some development-oriented NGOs were established to address the everyday problems of life resulting from the Israeli occupation in 1967. These NGOs created different directions for themselves than those of charitable societies—going beyond the provision of direct and immediate relief, seeking instead to develop society's internal ability to create an alternative, parallel system to the Israeli occupation – one capable of resisting it.

Each civil society institution oriented towards development operates in its own domain and occasionally within joint domains as well. Their activities intertwine with efforts of official institutions in preserving the Palestinian social fabric and in the fields of health, education, culture, and social welfare. In addition, they interact with the surrounding environment, reacting to roles played by neighboring countries and roles played by the Israeli occupation with its different manifestations and dynamics. They also interact with the wider environment as they work to secure external funding sources, advocacy and support linkages from United Nations agencies and other international institutions.

Activities sponsored through Palestinian civil society institutions and organizations have a significant impact on the community. As result, they hold a large degree of responsibility for both the positive and negative outcomes of their programs. But not all institutions and organizations operate effective, well-managed programs, so the

³ For more discussion about modernization, refer to: Salah Abdul-Atti, *The Palestinian Society between Tradition and Modernity – Potential and Determinants of a Palestine Constitution* and Adel Samarah, *Analysis of the Palestinian Society: Tradition, Modernity, and Modern Genuineness in the Era of Globalization*, Said, Nader et. al. (2004), *The Palestinian Constitution and Human Development Requirements (Research Papers)*. Birzeit University Development Studies Programme.

Points of Light 37-39: Palestinian NGOs and Youth Empowerment Programs

Point of Light 37: Sharek Youth Forum

Sharek Youth Forum organizes a series of daily and weekly activities for youth and adolescents and promotes youth involvement in all aspects of legal, social and cultural life. The Forum encourages youth groups to perform volunteer work. Between January 2002 and August 2004, the Forum partnered with various youth organizations throughout Palestine to fund and implement 98 youth programs.

In addition, the Forum established 20 centers to promote the dual principles of partnership and participation. The centers provide an environment in which youth can give expression to their hopes and their unique needs. The centers offer expanded level as well as remedial educational curricula, health, cultural and sports programs. They build playgrounds, sponsor sports teams and provide them with the needed equipment. In addition, training, rehabilitative and developmental programs were organized and a number of youth institutions, centers, clubs and associations were supported in the implementation of capacity-building programs for the youth. The number of participants and beneficiaries of the Forum's programs are estimated at 193,000 children and young people, both males and females.

Point of Light 38: The Youth Achievement Initiative

This is a national youth initiative promoting the power of youth work and working to spread the basic principles of democracy and the responsible practice of citizenship — its rights and responsibilities. The initiative was launched in early 2003 by Quakers in order to promote the involvement of young people in society through partnerships with Palestinian youth institutions. The project enjoyed wide levels of participation in 46 separate youth teams distributed through a number of Palestinian towns and communities.

The initiative educates young people about democracy, civil society and citizenship, encouraging them to identify and solve community problems in the spirit of teamwork and in partnership with national institutions. It equips them with the required skills to take initiative and to participate in decision-making through active involvement in volunteer work. The Youth Initiative provides training and skills development in teamwork, communications, and time and crisis management skills. Teams of school children, in cooperation with youth clubs and institutions, work to identify community problems and prepare and implement plans to address them.

Point of Light 39: Arab Studies Society/Youth Development Department

The Department was established in mid-2000 as an initiative by the late Faisal Hussein (then the manager of Jerusalem affairs in the PLO) in order to promote and protect Palestinian institutions in Jerusalem by creating programs that cater to young people and assist them in planning for their future. To this end, the Association provides administrative (institution-building), financial (fundraising), and technical (training and consultation) support to institutions operating in the Jerusalem District to develop the youth sector. The program encourages school dropouts to return to school or receive appropriate vocational training, providing guidance to youth in setting realistic plans and goals, administers aptitude and ability tests to determine areas of strength and potential, and coordinates a variety of youth activity programs.

individual impact of civil society groups varies widely from organization to organization. Similarly, community response to civil society programs varies in accordance with how well the programs serve the needs of its target groups.

Professional associations and the Palestinian private sector play a large

role in society as well. Professional and trade associations serve to regulate industry activity, set rules of professional conduct, organize relationships between trade associations and members, settle intra-industry conflicts, and promote their members' financial interests.

The private sector attempts to respond to the growing needs of Palestinian

Sector-specific associations defend the interests of groups they represent and coordinate the work of their members.

society. It seeks to upgrade its own performance levels by establishing relationships with funding agencies and maintains constant communication with industry counterparts abroad. The private sector encourages input and advice from external economic institutions and makes every effort to keep abreast of changes in the dynamic economic environment.

The Palestinian private sector absorbed the economic shock of 1967 and managed to hold itself together, in spite of the flight abroad of both economic leadership and investment capital. The Israeli occupation resulted in the drying up of available credit, a huge reduction in market size, marked decline in the agricultural sector and major shifts in labor demographics.

Nevertheless, the private sector continued to serve as a primary source of employment and resisted efforts from the Israeli market to completely swallow the Palestinian market, especially in the time period from 1994 until the second Intifada. At this time, the private sector faced another onslaught, and many private enterprises were forced to close. Those that survived did so through substantive reduction to production capacity and internal restructuring of operations.

The work of Palestinian professional associations is an important component of civil society. Industry-specific associations defend the interests of groups they represent and coordinate the work of their members. These activities generally result in higher levels of efficiency and production within the industry or profession and raise visibility for their members within Palestinian society. For example, several professional associations in the West Bank are formally affiliated with sister

associations in Jordan⁴ and network with other similar associations in Palestine and throughout the Arab world. Professional associations in the West Bank also participate in a voluntary forum, which coordinates their affairs.

In Gaza, however, the situation is somewhat different. Professionals belong to societies rather than associations, as dictated by the laws established in Gaza prior to 1994. After 1994, many professional societies were permitted to reorganize as associations, and to follow the laws governing similar groups in the West Bank.

In practice, the priorities of professional associations in the West Bank and Gaza Strip differ and as result, relations between the associations in the two geographic areas were not harmonized in terms of structure or performance. Hampered communications, especially during the past three years, also contributed to a general lack of coordination between the two areas.

Members of professional associations in the West Bank and Gaza Strip represent a significant percentage of Palestinian social and political elite groups. Professional associations in the West Bank, both individually and through their common forum, have played prominent roles in the Palestinian society since 1967 on both the social and political level.

Another example of professional coordination serving the common welfare is the Palestinian NGO network, created to promote cooperation and synergy of effort among its members and to strengthen their collective social and political contributions. In addition, a number of industrial unions and chambers of commerce (in the important economic sectors of stone, food products

⁴ Many Palestinian professional organizations were originally formed as affiliates of associations created in Jordan. They functioned primarily as branches of the Jordanian groups post-1967, even after the change of the law in Jordan. Following the year 1994, many Palestinian associations began to function independently, although financial relationships (dues structures) remained in place between the Jordanian headquarters and the Palestinian chapters in the West Bank.

Points of Light 40-43: The Private Sector's Role in the Community

Point of Light 40: Palestine Telecommunications Company - PALTEL

PALTEL has adopted the concepts of corporate social responsibility by creating community partnerships with local institutions to promote creativity and excellence. Activities include funding the Young Scientists Club; establishing three new centers in Nablus, Hebron and Gaza and renovating two older centers in Ramallah and Khan Yunis. PALTEL provided 200 scholarships to university students and purchased olive oil from farmers in cooperation with the Agricultural Relief Committees and Nablus Zakat Committee. PALTEL also provided financial relief to needy students and their families, used videoconferencing technology to simultaneously broadcast Birzeit University graduation ceremonies for parents in Gaza during the closures, covered costs of medical treatment for afflicted needy individuals, and sponsored many youth sport programs.⁵

Point of Light 41: The Arab Bank

Since its establishment, the Arab Bank has sponsored activities and programs which serve large sectors of Palestinian society, especially in the fields of culture and education. The bank offers material and in-kind assistance to educational institutions and provides financial aid to thousands of Palestinian university students.

Point of Light 42: National Beverage Company (NBC)

In mid-2004, the NBC funded a children's library in a government-sponsored hospital located in Jenin, as well as another in Ramallah. NBC also sponsors the donation of large quantities of school supplies to schoolchildren throughout Palestine annually.

Point of Light 43: Jawwal (Cellular Telecommunications)

Jawwal utilized its extensive mobile telecommunications network to organize a campaign for national unity and stability following the death of President Yasser Arafat. Jawwal also uses its publications and advertising media to promote the major landmarks and historical sites of Palestine.

and pharmaceuticals), agricultural associations (olive, agricultural marketing), and literature and arts forums have been formed.

4-1-5 Legal status:

Some traditional institutions within Palestinian society were created voluntarily in accordance with the needs and the wishes of the local community, whereas others were established by fiat or by force over a long period of historical development. Some of these older institutions were founded during the Ottoman period and eventually

gained popular acceptance during the period of the British mandate. They were subsequently absorbed into the Jordanian system and later into the PNA.⁶

In contrast, modern NGOs are established and operate within the Palestinian legal framework, as well as within the framework of Israeli laws and military orders that are the legacy of the continued occupation of the Palestinian territories⁷ Certain provisions of the May 1994 Cairo Agreement between the PLO and the state of Israel also serve to direct NGO activities within Palestine.

⁵ PALTEL: *Concerns and Directions – Annual Report 2003*. pp. 13-14.

⁶ See on this issue: Mohammed Fahd Mohammed Al-Araj, *Brief of Tribal Judiciary*. Jerusalem, 2003. (As indicated on its cover, the book was issued by Presidential Decree No. 4557 on 16 February 1997)

⁷ The PNA Chairman issued Decree No. 1 of 1994 that provides for continuing "the effect of laws and orders that were in effect in the Palestinian Territories prior to 5 June 1967". He also issued Decree No. 5, where Article 1 stipulates: "All powers stated in legislations, laws, decrees and orders in effect in the West Bank and Gaza Strip prior to 19 May 1994 shall be entrusted to the PNA". See *Palestinian Proceedings, the PNA official gazette, Issues No. 1 and 4*.

Palestinian political parties and political movements are powerful influences within Palestinian society. They serve as catalysts for action at the political and social level.

After the establishment of PNA, legal restructuring was needed. However, the legislative framework in existence did not adequately support or provide guidance to the required reorganization within the government. Some examples of deficiencies in the current body of Palestinian legislation with regard to the organization of governance follow:

1) The Law of Political Parties is as yet unratified. Political parties are temporarily managed according to the provisions of the Draft Law of Political Parties of 1995, which has a number of shortcomings. Some legal institutions and Palestinian human rights organizations have criticized the complications and inconsistencies inherent in the Draft Law. Some of these include unnecessarily complex procedures for party organization;

restrictions placed party activities; and relationships with the media, as well as other areas of concern.⁸ The draft law is also criticized for its adherence to the Israeli laws and military orders dating back to 1994 and earlier, as well as PNA's need to obtain Israel's approval for any new Palestinian legislation in accordance with the terms of the 1994 Cairo agreement.

Article 2 of the Charitable Organizations and Community Associations Law No. 1 of 2000 defines the activities of charitable societies and non-governmental bodies as "any voluntary social, economic, cultural, developmental service or other activity which improves the status of society's citizens in social, health, professional, material, spiritual, artistic, cultural, sports, or educational terms". The law excludes

Box 4-2: Palestinian NGO Network (PNGO)

The Palestinian NGO Network is an independent civil and democratic entity created to support and strengthen the principles of democracy, social justice, sustainable development and respect for human rights within Palestinian society. PNGO does not discriminate on the basis of religion, gender or race. The organization was established in September 1993, after the signing of the Oslo Accords, to enhance coordination, consultation, cooperation and networking among different sectors of civil society. Its membership is comprised of 92 Palestinian NGOs working across a broad spectrum of humanitarian, social and developmental fields. PNGO forms integral linkages within Palestinian civil society, coordinating the NGO sector at local, regional and international levels.

Vision: PNGO seeks to contribute to the establishment of an independent and democratic Palestinian state based on the rule of law, social justice, principles of democracy and the respect for human rights. To this end, PNGO strives to: contribute to the national resistance to the Israeli occupation, strengthen democratic values and culture within the Palestinian society, strengthen coordination, cooperation, networking and consultation within the civil society, and strengthen the NGO sector's institutional capacity.

Overall goal: to reinforce the role played by NGOs through contributing to the empowerment of the Palestinian civil society within a viable independent Palestinian state based on the principles of democracy, social justice and respect for human rights.

Objectives: influencing the overall policies of decision-makers in general and PNA institutions in particular; supporting the formulation, analysis and dissemination of relevant policies, legislation and laws; enhancing the managerial and institutional capacity of civil society institutions in general and PNGO's members in particular; strengthening coordination, cooperation, networking and consultation among the different Palestinian NGOs at the local, regional and international levels; influencing international public opinion and promoting international solidarity with the legitimate rights of the Palestinian people; and promoting democratic and civil values and the principles of freedom, social justice and equality among the Palestinian public.

⁸ Palestinian Center for Human Rights, *A Critical Reading in the Draft Law of Political Parties of 1995*, issued by PNA, Gaza, *Studies Series (2)*, 1995.

political parties and the private sector from this definition. Universities and colleges are defined under Palestinian law as charitable organizations, in spite of the fact that academic institutions clearly cannot be described as such if the terms of the definition provided in Article 2 of the law are applied.

The Palestinian Labor Law No. 7 of 2000, Article 1, defines a professional

association as “any professional organization that is formed in accordance with the (Palestinian labor) law”, and defines a worker as “any ordinary person that carries out a job for an employer for a wage and performs the work under the latter’s management and supervision“. The definitions for a professional association and a worker apply equally to both professional and labor unions.

Box 4-3: The Political Parties Law as a Model of Self-Imposed Restraints on the Empowerment Process

Palestinian political parties and political movements are powerful influences within Palestinian society. As with other civil society organizations, they serve as catalysts for action at the political and social level. And although they are political in nature, functionally they also fill in gaps in the provision of social services resulting from the cumulative effects of Israeli occupation and the PNA’s failure to function as an efficient provider of basic public services. Political parties and political movements fall under the jurisdiction of the Draft Law of Political Parties of 1995. This draft law has a number of shortcomings, including:

- Complex procedures associated with the establishment of parties and operational restrictions which limit interaction with the public.
- Restriction of publication rights and media access with no legal justification.
- Inherent favoritism for the dominant or ruling party, granting the party in power special privileges and wider freedoms within Palestinian society.
- The Draft Law in Article 1 creates a legal link between the Palestinian Basic Law and the political system of the PLO, and in Article 3 the law declares all parties organized under the umbrella of the PLO to be registered political parties, thus exempting them from conditions required for establishing political parties.⁹ Although the desire to protect and preserve the PNA by emphasizing its linkage with the PLO is understandable, the insertion of the PLO into the law without legal justification raises a number of legal concerns. The Oslo Accords of 1993 specify the PNA as the governing body of the Palestinian territories for a certain interim period only. Attempts to prolong the ruling mandate of the PNA beyond the specified interim period by legislative caveat are not consistent with the functions of a free democratic state.¹⁰

⁹ There are several chambers of commerce in the West Bank and Gaza Strip operating under different names. Each chamber essentially performs a similar function; however, they do not coordinate efforts due to internal conflicts and traditional territorial disputes. The situation in Jerusalem is different than that in the West Bank and Gaza Strip. In Jerusalem, the Israeli trade unions (Histadrut) play the primary role, whereas the Palestinian trade unions are inactive.

¹⁰ Pierre Shelstrom, Report on the Palestinian Draft Law of Political Parties. Ramallah and Gaza: The Palestinian Independent Commission for Human Rights, 1999, pp. 49-51.

Box 4-4: Relations between the Ministry of Interior and Civil Society Organizations.

Since its establishment, relations between the PNA and civil society organizations have been characterized by reciprocal competition and mutual suspicion. The PNA has repeatedly engaged in attempts to limit and control the activity of these organizations.

After the Al-Aqsa Intifada, however, a new type of relationship slowly began to emerge. In early 2004, the Ministry of Interior (MOI) adopted measures designed to bridge gaps in relationships between governmental institutions and civil society organizations, most importantly:

- Holding periodic (monthly) meetings between MOI and civil society organizations.
- Forming a civil society coordinating committee consisting of representatives from nine civil society organizations and their network institutions.
- Simplifying and facilitating procedures for the registration and licensing of civil society organizations.
- Banning security apparatuses from entering the physical premises or intervening in the affairs of civil society organizations without authorization from the Minister of Interior. MOI also issued instructions to civil society organizations not to respond to any intelligence agency seeking information, as only the MOI is permitted informational access to civil society affairs. This new directive mitigates the problems arising from multiple security apparatuses operating under the perception that they are responsible for monitoring the operations of NGOs.
- Negotiating the terms of the “terrorism certificate” and conditional funding imposed by donors in order to reach a common position within the NGO community.
- Seeking to achieve synergies in the work of civil society organizations with ministries specialized in the same field.

However, issuance of a special Palestinian law to organize professional associations is still pending. A draft law was submitted to the PLC but it has not yet been ratified. The draft law defines a professional association as “a voluntary professional organization that represents the interests and aspirations of its members and seeks to improve their conditions and meet their needs” (Article 1). In Article 7, the draft law differentiates between professional

unions and others, considering that the “practice of [certain professions] requires a license issued by the [relevant] association and abidance by the provisions of laws related to these professions”. The draft law allows professional associations to join or participate in any Arab, regional or international union (Article 4) and allows associations to form internal unions from among their members.¹¹

¹¹ For more opinions, see: Arab Thought Forum, *Political Parties Law – Proceedings of the Special Seminar held 11 November 1997, Jerusalem, 1998.*

Section Two: The Roles of Traditional and Modern Social Institutions in Preserving Society

Both traditional and modern social institutions play significant roles in preserving Palestinian society. Traditional institutions have consistently proven that they, as social agents, do provide acceptable solutions for some of the difficulties faced by society. Society reinforces the role and legitimacy of traditional institutions by continuing to rely on their structures, norms and methodologies. Traditional institutions have also successfully maintained critical communications and cultural linkages among different sectors of Palestinian society within the occupied areas. They provide social solidarity, tribal justice, assistance to the needy and organize volunteer and charitable activities, in the absence of the rule of law and a modern governmental substitute for these functions. The existence of traditional institutions also slows the processes of geographic fragmentation and social disintegration brought on by the Israeli occupation.

In spite of the quantitative and qualitative contribution of the traditional institution, many still fear its potential to negatively influence society's potential for advancement and ability to gain independence. For example, the tribal judiciary system is an alternative to a governmental judicial authority in a conflict resolution capacity, but it simultaneously serves to undermine the legitimacy of the judicial authority. Large sectors of Palestinian society believe that any problem, no matter how complex or serious, can be solved through the tribal councils in a cost effective manner. In addition, tribal councils do not always ensure justice for marginalized social groups (such as women, children and the poor). In addition, they rarely address the core factors that create social problems. Tribal councils provide, in essence,

“band-aid” justice, providing temporary relief but no real cure. Tribal institutions cannot contribute to sustainable development unless their activities are regulated and monitored by an appropriate national authority in cooperation with civil society institutions.

Modern institutions enjoy varying degrees of social acceptance for a number of different reasons. For example, it is virtually impossible to distinguish among the various Palestinian political movements and political parties simply on the basis of their stated political goals. Often, their proposed social programs are too generalized, as well as idealistic and utopian, and will never be realized or implemented under the prevailing conditions. In other words, their stated goals were not crafted with a realistic view of or in response to existing political, social and cultural challenges of Palestinian society today.

In spite of the similarities in their platforms, Palestinian political parties continue to compete and to conflict with one another unnecessarily over ideology and the distribution of roles. Palestinian society must question the rationale supporting the fragmentation of its political parties, especially in view of the shared goals of independence and sustainable development. When the desired outcome is to bring an end to the disintegration of the Palestinian social fabric, how is a group of fragmented and conflicted political parties going to contribute to the process of sustainable development? How can Palestinian society entrust them with their hopes and dreams for a social harmony and stability when they cannot even achieve these ideals within their own small groups?

Traditional institutions do not always ensure justice for marginalized social groups such as women, children and the poor and they rarely address the core factors that create social problems.

Civil society organizations greatly advanced the processes of modernization and development and unceasingly worked to establish a functional system of civil services to oppose the Israeli system.

Points of Light 44-45: NGOs and Volunteer Work with Marginalized Groups

Point of Light 44: A Summer Camp for Children

The Muneef Barghouti Center created a summer camp for children based on the tenets of volunteerism and involves the children themselves in the management of the camp and all its activities. This initiative is unique in that it provides opportunities for marginalized and poor children to participate in the camp without burdening the families with the cost of tuition, materials and equipment. The camp combines the traditional summer activities of arts and sports with other activities that promote initiative and creativity among the participants and enable them to enjoy full self-expression and the exploration of their individual abilities.

Point of Light 45: Al-Lod Charitable Society (Working with People with Special Needs – Sawa/Sawa Program)

Through a voluntary community initiative, Al-Lod Society members conduct home visits to children and young people with disabilities in order to encourage participation in the broader community, encourage their hobbies and creativeness and to establish an exhibit of their work.

Neighboring Arab countries have played an important role in the maintenance of the status quo within Palestinian society. Some Arab countries use the Palestinian internal conditions to their own benefit as they seek to implement their regional political strategies. In addition, traditional biases (tribal, sectarian and patriarchal) play a role in maintaining the prevailing condition of internal fragmentation.

These factors partially explain the failure of Palestinian movements and parties to fulfill their expected roles in the internal and external political struggle. Some political groups have begun to promote anti-democratic platforms under the pretext of resistance to the occupation. As result, the entire democratic decision-making process, including the need to guarantee that decisions taken are actually implemented, is being increasingly abandoned and the required periodic rotation of authority is postponed or overlooked.

Palestinian political parties have also failed to adapt internally in order to effectively address and respond to new challenges. This failure was apparent during the events of July 2004, which included abductions and targeted shootings. Some groups began to discriminate against and harass citizens who refused to affiliate with their party. Such harassment usually occurs in the work place, where workers reluctant to affiliate with a certain political group begin to experience job stagnation and fail to achieve promotions, no matter what their levels of experience or competence.

Post 1967, the number of Palestinian NGOs and their role in society notably increased. That role became even more critical following Israeli incursions into the Palestinian territories and the intensified attempts to destroy the PNA since 2000. Civil society organizations greatly advanced the processes of modernization and development in this period, and unceasingly worked to establish a functional system of civil services to oppose the Israeli system.

Palestinian NGOs have worked to meet community needs since 1967. They strive to remain abreast of a host of newly emerging responsibilities, in the absence of a functioning PNA and in the presence of hostile occupation forces. After 1994, they also operated in the

absence of any supportive network of government regulations or policy.

Donor funding played an important role in the development of the Palestinian NGO infrastructure. Since 1967, donor assistance created a reliable revenue

Box 4-5: Poor Coordination and Subjective Prioritization

Poor coordination between the various sectors of civil society stems largely from the need to compete against one another for social recognition and for donor funding. NGOs are generally defined by areas of specialization, by political affiliation and by geographic location. The need to compete plays a major role in defining the behavioral patterns of the individual groups.

NGOs within the same sector and with similar goals can vary widely in terms of performance, due to differences in institutional hierarchies, the extent of donor influence and the internal agenda of each organization. This situation embodies the inappropriate coupling of traditional behavioral patterns and modernization and the resulting fragmentation of the role played by civil society organizations in sustainable development.

stream, built internal capacity and transferred technical know-how and development experience to NGOs in all sectors of Palestinian society. NGOs in turn utilized its relationships within the donor community to promote understanding of the Palestinian political cause and to resist the occupational authority's attempt to hide the harsh realities of Palestinian daily life from the eyes of the world.

However, the relationship of Palestinian NGOs and the donor community is not without negative aspects. Donor aid is often accompanied by specific, and sometimes conflicting, political agendas. Lack of internal organization and clearly established sets of priorities within the NGO community forced many civil society associations to accept without challenge the will of donor groups. The heightened state of dependency weakened the ability of Palestinian NGOs move decisively in the direction of

sustainable development, and resulted in the wasting of financial resources, duplication of projects, diminished quality of services, and a subjugation of the NGO leadership and vision to the donor community.¹²

In addition, donors unintentionally pitted NGOs against one another in an unhealthy competition for funding. NGOs tailored their programs to align with the stated objectives of donor initiatives in order to secure resources. Many NGO programs overemphasized short-term emergency relief work, usually at the expense of their longer-term programs designed to promote sustainable development.

To a large degree, NGOs have individually succeeded in developing modern organizational structures, established standards for performance and effective service delivery systems for program beneficiaries. The NGO

¹² Salah Abdul-Atti, *The Palestinian Society between the Tradition and Modernity – Potentials and Determinants of a Democratic Developmental Constitution*, op. cit. pp. 78-80.

community has failed, however, in creating a central infrastructure to harmonize and coordinate the work of individual civil society organizations

under the umbrella of a strategic vision for sustainable development and the collective empowerment of society.

Section Three: Civil Society Organization's Impact on the Social Fabric from the Citizen's Perspectives

The level of public trust in NGOs and charitable societies is 44 percent in the West Bank and 52 percent in the Gaza Strip.

The social and political situation in the West Bank is significantly different than that in Gaza Strip. These differences affect public response toward the performance of civil society organizations in each of the two regions. However, even more significant variations in public response are noted between citizens of the West Bank and Gaza and the residents of East Jerusalem. Therefore, it is difficult to accurately measure the level of trust among Jerusalemites in institutions operating in the West Bank and Gaza Strip, as well as to clarify how Palestinians in the West Bank and Gaza Strip view the performance of Jerusalem institutions. The situations are different, as well as the impact of institutions in each region. The lack of accurate data renders the task of comparable performance measurement almost impossible.

Activities by civil society organizations have a varying impact between Jerusalem and the rest of PNA territories, as well as between the West Bank and Gaza Strip. Variations between both regions have been reinforced by the construction of the Separation Wall in 2004. Data available on Jerusalem and the rest of the Palestinian territories are not sufficiently accurate or descriptive to allow objective analysis of the public response to the activities of civil society organization in the various geographic areas.

Therefore, the PHDR utilized the results of public opinion polls previously conducted by several Palestinian institutions and initiated three regional opinion surveys specifically for the purposes of the PHDR. The PHDR also incorporates information published in the media and other formal research studies. Specifically, the following presentation is largely based on opinion polls conducted by the Birzeit University DSP and on three workshops conducted in Ramallah and one in Gaza specifically for the purposes of this chapter.

Results of polls conducted periodically by the Birzeit University DSP indicate a variation in the level of public confidence in civil society organizations as well as differences in the assessment of organizational performance.¹³ For example, the opinion poll issued published by the Programme on 01 June 2004 indicated a significant geographic discrepancy in the levels of public confidence in Zakat Committees (54 percent in the West Bank, increasing to 61 percent in Gaza Strip).

The percentage of the public with trust in the work of foreign NGOs reached 31 percent in the West Bank and increased to 46 percent in Gaza Strip. The same approximate percentages apply to trade unions (31 percent in the West Bank compared to 44 percent in Gaza Strip), NGOs and charitable societies

¹³ Due to the frequency of closure on Jerusalem, the Palestinian communities residing in the urban areas of East Jerusalem can no longer be measured by the same criteria applied to the citizens of the West Bank and Gaza Strip. Views of official Palestinian institutions differ considerably between Jerusalemites and residents of the occupied territories. Jerusalemites also display lower levels of trust in Palestinian trade unions, certain foreign funding agencies (particularly those refusing to support the population of Jerusalem) and other institutions based on the same criteria prevailing in the West Bank and Gaza Strip. Therefore, the results of opinion polls conducted by Development Studies Programme in the occupied territories cannot be extrapolated to the Palestinian population of East Jerusalem.

(44 percent in the West Bank and 52 percent in Gaza Strip). Despite a small variance in the level of public trust in the judicial system between the West Bank and Gaza Strip (40 percent compared to 46 percent), people in both regions still have more confidence in the effectiveness (by about 10 points) of tribal reconciliation committees than in official judiciary bodies (53 percent in the West Bank compared to 63 percent in Gaza Strip).

4-3-1 Performance of Civil Society Organizations and Public Opinion:

Palestinian public opinion polls in the

occupied territories were conducted to measure the level of people's acceptance or rejection of the performance of Palestinian civil society organizations. Two polls conducted in June 2002 and June 2004¹⁴ revealed that the level of trust in the Palestinian civil society organizations has varied. Comparisons between the respective results of the two polls indicate that the level of trust in most institutions has dropped. The following table illustrates the results of both polls:

Government institutional performance reinforces rather than addresses the problems imposed by the Israeli occupation on the Palestinians, including the geographic fragmentation and continuing social disintegration within Palestinian society.

Table 4-1
Level of Trust in Palestinian Civil Organizations

Institution	2000	2004
Universities	80%	62%
Zakat Committees	67%	58%
Tribal reconciliation committees	--	57%
Local press	42%	50%
NGOs and charitable societies	53%	47%
Formal judicial system	44%	43%
Trade unions	39%	36%
Palestinian opposition	29%	36%
Political Movements/parties	29%	27%

4-3-2 Major Issues for Workshop Participants:

Three discussion workshops were conducted in Ramallah with trade unions, NGOs and political movements in the West Bank and a fourth one was conducted in Gaza City. Participants' views in these workshops indicate diverging opinions in some cases and similarity in others. Workshop discussions focused on 7 main topics: government institutions; development and empowerment; traditional and modern civil society organizations;

participation in decision-making; donors' role; public trust in civil society organizations; and the Palestinian developmental perspective.

- **Government institutions:** Workshop participants in both the West Bank and Gaza Strip consistently defined government institutional performance as negative, discouraging, existing in a perpetual state of crisis, and a factor which reinforces rather than addresses the problems imposed by the Israeli occupation on the Palestinians, including geographic fragmentation

Some people doubt that it is possible to achieve an active Palestinian civil society in the absence of Palestinian sovereignty. Activation of community potential, which is a prerequisite of empowerment, is impossible without democracy.

¹⁴ Birzeit University Development Studies Programme, Public Opinion Poll No. 7, June 2002 and No. 17, June 2004.

and continuing social disintegration within the Palestinian society. The crisis is exacerbated due to the overlapping tasks of national liberation and nation-building taking place in an environment characterized by lack of institutional organization and effectiveness, democracy and

accountability, and amid public distrust of PNA governing bodies and the NGO community.

Participants in all four workshops believed the work of public institutions to be nonprofessional and to have resulted in a host of internal and

Points of Light 46-49: Palestinian NGO Media Achievements

Point of Light 46: Ramattan Studios (Satellite Broadcasting)

Ramattan Studios was established in the Gaza Strip in 1999 and expanded its operations to include the West Bank and Jerusalem. The company started with limited capital from partners' contributions and with no external funding. Ramattan was the first company of its kind to break the Israeli satellite broadcasting monopoly in the Palestinian territories when Ramattan secured its satellite broadcast rights. Ramattan also has trained 100 young people and provided jobs to 50 of them in the technical and administrative fields. This media initiative helped establish the first Arab TV news agency to broadcast from Palestine free of charge for two hours a day.

Point of Light 47: PYALARA – Alli Soutak TV Program and Palestinian Youth Times Newspaper

The Palestinian Youth Association for Leadership and Rights Activation (PYALARA) launched two media initiatives designed to provide an appropriate forum in which young people might articulate both their perspectives and their aspirations to society, but to the decision-making leadership in particular. The first initiative is a youth TV program titled "Alli Soutak" ("Raise Your Voice") aired for two hours weekly on the satellite Palestine TV channel. Youth teams are formed to create the program and present it to the audience by themselves, voicing issues of concern to them and activating youth to defend their rights and promote their causes.

The second initiative is creation of the newspaper Palestinian Youth Times, which is the first publication of its kind in Palestine targeting youth aged 14-25 years. The Youth Times reporters are all from the same age group. A major objective of this newspaper is to empower young people and promote their role in society by providing a venue to express their views of life in a widely distributed media publication.

Point of Light 48: Palestinian Women's Media Office

The women's media office strives to focus the attention of Palestinian society on women's and children's issues. The Office attempts to shed light on the different forms of suffering endured by women and children in Palestinian society. Its objective is to bring about constructive social action to create effective development policies that concentrate on the empowerment of individuals, especially the marginalized and oppressed. The Office hopes to achieve full mobilization of community resources to advocate their causes.

Point of Light 49: This Week in Palestine

This weekly cultural information publication highlights activities taking place in the different areas of Palestine. It targets the staff of international agencies, visitors and tourists. It is highly stylized and very professionally produced English-language publication.

external difficulties. The situation is further intensified by the political chasm that exists between mainstream Palestinian political institutions and the growth of the Islamic movement as a formidable political force. Workshop participants noted the absence of an empowering national leadership, and

the vague regulatory framework which governs the interaction of the PNA with civil society organizations. The negative performance of the government institutions are reinforced by declining economic and social conditions, as reflected in increasing poverty and unemployment rates and

the declining living standards. Participants from the West Bank also commented on the fragility of developmental and democratic visions and the vulnerability of the Palestinian political system.

- **Development and empowerment:** Workshop discussions clearly indicated that the relationship between development and empowerment is a dialectic one and that empowerment has two faces: empowerment of civil society and empowerment of national institutions. However, a question was raised in the discussion on the challenge of development and institution-building while under occupation. The same question was also raised when government institutional performance was addressed. Some participants doubted the possibility to achieve development in the Palestinian context as long as efforts focus on relief work, although acknowledging that limited developmental breakthroughs have been achieved. This view is further reinforced in view of poor NGO coordination among different sectors, within districts and with the PNA.

- **Traditional and modern civil society organizations:** Some participants doubted it was possible to achieve an active Palestinian civil society in the absence of Palestinian sovereignty. The consensus opinion held that a limited level of effectiveness exists among civil society organizations, while also acknowledging that a traditional social culture prevails among both traditional and modern institutions. Participants from Gaza stressed that tribal reconciliation committees are a strong presence in the community and in the lives of people. Others added that Islamic societies and mosques, also a component of civil society, wield heavy influence (both positive and negative) within the community, both culturally and socially. The discussion used the example of the Zakat Committees and

their power within Gaza society. Questions were raised, however, as to whether or not tribal reconciliation committees are in keeping with the notions of civil society in terms of preserving and strengthening the social fabric. Is it possible for these types of institutions to provide a real alternative to modern development institutions? Participants debated the relative effectiveness of a system of laws and an active judiciary as compared to the reconciliation committees. The debate highlighted the conflicting public perceptions and valuation of traditional versus modern institutions in Palestinian society.

- **Participation in decision-making:** Consensus exists with regard to dominance of autocracy and the absence of democracy in official PNA institutions and civil society organizations. According to one workshop participant, it is impossible to fully activate community potential, a prerequisite for empowerment, without democracy. Additionally, the ambiguous regulatory and political relationships between the PNA and civil society organizations further retard empowerment. For example, civil society organizations do not actively influence the creation of government policies and are not permitted to effectively advocate for the interests of social groups they represent or to defend their right to participate in the decision-making process.

- **Funding and donors:** One of the workshop participants described external aid as a conspiracy against the Palestinian people. In his opinion, external aid has turned Palestinian institutions into beggar institutions, weakened the work of Palestinian NGOs and transformed their staffs from effective social advocates into employees. In a similar vein, some donors were accused of contributing to widespread institutional corruption by ignoring illegal practices

Points of Light 50-51: Partnership of Civil Society Organizations, PNA Institutions and the Private Sector for Poverty Reduction¹⁵

Point of Light 50: National Commission for Poverty Alleviation

The Commission's membership consists of representatives of Palestinian civil society, different ministries, the private sector, UNRWA, Zakat Committees and some donor representatives under the coordination and management of the Ministry of Planning. The Commission published the first Palestinian poverty report with support from UNDP. Then, it conducted extensive research on poverty in Palestine using the Participatory Poverty Assessment approach with support from the United Kingdom. The publication of the poverty report initiated high-level discussion among stakeholders in the development process on major issues related to poverty. Most importantly, this process helped formulate a relevant Palestinian antipoverty strategy agreed upon by the majority of stakeholders.

Point of Light 51: The Human Development Report

The publication of this report is supervised by the Birzeit University DSP in cooperation with two committees: one advisory and the other inter-ministerial. The two committees represent stakeholders in the development process from the NGO sector, the PNA and the private sector in cooperation with the Ministry of Planning and with support from UNDP. The regular publication of this report, as well as the preparatory work required for its publication represent a significant contribution to the strengthening of relationships among different stakeholders groups and in identifying primary strategies for human development and poverty eradication.

within certain institutions and allowing the emergence of an "NGO elite", people who enrich themselves personally through NGO activities. Some donor practices, such as the requirement of one donor for all NGOs receiving its funds to sign a "terrorism certificate" have resulted in internal conflicts within the NGO community as well as bred hostility between NGOs and the communities they serve. These criticisms were balanced by recognition among workshop participants of the valuable impact donors have made on the managerial and technical operations of most NGOs.

● **Trust in civil society organizations:** In general, a negative perception exists toward institutions with political origins, whose numbers are on the rise within Palestinian civil society. Others believe that the large number of civil society organizations connected to government activity is a positive indicator, although limited in scope. Autocratic organizational systems, lack of leadership rotation, accountability and transparency in others, and deference

to donors in some cases and to the PNA in others, are all factors which erode the public trust. Severe criticism was directed at the politicization of civil society organizations and at the practice of the PNA's employment of civil society leaders in official positions. Some participants also noted the lack of coordination between civil society organizations and the PNA; governmental ineffectiveness and its failure to discharge its responsibilities; and the prevailing security anarchy, which have all contributed to the malfunctioning of civil society organizations and diminished public confidence. Another frequent observation was made as to the declining role of civil society organizations under the PNA compared to the role they assumed in society prior to the government's founding.

Criticism of PNA operations is linked to criticism of the activities of political movements and parties. Political parties acknowledge that they are all experiencing different degrees of crisis.

¹⁵ Izzat Abdul-Hadi, *A Broader Vision of the Role of Palestinian NGOs in the Development Process: A Concept Paper*. Ramallah: Bisan Center for Research and Development, April 2004.

In response to public criticism, political parties claim to have been the catalysts for the development of civil society prior to the establishment of a functioning government. Therefore, they consider themselves to be the groups most capable of addressing the ongoing issue of social fragmentation.

In support of this view, those holding it add that the unified central leaderships of governmental and NGO structures represent a broad spectrum of political groups, unions, associations and NGOs, which provides an effective organizational base from which to transform political positions into practical measures. However, political parties criticize civil society organizations for competing with them in the political realm.

Some participants also expressed the hope that modern civil society organizations will play a more effective role in the empowerment and development processes. Trust in modern civil society organizations, as reflected by workshop participants, ranged from moderate to severe criticism. Participants differentiate between trust in developmental institutions and trust in those who provide direct emergency relief. In this context, it was observed that some institutions have shifted their focus from development and empowerment to relief, as demanded by increasing levels of poverty within Palestinian society.

Workshop participants attribute the problems discussed to several factors, including: low level of public awareness, lack of realistic assessment of the characteristics and composition of Palestinian society, and failure of many civil society organizations to adequately address the issue of sustainability, instead focusing on the management of projects with a short time horizon. Organizations have failed to carry out their role in increasing public awareness of Palestinian realities and the specificity of the Palestinian context. Some additional factors cited were that organizations were established to serve certain purposes, including political agendas, which serves to diminish the public trust. Other institutions – as the case in Gaza – have a too-limited focus; and some pay lip service to care for marginalized groups, but their resources are channeled to serve other purposes.

- **A developmental vision:** Workshop participants largely shared the view that the absence of a shared developmental vision stems from the lack of coordination between the PNA and civil society organizations. They believe the absence of vision allows donors to impose their cultural, political and social agendas on Palestinian society. A consensus exists on the need to build a Palestinian developmental perspective based on cooperation between PNA and civil society organizations.

Geographic fragmentation and disintegration of the Palestinian social fabric -human and cultural - represent some of the most serious challenges facing Palestinian society at present.

It is appropriate to utilize time-tested methods of action effectively utilized by the Palestinians during past decades and to learn from the rich body of human experience in order to formulate a sustainable vision for the future of Palestinian society.

Box 4-6: Civil Society Organizations and Public Opinion

Results of the June 2004 poll by the DSP indicate that 38 percent of those polled believe that civil society organizations fulfill their role as participants in the development process in Palestine. In addition, 34 percent believe that political movements and parties actually provide solutions to social and political problems. The poll indicates that the majority of respondents appreciates the role of civil society organizations, and at the same time expresses a low level of trust in official institutions. On the other hand, 62 percent of the respondents believe that the private sector does not work adequately to solve the economic problems of the country and 61 percent believe that it discriminates among workers.

Conclusion:

Geographic fragmentation and disintegration of the Palestinian social fabric – human and cultural¹⁶ – represent some of the most serious challenges facing the Palestinian society at the strategic level at present. Civil society organizations operate within an environment fraught with political, economic and social complexity. They have tried to adapt to that complex environment in order to respond to their community responsibilities and meet their goals. Some of the most important issues facing Palestinian society include: establishing mechanisms to manage the modernization of the society, the role of civil society organizations in this context, and their problems with government institutions. At the structural and behavioral level, civil society organizations (including parties, associations and organizations) face several challenges, mainly: the problem of increasing internal corruption; and the problem of deference to donor priorities, with some serving as contractors for the implementation of donor's social and political agendas. In addition, civil society organizations

suffer from the growth of the “shop”¹⁷ phenomenon. The ongoing debate in the Palestinian society represents the struggle between rational modernization and traditionalism and the need for a dialectic relationship between traditional and modern structures in order to ensure delivery of a better set of social services.

In addition, the international arena has not been reliable in terms of ridding Palestine of the occupation. This complex situation requires unconventional solutions, mainly the engagement of all Palestinian society's institutions and capacities and the elimination of internal conflicts in order to focus on ending the occupation. Certainly, this purpose can not be achieved through traditional development methodologies and a fragmented empowerment process. Therefore, it is appropriate utilize time-tested methods of action effectively utilized by the Palestinians during the past decades and to learn from the rich body of human development experience in order to formulate a sustainable vision for the future of the Palestinian society. Chapter 6 of this report will address such a vision.

¹⁶ See, for example, Jamil Helal, *Al-Aqsa Intifada: Direct Goals and Maintenance Factors*, *Palestinian Studies Journal*, 44, Autumn 2000, and *The National Program's Dimensions and Stalemate after Oslo*, *Palestinian Studies Journal*, 36, Autumn 1998.

¹⁷ The term “shops” evolved in the early 1980s to reflect the abuse of the concept of development for making profits.

Chapter Five

The Role of International Funding in Society Building and Empowerment of the Palestinian People

This chapter of the Human Development Report deals with the role of international funding in the process of development and empowerment in Palestine. It acknowledges the important role this funding plays in the development of Palestinian infrastructure and a functioning relief network while at the same time recognizing the limitations concerning the consolidation of a systematic national framework for development and construction. Moreover, a substantial portion of this funding is tied to the peace process. Thus, the role of international assistance in the development of Palestinian society and in strengthening its internal capabilities in the face of chronic and acute challenges has been limited.

Introduction

Following the signing of the Oslo Accords (the Declaration of Principles) between the PLO and the Israeli government in September 1993, in October of that same year the donor countries held a conference in which 42 nations and institutions took part. The purpose of the conference was to adopt a specific strategy for providing financial and technical assistance to the new Palestinian National Authority, which was established within the framework of the Oslo Accords. This donor conference sought to empower the PNA to administer the Palestinian areas, implement projects for restoring infrastructure, establish facilities and institutions, and to manage the funding of the comprehensive development process. The speed with which the international community took action bestowed significant economic credibility on the Oslo Accords among Palestinian citizens, who were at first hesitant to support the agreement's political and security arrangements. The international community's action was based on the premise that it was imperative to garner all financial resources needed to make the agreement successful, and with a full understanding that in order for the Accords to stand in the face of daily challenges on the ground, ordinary Palestinians needed to perceive positive change in their lives.

This initial financial initiative was subsequently developed even further, and came to be referred to as the "peace dividend" in the literature of supporters of a peaceful settlement to the Arab-Israeli conflict and regional coexistence. And, in fact, contribution commitments totaled \$2.4 billion only three months after the conference that created the "peace dividend" — the five-year funding plan for reconstructing

and developing the Palestinian economy and infrastructure. Thereafter, international assistance for the Palestinian people began pouring in from multiple sources and through numerous channels. Financial pledges took various forms, came with substantial conditions, and were funneled in to the PNA in a disorganized manner. Assistance funds totaled more than \$6 billion at the end of the first half of 2004, resulting in an average annual per capita assistance level of \$310 per person, considered one of the highest levels of aid in the world.

These large amounts of foreign assistance played an important role in upgrading Palestinian infrastructure facilities and reducing the destructive impact of the Israeli policies and practices during the ten years following the Oslo Accords. However, this assistance was not made part of a systematic national plan for development and reconstruction. A substantial portion of it has gone toward covering the fees of foreign advisers and experts. Further, much of the assistance is hostage to the advance of the peace process, and a large portion of it has been directed toward preventing this process from collapse. These factors have limited the role of international assistance in the development of Palestinian society and the strengthening of its internal capacities in the face of chronic and acute challenges. In addition, there have been numerous doubts and questions raised by local and international observers regarding the efficacy of this assistance in promoting the Palestinian economy's opportunities for emancipation from severe dependency on its Israeli counterpart and in empowering Palestinian society to achieve comprehensive, sustainable development.¹

The large amounts of foreign assistance played an important role, but it was not made part of a systematic national plan for development and reconstruction.

¹ The data and figures contained in this chapter rely primarily on reports issued by the Ministry of Planning and on information provided by the Ministry of Finance.

Section One: General Background on Current Economic Conditions

The Palestinian trade deficit gap reached approximately \$2,081 million in 2003.

The unemployment rate in the Palestinian territories rose to more than 40 percent in 2002.

Sixty-seven percent of Palestinian families were living under the poverty line in 2003.

There is no doubt that the present economic situation and indicators in the Palestinian territories are the joint, interconnected responsibility of all parties that impact the development process and manage the course of Palestinian's daily life (albeit to varying degrees). The economic situation may be discussed in terms of three factors: the internal factor, the Israeli factor, and the international aid factor. Israeli actions in the Palestinian territories, especially since the beginning of the Al-Aqsa Intifada, have caused extensive disruption to the Palestinian economic infrastructure. These measures not only doomed Palestinian attempts to rehabilitate their economy and correct the structural deficiencies plaguing it from the time of Israeli occupation, but also reduced public and private production levels, investment in the Palestinian territories and created distortions in the Palestinian labor market. This new economic reality is plagued by numerous gaps and imbalances, which can be summarized

in terms of three main gaps.

The financial resources gap: The PNA suffers most heavily from this gap as a result of a substantial decline in its financial resources during the past three years. Financial revenue was lost in three areas: a decline in tax revenue accruing from economic activities in the Palestinian region; a decline in returns from customs duties due to a decrease in trade with Israel; and the Israeli seizure of a large portion of tax and duties revenues as a punitive measure against the Palestinians.

The continuing Palestinian trade deficit gap: This gap is particularly significant vis-à-vis Israel. The data show that this deficit reached approximately \$2,081 million during 2003. And despite the trade deficit's decline immediately prior to the outbreak of the intifada, what is disturbing is that the decline was the result of a complete reversal in imports and exports at an almost equal rate. This volatility demonstrates the sensitivity of Palestinian exports to external factors.

Box 5-1: The Decrease in Domestic Product and Rise in Prices

Accompanying the aforementioned gaps are new economic statistics, which may be summed up as follows:

- GDP during 2003 was approximately \$4,143.3 million, 10.3 percent less than in 2000. Moreover, GDP per capita declined by approximately 24.4 percent during the same period.
- Economic indicators for Palestinian productive sectors showed a reversal in general. For the majority of these sectors, the contribution to domestic product declined. Moreover, their employment capacity declined, and these sectors also suffered direct material losses.
- The general consumer price index has risen steeply in recent years. Prices have increased more than 37.7 percent as compared to the year 1996. Steadily rising prices have affected the living standards of many Palestinian families.
- Compounding the problem, unemployment levels in the Palestinian territories have also increased during the present period, even as the disposable income of most Palestinian families has declined. Among these families, 72.3 percent depend on earned income to cover expenses.
- These factors have led to the spread of poverty among Palestinians; the data show that 67.7 percent of Palestinian families (62.6 percent in the West Bank and 77.5 percent in the Gaza Strip) were living under the poverty line (as defined by income) in 2003. The median poverty line for families composed of six members was approximately 1,800 NIS in 2003, or about \$395 per month.

The employment gap: Israeli siege and closure have cut off more than 125,000 Palestinian workers from jobs inside the Green Line, causing the

unemployment rate in the Palestinian territories to rise to more than 40 percent during 2002. This rate fell to approximately 25 percent in 2003.

Section Two: The Main Characteristics of International Funding

This portion of the chapter examines the various sources of international funding, distribution of this funding by sector, and the manner of distribution. The period during which assistance was provided to Palestinians will be divided into three main stages. **The first stage**, extending from 1994 until the end of 1997, was characterized by continuous reversal in most economic indicators, along with rising unemployment and poverty rates as a result of the Israeli authority's closure policy at that time. **The second stage**, from 1998 through 2000, was, in contrast to the previous stage, characterized by tangible improvement in a number of economic and social indicators in the Palestinian territories, as seen in a rise in Palestinian GDP and declining rates of unemployment and poverty among Palestinians. **The third stage**, which began with the outbreak of the Al-Aqsa Intifada, with the accompanying Israeli policies, inflicted excessive damages on the infrastructure and superstructure of all sectors within the Palestinian territories. The impact of these measures became readily apparent in early 2001 and continued to escalate through the time of writing this report. However, the data on which this report relies cover only through the end of 2003 and parts of 2004.

5-2-1 The Nations and Institutions that Provide Assistance

At their first meeting in Washington, DC, in October 1993, the donor parties (nations and institutions) pledged to

provide approximately \$2.4 billion to the Palestinians over the course of the next five years. This sum continued to increase regularly during subsequent years as a result of the faltering peace process and accompanying instability in conditions prevailing in the Palestinian territories, along with the increase in needs and consequent increase in the assistance necessary for Palestinians to survive. The value of pledges had risen to approximately \$3,420 million as of the end of October 1997, and by mid-2003 total pledges since 1994 had reached \$7,365 million. During this period, the share of the United States was the largest among the donors and amounted to approximately \$1,450 million, or 19.7 percent of total pledges. This was followed by the European Union, with 13.1 percent of total pledges. The Arab countries² pledged approximately \$911.7 million during that period. The pledge of the United Arab Emirates (amounting to \$310 million) comprised the largest share of total pledges by Arab countries, followed by Saudi Arabia (which pledged \$300 million).

Notwithstanding the importance of donors' pledges of assistance, these parties did not disclose whether they intended to provide monetary or in-kind assistance, and they specified the value of this assistance without providing any official commitment or delving into details related to the mechanism of assistance provision or end objectives. The analysis will thus be limited to the two stages subsequent to the donor parties' pledges; the commitment stage and the actual disbursement stage.

Between 1994 and mid-2003, donor parties' total commitments amounted to approximately \$6,703 million.

² This does not include assistance provided through the Jerusalem and Al-Aqsa Funds managed by the Islamic Development Bank, or assistance provided specifically to support the budget of the PNA.

During the commitment stage, a commitment to provide assistance was made through an agreement or memorandum of understanding specifying the amount, the objective, and the provision mechanism. This stage is regarded as an important advance step that precedes the actual transfer of assistance funding. If the assistance that the donor parties committed to provide was transferred, this meant moving on to the third and final stage—the disbursement stage. International institutions operating in the Palestinian territories, especially the World Bank, oversaw this stage, and occasionally some countries preferred to provide assistance directly, by opening special accounts in banks from which withdrawals were made for expenditure on agreed upon projects.

PNA Ministry of Planning data indicate that between 1994 and mid-2003, donor parties' total commitments amounted to approximately \$6,708 million³, at an annual rate of approximately \$670 million. These commitments comprised approximately 91 percent of total pledges made during the previous period, and these parties had actually provided approximately \$6,552.6 million in assistance as of the end of 2003 (at an annual rate of approximately \$655.3 million), or 97.6 percent of total commitments and 89 percent of total pledges. The year 2001 saw the highest amount of assistance disbursement, amounting to approximately \$1,045.8 million, whereas the lowest amount was in 1998 (i.e., the beginning of the second stage), a year when the value of actual assistance did not exceed \$420.1 million.

Returning to distribution of assistance according to the time-based stages, total commitments during the first stage amounted to \$2,858.9 million, as

compared to \$2,269.2 and \$1,580.2 million in the second and third stages, respectively. As for actual disbursement, it amounted to approximately \$2,029.3 million (71 percent of commitments) during the first stage, as compared to \$1,465.9 million disbursed during the second stage (64.6 percent of commitments). The highest amount of assistance was disbursed during the third stage (i.e., the stage of the Al-Aqsa Intifada), when approximately \$3,057.4 million was disbursed as a result of the difficult conditions in the Palestinian territories during that time, in addition to a change in the forms and sources of assistance (to be dealt with subsequently in this chapter).

With regards to the entities that have provided assistance, here, for the sake of analysis, they are categorized into seven groups: the Arab nations, the European Union, the United States, Japan, international institutions, European countries, and other nations. The data indicate that the European countries were the largest contributor, both in terms of commitments and actual disbursement. During that period, they committed to provide approximately \$1,107.6 million, of which approximately \$810.9 million, or 73.2 percent, was disbursed. If what was provided by the European Union is included, then total assistance provided by the European continent to the Palestinians exceeded \$1 billion, or more than 50 percent of total aid provided during the first stage.

The problem with the European Union, however, is failure to honor agreed upon commitments; no more than 42.1 percent of total commitments have been disbursed, and this percentage is extremely low compared to the overall average disbursement percentage for the first stage, which was 71 percent. With regard to the Arab nations, they ranked third in terms of commitments

The data indicate that the European countries were the largest contributor of foreign assistance to the Palestinians.

³ There is not an exact figure for the total of these commitments.

and fifth in terms of actual disbursement. Saudi Arabia's contribution was the largest throughout the stage. The extent to which Japan has honored its commitments is worth noting, in that its actual disbursements have exceeded its commitments (103 percent); this brings Japan's total actual assistance to approximately \$308.3 million, making it second after the European nations in this regard. It is joined in this by the United States, which ranked fifth in terms of commitments and third in terms of disbursement, providing more than \$285 million during the first stage, or 97 percent of its total commitments.

The second stage, from 1998 through 2000, saw a decline in all assistance indicators. Total commitments fell by approximately 20 percent compared with the previous stage, amounting to approximately \$2,269.2 million. Likewise, the percentage of disbursement of commitments fell to 64.6 percent. This means that actual assistance in the second stage declined approximately 27.8 percent compared with the previous stage; it amounted to \$1,465.9 million with an annual average of approximately \$488.6 million (as compared to \$507.3 million in the first stage), taking into account that there were three years in this stage and four years in the first stage.

Of the nations that provided assistance, there was a rise in the amount and percentage of assistance committed by the United States out of total commitments during this stage; it rose to approximately 35.5 percent, occupying third place after the European nations and the European Union. However, the United States surpassed the European Union in terms of actual disbursement, as the percentage of actual disbursement by the European Union remained low (approximately 46.3 percent of its total commitments).

The Arab nations' contribution fell substantially during this stage, both on the level of commitments and on the level of actual disbursement; these indicators fell by 67.5 percent and 45.4 percent, respectively. Nonetheless, there was improvement in the percentage of actual disbursement of Arab assistance, which exceeded 104 percent. This is primarily attributed to the outbreak of the Al-Aqsa Intifada and the Arab nations' provision of \$30 million during its first year, following the Arab summit held in Cairo in October 2000.

Indicators for Japanese assistance fell as well, with its commitments declining by approximately 44 percent and its actual assistance declining by approximately 57 percent. There was also a change in Japan's disbursement percentage, which dropped to 79 percent (after having been 103 percent during the first stage). As for international institutions, they began to play a bigger role in the international funding process, coming to occupy fourth place in terms of commitments and actual disbursement. This is in spite of the decline in the absolute value of these institutions' total commitments. A number of factors contributed to this development, including the drop in total commitments during this stage and the setting of these institutions' actual assistance at around \$140 million (nearly equal to their contribution during the previous stage), which elevated disbursement to 78 percent.

The third stage, reflecting developments in international assistance during the present Intifada, saw numerous changes in the structure, forms, objectives, and even sources of assistance. A new factor came into play, which was the nature of assistance provided by the Arab nations and the allocation of the largest portion of that assistance to emergency relief programs and job creation programs, in addition to support for the PNA's current budget.

The Arab nations provided more than \$890 million during the years 2000-2003.

There will not be a comparison between all of the figures and indicators related to commitments during the third stage and those of the previous stages, because the data on total commitments during this stage are limited to two and one-half years. Thus, comparison will be limited to indicators related to the size of actual assistance and the ranking of donor parties in terms of actual disbursement.

There was a large increase in total actual assistance provided by the Arab nations, whereby these nations decided at the Arab summit held in Cairo in 2000 to establish the Jerusalem Fund, with \$200 million in capital, and the Al-Aqsa Fund, with \$800 million in capital. Each Arab country's contribution to these two funds was delineated, and some Arab nations—such as Saudi Arabia, the United Arab Emirates, and Kuwait—honored their commitments, whereas others—such as Libya—did not pay off their commitments. The outcome was that together the Arab nations provided more than \$890 million during the third stage, whether directly or through the funds they established. This in and of itself multiplied the amount of actual assistance during the stage as a whole (approximately 108.5 percent) as

compared with the previous stage, as actual assistance during the third stage totaled approximately \$3,057.4 million.

This also affected donor rankings in terms of actual assistance provided, whereby the Arab group, in providing more than \$903.4 million, ranked first among the donors. The amount of assistance provided by the European Union increased, especially that supporting the PNA's current budget and employee salaries. The total amount provided by the European Union reached more than \$787.3 million, bringing it to second place among the donors. The United States came in fourth, behind the European nations, despite the increase in the absolute value of its assistance as compared to the previous stage; it provided \$482.3 million (as compared to \$260.4 million in the previous stage), but its share of total actual assistance dropped from 17.8 percent to 15.8 percent.

Distribution of Assistance by Sector

In the interest of following the course of international assistance in an attempt

Table 5-1: Donor Contributions to International Assistance (1994-2003), in millions of USD\$ ⁴

Donor party	1994-1997		1998-2000		2001-2003		Total	
	Commitments	Disbursement	Commitments	Disbursement	Commitments	Disbursement	Commitments	Disbursement
Arab Nations	312.3	193.8	101.5	105.9	5.2	903.4	418.9	1203.1
European Union	520.2	219.1	507.2	235.2	187.3	787.3	1214.6	1241.6
United States	292.9	285.3	396.8	260.4	759.5	482.3	1449.2	1028
Japan	298.9	308.3	167.5	132.4	37.5	41.3	504	482
International Institutions	225.5	139.3	180.5	140.7	54.5	154.7	460.4	434.7
European Nations	1107.6	810.9	858.6	533.4	519.3	669.5	2485.6	2013.8
Other Nations	101.5	72.6	57.2	57.9	16.7	18.9	175.4	149.4
Total	2858.9	2029.3	2269.2	1465.9	1580.2	3057.4	67083	6552.5

⁴ Table data based on information provided by the Ministry of Planning and Ministry of Finance.

to identify its various directions and its distribution by sector, the Palestinian Ministry of Planning's distribution diagram was employed. This distribution diagram categorizes assistance in terms of five main usage areas: infrastructure, productive sectors, social sectors, institution building, and miscellaneous sectors.

The reports issued by the Ministry of Planning⁵ point to the social sectors as having absorbed the largest portion of actual assistance to Palestinians during the last ten years, whereby their share was approximately 31 percent of total assistance. The social sectors encompass numerous branch sectors, including education, health, youth, children, women, and humanitarian assistance. Despite the importance of these sectors to the Palestinians, they are not ranked first in terms of Palestinian priorities and needs or the extent of their impact on Palestinians' economic and social well-being.

The social sectors are followed by the infrastructure sector, which encompasses energy, housing, hard currency, communications, transportation, and others. This sector ranked second, accounting for approximately 30 percent of assistance disbursed. The infrastructure sector is considered vital to the Palestinian economy. Growth in the infrastructure sector can instigate growth in numerous other economic and social areas, such as job creation and thereby mitigate problems of unemployment and poverty. It can also help jumpstart the Palestinian economy due to its forward and backward linkages with various sectors—in addition to the role played by a healthy infrastructure in attracting local and foreign investment by reducing investors' overall investment costs. This sector had ranked first among commitments, but a decrease in the percentage of disbursements to it,

which did not exceed 53 percent, made it second.

Institution-building occupied third place, with expenditures accounting for 27 percent of actual assistance. There was a clear decline in the share of the **productive sectors** in total assistance, as it did not exceed 11 percent of total commitments, and that dropped to 9 percent of total disbursement. Moreover, there was a decrease in the percentage of disbursement for these sectors in a manner similar to that in the infrastructure sector, as this percentage did not exceed 53 percent. The miscellaneous sectors, or those falling outside of the previous categories, ranked last, accounting for no more than 3 percent of total commitments and disbursement alike. These groups encompass numerous sectors that cannot be categorized within the previous groups due to their multiplicity and the differences between them, or because they came into being in response to the emergency conditions during the previous stage.

With regards to distribution by sector during the three stages discussed in the introduction to this part of the chapter, the three main sectors (infrastructure, the social sectors, and institution building) benefited equally from actual assistance during the first stage, with each accounting for 30 percent. This is in spite of the disparity between these sectors in terms of commitments (35 percent, 28.5 percent, and 24.4 percent, respectively). This highlights the differences in the percentage of disbursement vis-à-vis commitment for these sectors.

As for the second stage, it was shaken by shifts in distribution of assistance by sector. The infrastructure sector came to account for 37.6 percent of total actual assistance, followed at considerable distance by the social

The social sectors absorbed the largest portion of actual assistance to the Palestinians during the last ten years – approximately 31 percent of total assistance.

Twenty-eight percent of assistance was allocated to technical investments and experts.

⁵ The data contained in these reports cover from 1994 through mid-2003 and do not include assistance provided by the donors to support the PNA's current budget.

sectors, at 29.2 percent. The decline in the social sectors' share is attributed to the relative easing up in the political negotiation process during this stage and thus the severity of Israeli closures, which meant a decrease in the amount of relief and emergency assistance and job creation programs, which fall within the purview of the social sectors. The productive sectors ranked fourth at 13.1 percent; that percentage continued to be low and still failed to reflect Palestinian development priorities and requirements despite its increase over the previous stage.

In looking at total assistance to the Palestinians since the outbreak of the present Intifada, or during the third stage, the social sectors accounted for 68.5 percent. This is attributed to the swelling of emergency humanitarian and relief assistance, which falls within the social sectors. The PNA's diminished capacity to collect returns also contributed, as did the deterioration of general conditions in the Palestinian territories due to the Israeli policy of repeated closures and the prevention of Palestinian workers from reaching their workplaces in Israel. All of this encouraged donors to support the PNA budget in order to prevent the collapse of the PNA—and the entire political process as a result.

As for the infrastructure sector, its share of total assistance declined in this stage to approximately 10 percent (as compared to 37.6 percent in the previous stage). This is in spite of the extensive destruction wrought on infrastructure and public facilities as a result of Israeli escalation of hostilities against the Palestinians during this period⁶, and in spite of the consequent pressing need for reconstruction and restoration of that which had been destroyed. As for the share of the productive sectors, it did not exceed \$98.5 million, or

less than 3.2 percent of actual assistance, despite the importance of these sectors in strengthening the Palestinians and promoting their capacity for perseverance.

With regards to distribution of assistance according to its various uses, Ministry of Planning data indicate that public investment accounted for 32 percent of total actual assistance during the previous years, whereby approximately \$1,393 million was disbursed for this purpose.⁷ Twenty-eight percent of assistance was allocated to technical investments and experts; the donor parties relied heavily on these investments to ensure that assistance was disbursed in a competent manner and directed toward the necessary goals. Notwithstanding the importance of this type of assistance, its exaggeration is often at the expense of the value of real assistance to recipient countries, consequently affecting the effectiveness and capacity of international assistance to achieve the desired goals.

The main uses for assistance include supporting the PNA's general budget⁸, especially the development budget, whose share of actual assistance was approximately 12 percent. If the grants for supporting the current budget are added, contributions earmarked for development increase substantially; since the outbreak of the Al-Aqsa Intifada, the donor parties have provided more than \$1,300 million for this use. As for in-kind assistance provided to the Palestinians in the form of equipment, it comprised approximately 8 percent of total actual assistance, and approximately 5 percent of assistance was disbursed through job creation programs for the unemployed. Only 3 percent was disbursed to support the private sector.

⁶ The World Bank estimated that infrastructure damages resulting from Israeli escalation during the present Intifada totaled approximately \$251 million.

⁷ Based on total actual assistance in the amount of \$4,447.6 million, as stated in the Ministry of Planning's report.

⁸ These figures are limited to the data provided by the Ministry of Planning, which covers 1994 through June 2003. Moreover, they do not include assistance that nations have provided to support the PNA budget since the beginning of the present Intifada.

Table 5-2: Distribution of International Assistance by Sector (1994-2003), in millions of USD\$ ⁹

Sector	1994-1997		1998-2000		2001-2003		Total	
	Commitments	Disbursement	Commitments	Disbursement	Commitments	Disbursement	Commitments	Disbursement
Infrastructure	999.3	606	1025.5	550.5	500	307	2524.8	1463.5
Productive Sectors	270.5	137.3	348.9	192.5	143.9	98.5	763.2	428.3
Social Sectors	815.2	599	439.1	427.4	516	2094.7	1770.3	3121.1
Institution Building	697	604.5	406.1	241.7	333.2	346.8	1436.2	1193
Miscellaneous Sectors	76.9	82.5	49.5	53.8	87.1	210.2	213.8	346.5
Total	2858.9	2029.3	2269.2	1465.9	1580.2	3057.4	6708.3	6552.5

Forms of Assistance

Ministry of Planning data indicate that the international assistance donors committed to provide during the previous period was not all in the form of grants and donations. More than 14 percent of this assistance was in the form of loans, the largest portion of which comprised liberal loans with extended repayment periods. However, some loans provided to the PNA have trade conditions, and the conditions go up to an interest rate of 15 percent upon actual repayment of that assistance. It should be pointed out that most assistance provided by the United States and Japan during the previous period was in the form of grants and donations. During the **first stage** (1994-1997), loans comprised approximately 6.8 percent of total assistance. In terms of the donor parties, most actual assistance provided by the European Union and Arab nations was in the form of grants and donations. International institutions provided only 23.5 percent of their assistance in the form of grants and donations, while the remainder was in the form of loans. The percentage of loans provided by the European nations was only approximately 3.7 percent of their total assistance.

During the **second stage**, there was a significant shift in the forms of assistance provided, whereby the percentage of loans increased to approximately 19 percent of total actual assistance. That increase resulted from a policy shift on the part of the European Union and the Arab nations in favor of lending at the expense of grant provision. The percentage of loans out of the assistance they provided thus reached 24.6 percent and 37 percent, respectively. This also was reflected in the amount of loans taken by the PNA, wherein loans doubled during the second stage as compared to the first stage, rising from \$138.6 million to \$278.4 million.

With regards to the **third stage**, the data in Table 3 show a rise in the percentage of loans out of total actual assistance during that stage, reaching approximately 18.8 percent. This is primarily ascribed to the loan provided by the Arab nations through the Islamic Development Bank in the amount of \$480 million. This increase occurred in spite of the substantial deterioration of conditions in the Palestinian territories during that period—at a time when, in view of those conditions, along with a drop in the PNA's

Fourteen percent of the assistance to the Palestinians was in the form of loans.

⁹ Table data based on information provided by the Ministry of Planning and Ministry of Finance.

The PNA received 87 percent of the total assistance provided to the Palestinians, whereas NGOs received 8 percent.

revenues and consequent decline in its capacity to meet Palestinian needs, the donor parties should not have placed additional burdens on the Palestinians. What is notable in that stage is the increase in the percentage of loans granted by the Arab nations out of the total assistance they provided, even as the percentage of loans provided by the European Union and European nations fell to less than 2 percent and 1.7 percent of their total assistance, respectively—as was apt given the PNA's financial resources gap and the difficult conditions in the Palestinian territories. It would have been fitting for the Arab nations to act in this manner rather than the European Union and the European nations.

Distribution of Assistance According to Recipient Parties

Distribution of assistance among different recipient parties can be divided into three main classes: the first class was provided to the various agencies of the PNA; the second class was directed to NGOs; and the third class was provided through UNRWA. In total, international donors have provided more than \$6,552.6 million during the last ten years.

If the emergency assistance provided through UNRWA from the outbreak of the Al-Aqsa Intifada through the end of 2003 is added (amounting to approximately \$324 million), the total amount of assistance increases to more than \$6,876.6 million. Ministry of Planning data indicate that the various executive agencies of the PNA (including ministries, authorities, and public institutions) received 87 percent of total assistance provided to the Palestinians during this period, whereas NGOs received 8 percent. The percentage of actual

disbursement of assistance to NGOs, at approximately 80 percent, was higher than that for assistance to the PNA, which did not exceed 65 percent.

With regards to actual assistance provided through UNRWA, there is substantial variation in the amount reported due to discrepancies among data sources and methodological differences in calculating that amount. Ministry of Planning data indicate that assistance provided through UNRWA amounted to approximately \$337.2 million since 1994 (with an annual average of 33.7 million), comprising about 5 percent of total assistance. This sum is relatively small compared to the data issued by UNRWA itself, which indicate that funds disbursed by UNRWA during one year alone (2003) totaled approximately \$259 million.

This discrepancy between the two sources is attributed primarily to the fact that the ministry only factors in funds that UNRWA disburses for regular development projects and budgets, excluding the emergency and relief assistance that UNRWA began providing after the outbreak of the present Intifada. This latter type of assistance comprised the largest portion of UNRWA's total expenditures in the Palestinian territories from 2001 through preparation of this report, totaling \$324 million. When this sum is added to the regular assistance, UNRWA's share of total assistance increases to more than 9.6 percent (an amount that seems more logical and representative of the extent of services provided through UNRWA), and the share of the PNA as a recipient party falls to approximately 77.4 percent of total assistance. That percentage is in accord with the World Bank's estimates in its report related to assessment of the economic effects of unilateral Israeli disengagement from the Palestinian territories, prepared in June 2004.

Section Three: Impact of International Funding

This section of the report will identify the impact of international funding on Palestinian development efforts in general and on the empowerment of Palestinian individuals and society in particular. A general background summary of the prevailing economic and social conditions for individuals and society in the Palestinian territories will be presented. It will be followed by an examination of the most important outcomes of international funding at the level of individuals and the role of assistance in empowering Palestinian individuals and promoting the ingredients for perseverance. It will also examine the ability of international funding to empower and strengthen Palestinian society and to promote its capacity for emancipation from dependency on external factors, and will attempt to measure the scope of the impact of this funding in that regard.

5-3-1: The Ability of the PNA to Manage International Assistance

Any funding process involves two main components: the funding party and the environment into which assistance is channeled. The role of the system or apparatus that manages the assistance is central to this process. This is highly applicable to the international funding situation in the Palestinian territories. The ability of the Palestinian economic and social system to manage international assistance and respond to developments in international funding patterns is a central element governing the efficacy of that assistance and its ability to achieve the desired goals. As indicated previously in this chapter, more than 87 percent of international assistance to the Palestinians passes through the PNA and its various institutions. Since the PNA's establishment, the Palestinian Economic Council for Development and Reconstruction (PECDAR), the Ministry

of Finance, and the Ministry of Planning have managed international assistance to the PNA. The largest portion of this assistance is absorbed by a limited number of ministries (such as the Ministries of Education and Higher Education, Health, and Local Government).

The procedures these ministries follow in implementing projects funded through international assistance pass through several stages. Each ministry on its own conducts the necessary studies to determine the needs of the sector it represents and then submits these needs to the Palestinian parties responsible for coordinating with the donor parties so as to obtain the funding required to fulfill those needs. Those needs are then put before the donor parties, who dispatch a delegation to affirm them, and the first stage ends with funding approval by the donor party. Upon conclusion of the first stage, the second stage—connected to technical-engineering project design—commences, usually involving the committee that made the presentations to the representative of the concerned ministry. The third stage is the process of selecting the establishment that will implement the funded projects. As regards the process through which the funding party dispenses funds and fees to the implementing establishment, this is usually carried out without intermediaries, whereby payments are transferred directly to the establishment's accounts in Palestine.

It is likely that the PNA's limited track record in managing donor funds, along with oft-repeated accusations of widespread financial, administrative and political corruption in PNA institutions contribute to the declining levels of public trust in the PNA's ability to manage international assistance. The results of an opinion poll conducted by Birzeit University's DSP show that only 24 percent of those polled said international funding should be directed

The ability of the Palestinian economic and social system to manage international assistance and respond to developments in international funding patterns is a central element governing the efficacy of that assistance and its ability to achieve the desired goals.

Box 5-2: Outcomes of a Workshop on International Funding

The DSP held specialized focus groups to discuss the issues concerning international funding that were raised by this report. Attendees concluded that despite some progress in the coordination of international funding through the Ministry of Planning, the various PNA ministries were still working separately from one another. The oversight and management of financial assistance that passes through the PNA is poorly coordinated. This perception was reinforced during a discussion seminar held by the DSP, at which Palestinian parties concerned with the international funding process met. Participants at this meeting were in nearly unanimous agreement as to the low levels of coordination between the central authority responsible for planning and coordinating assistance, the ministries, and representatives of organizations from different Palestinian sectors. In most cases, the central authority was not party to agreements signed between ministries and donor agencies, with the exception of those agreements which entailed a financial obligation. In those instances, the Ministry of Finance or the Ministry of Planning did become involved.

Some of the discussion group attendees pointed out that the Palestinian private sector was also excluded from the processes of strategic planning and decision-making during the creation of development plans prepared by the PNA. Although public/private sector coordinating bodies were established, their participation in the decision-making process was nominal and infrequent.

Another important conclusion reached was that the Palestinian public and private sectors possess the capacity to absorb large sums of international assistance, even in excess of the present amount. Most production facilities in the private sector are working at less than full capacity for reasons too numerous to mention here. Added to this, there are large reserves of unutilized human capital, due to high unemployment rates in the Palestinian territories. As for the public sector, a case study of one of the projects funded by outside assistance demonstrated that PNA institutions and their administrative staff are fully prepared to absorb any anticipated expansion in the activities of the donor parties in the Palestinian territories. Perhaps one significant indicator of this untapped potential is the list of projects prepared previously by various PNA ministries and the readiness to implement them pending provision of the necessary funding. This list contains the most pressing needs within the sectors these ministries represent, but the lack of financial resources provided through international assistance is slowing the pace of implementation.

to PNA institutions, whereas 56 percent believed that this funding should be directed to the private sector.

5-3-2 The Role of International Funding in Building Palestinian Institutions and Strengthening their Capacity

The term “Palestinian institutions” as used in this section refers to both official government institutions and NGOs. Approximately 60 institutions and ministries fall within the category of official institutions. These can be divided into two main groups based on the services they provide: institutions that provide social services (such as education, health,

housing and relief programs) and institutions that provide security services (such as the police and various branches of the armed forces).

The World Bank estimates that the Palestinian NGO community includes approximately 1,200 Palestinian institutions and approximately 200 international institutions working in the Palestinian territories. The activities of these institutions are usually categorized into three groups according to the type of activity they perform.

The first group engages in charitable and social welfare activities designed to serve needy segments of the population. The second group engages in development activities that build individual and group capacity through education, training, and organizational consulting, such as developing marketing skills. The third group works to prepare individuals and groups to assume positive decision-making roles in local, national, and international institutions. This group usually engages directly in the political activity of the state and local governmental bodies.

The donor countries play a central role in building institutional capacity within the government. They support these institutions with material and in-kind assistance as long as the institutions successfully fulfill their mandated tasks and provide basic levels of service to the citizenry. During the past three years, the role of donor countries providing funding in this area increased substantially, as the PNA progressively weakened and failed to carry out its responsibilities. Huge sums of international assistance (approximately \$1,225 million) were given to shore up the PNA budget. However, World Bank estimates indicate that the level of services provided by the PNA have continually declined, specifically evidenced by the lack of environmental

protection and preventive health services provided by the PNA in the Palestinian territories. As result, all international funding to these two areas was cut off.

In connection to activating the role of international funding, the PHDR finds the majority of government institutions suffer from numerous problems (covered in detail in Chapter Three). The first problem is the absence of well-developed management structures and employee job descriptions, resulting in the staffing redundancies that plague most of these institutions. The second problem is the need for a central body to coordinate among these institutions and to prevent duplication of work across institutions resulting in squandered efforts and money. The central coordinating body is also needed to ensure standards of transparency and accountability are adhered to within these institutions. The third problem is the absence of a strategic vision or clearly defined development plan for work of the PNA.

The government's planning process has passed through four main phases. The first phase (1994-1997) had no development plan to speak of, but the second phase (1998-2000) was characterized by existence of a partial plan. Planning again ceased with the outbreak of the Al-Aqsa Intifada through last year, which comprised the third phase. And, during the fourth and current phase, the PNA has been trying to reintroduce planning through preparation of a medium-term development plan. Certainly, a government with little or no strategic development planning activity limits the role that assistance is able to play, since in receiving external assistance PNA institutions depend—for the most part—on the disparate efforts of individual ministries.

International assistance has also played an important role with NGOs in

The PNA has been trying to reintroduce planning through preparation of a medium-term development plan.

World Bank estimates indicate that approximately 60 percent of primary health care services for Palestinians are provided through NGOs.

78 percent of respondents' families did not benefit directly from international support.

the Palestinian territories, as it provides them with necessary funding and in-kind technical support which helps the NGOs comply with the inflexible, complicated financial and administrative requirements imposed by donors on the management and implementation of NGO programs. World Bank estimates indicate that approximately 60 percent of primary health care services for

Palestinians are provided through NGOs. NGOs also play significant roles in the areas of education, agriculture, provision of support and assistance to persons with special needs, housing programs for limited income families, and lending programs for small-scale projects. As with official PNA institutions, however, among these NGOs there is a lack of a strategic vision and a tendency

Box 5-3: Assessment of the Benefit of International Funding

A public opinion poll conducted by Birzeit University's DSP in June 2004 indicated that 78 percent of respondents' families did not benefit directly from international support, whereas 49 percent of them felt that international assistance alleviated Palestinians' suffering. Among respondents, 48 percent suggested focusing international support on job creation, whereas 65 percent suggested directing the support toward civil society organizations. Opinions differed as to the degree to which international support contributes to Palestinian development. In the same context, and on the political level, 55 percent of respondents believe that international support reinforces Israel's hold on the Palestinian territories.

Direct financial assistance in the social sectors provides relief for many Palestinian families. However, it does not incorporate any development priorities and it is not linked to a strategic plan or central vision.

to diverge from their goals, as well as poor coordination with the PNA. The NGOs are limited in their capacity to negotiate with donor agencies to identify the definitive areas of support that best serve Palestinians and meet their basic needs. Finally, the restrictions imposed by the Israeli occupation further complicate a lengthy set of operational obstacles.

5-3-3 The Extent to Which International Funding Reflects Palestinian Priorities

The extent to which international funding reflects Palestinian priorities is regarded as one of the most important criteria used to measure the impact of international assistance in empowering Palestinian society and to determine whether or not that assistance has achieved its desired goals. The impact of international assistance on

empowerment is judged by the extent to which the assistance is effectively allocated across sectors in order to address the maximum number of development priorities and to meet the needs of the Palestinian people. Measuring the benefits of donor funding is extremely challenging, as it is not delivered through one central body with a harmonized set of goals, objectives and priorities via a single set of processes.

As shown previously in this chapter, the social sectors absorbed approximately 47.6 percent of assistance to Palestinians from 1994 through the end of 2003. This percentage was not steady throughout the period; it did not exceed 30 percent until 2000, yet it has exceeded 68 percent since the outbreak of the Al-Aqsa Intifada. As also seen previously, the rise in the social sectors' share of funding was due to an increase in the amount of emergency

humanitarian and relief assistance and the grants provided to support the current budget, which fall within this area. This type of assistance provides relief for many Palestinian families and creates jobs for a large number of unemployed¹⁰—in addition to its role in preventing the collapse of the PNA by supporting its current budget and payment of its employees. However, it does not incorporate any development priorities and is not linked to a strategic plan or central vision; rather, its role is limited to relief aid. In addition to emergency assistance, the social sectors also received assistance for democracy-strengthening initiatives, rehabilitation programs for persons with disabilities, the environment, human rights, and other areas. These sectors are among the most important priorities of the donor countries. Yet despite their importance, they are less capable than other productive sectors of achieving economic and social well-being that is long-term and sustainable.¹¹

The infrastructure sector ranked second among donors' priorities, as these countries directed 22.3 percent of their total assistance for projects to rehabilitate and develop infrastructure in Palestine. The past three years have seen a perceptible reversal in the amount of assistance directed toward this sector, where the funds it was allocated did not exceed \$307 million, or 10 percent of total assistance provided during this period. This is in spite of the extensive destruction inflicted on Palestinian infrastructure facilities as a result of repeated Israeli assaults, which called for greater focus on this sector than was given. The donors, in their expenditures, relied on World Bank estimates for the costs of rehabilitating infrastructure, and these were far less than the Palestinian estimates.

This sector is considered one of the priorities on the Palestinian agenda due to its forward and backward linkages within the Palestinian economy, in addition to its role in employing workers and encouraging local and foreign investment in the Palestinian territories.

The third-ranking sector among donors' priorities was institutional capacity building. It was natural for the donors to focus on this sector, especially during the beginning of the transitional stage and after the establishment of the PNA and its institutions. The donor nations spend approximately \$1,193 million, or 18.2 percent, of assistance on this sector. Once again, in providing assistance the donor parties are failing to align with Palestinian society's priorities and needs. The results of one poll¹² showed that building societal institutions is not considered a priority area among Palestinians, as this sector earned only 7.2 percent on the ranking of respondents' priorities.

5-3-4 The Contribution of International Funding to Emancipation of Palestinian Society

A number of internal and external factors influence the basic characteristics of economic and social conditions in the Palestinian territories. These influences helped shape the Palestinian economic profile during the previous stage, since the Palestinian economy depended on its Israeli counterpart and there were multiple forms and channels of inter-linkage between them in the areas of labor, trade relations, and tax revenues.

In terms of labor, the Israeli economy absorbed surplus Palestinian labor; statistics indicate that more than

Most of the Palestinian NGOs refused to accept conditional donor funding.

¹⁰ Among those polled, 54 percent of beneficiaries of external assistance said they benefited in the areas of social welfare and emergency relief, whereas 21 percent benefited from job creation programs.

¹¹ Birzeit University – Development Studies Programme, Public Opinion Poll No. 17, June 4-6, 2004.

¹² Birzeit University – Development Studies Programme, Public Opinion Poll No. 17, June 4-6, 2004.

Box 5-4: Conditional funding

United States government agencies provide examples of conditional donor funding. Throughout the previous period, US funding required approval by the Foreign Aid Appropriations Committee of the US Congress. The funding approvals of this committee rest on fulfillment of sets of political and security requirements by the party receiving assistance. In the Palestinian context, these requirements include a Palestinian commitment to safeguard and protect Israel's security, as well as a commitment to implement the Palestinian obligations under various agreements signed with Israel. In addition, there are certain provisions related to fairness, transparency, accountability, and other related criteria. Further, the United States Agency for International Development (USAID) recently added a new condition for aid recipients, as a component of what the American administration calls the "war against terrorism." Under this condition, recipients must sign a document pledging to combat terrorism and not to use any portion of US funds to support terrorism.

In addition to these conditions, the majority of donor nations also impose conditions on Palestinians relating to the mechanisms used for disbursing assistance provided. This is done through tying provision of assistance to the condition that the raw materials and equipment necessary for the funded projects—in addition to the implementing party, experts, and advisers—come from the same funding source.¹³ The US example assumes added importance due to the relatively large amount of US funding assistance to Palestinians. As for the other donor nations, their conditions are limited to the requirement that the aid recipient comply with the legal frameworks and administrative procedures applied through their financial and legislative regulations. The European nations and Japan serve as relatively moderate examples in terms of their conditions. It is noteworthy that the majority of Palestinian NGOs, through the coordination of the Palestinian NGO Network, refused to sign the American USAID document, regarding it as imposition of ambiguous conditions with regards to the issues posed. This creates questions for the "new generation" of NGOs accepting conditional funding.

145,000 Palestinian workers were employed in Israel just before the present Intifada began. In terms of Palestinian-Israeli trade relations, trade with Israel comprised 77 percent of Palestinian foreign trade. And in terms of tax revenue, the PNA depends on customs returns and duties on trade with Israel in funding its treasury, as together these duties comprise approximately 60 percent of total public revenue in the Palestinian budget. The danger of this inter-linkage between the two economies lies in the Israeli side's systematic continuation of its current policy, which is based on thwarting any Palestinian attempt at emancipation and liberation from Israeli domination and on countering Palestinian attempts to revive their economy and govern their natural resources.

The second indicator is external assistance, which covers more than 80 percent of funds needed for the overall investment program in the Palestinian territories, in addition to its role in funding the PNA current budget. However, there are a number of questions surrounding the continuity of this assistance during the forthcoming period¹⁴, which in turn significantly increases the level of risk and vulnerability to external factors. These questions surround a number of factors related to this assistance, such as the link between assistance and developments in the political process, inconsistency in the level of compatibility with Palestinian priorities, and changes taking place during the past three years, as more than 83 percent of this assistance was directed toward humanitarian relief programs,

¹³ The donor parties sometimes recover 50 percent of the aid they provide through technical assistance and sales of materials and equipment to the aid recipient.

¹⁴ Those meeting at the Rome Conference on the Palestinian Economy in October 2003 pointed out that lack of clarity in terms of the political horizons will make it difficult to speak about higher and continual levels of assistance in the Palestinian territories.

funding the PNA treasury, and repairing damages resulting from Israeli incursions. More than 87 percent of assistance passes through PNA institutions and approximately 8 percent passes through NGOs, as shown previously in this chapter.

The period during which the international funding process began coincided with Israeli policies of closure and siege. These policies inflicted immense damages on the Palestinians and also affected the international funding process, since they limited the freedom of movement of employees and representatives of local and international institutions overseeing and implementing the funded programs. Moreover, they obstructed the arrival of the raw materials and equipment necessary to implement these programs and projects, and the Israeli authorities deliberately placed obstacles and difficulties before implementation of funded projects in the Palestinian population centers located in Area B. Israeli influence continued to be the main determinant of Palestinian economic and social conditions.

Since the launching of the peace process and the signing of the Oslo Accords, the Israeli government has continued its policies, measures, and practices in a systematic, uninterrupted fashion, which thwarted Palestinian and international efforts aimed at reviving the Palestinian economy. Nor did the matter stop there; Israel succeeded in transforming the West Bank and Gaza Strip into a consumer market for Israeli goods and services, however corrupted, and a source of cheap labor. These policies have created structural distortions in the local economy, where service-based and marginal activities have expanded at the expense of development-oriented and productive activities. This has weakened the Palestinian economy's productive capacity and hindered its natural growth.

Despite obstacles posed by the Israeli authorities, international assistance has been successful in several fields and has made significant achievements in some areas. Here, it will suffice to mention some of them, as they will be addressed in detail in the discussion on the impact of assistance in providing the Palestinian development process with ingredients of success.

A report issued by the World Bank¹⁵, in discussing the achievements of international assistance in the Palestinian territories, pointed out that such assistance has helped improve health services by building and improving a number of hospitals and health centers. Between 1994 and 1998, approximately 7.7 percent of total assistance was provided to this sector, as reflected in the increase in the number of health care centers from 207 in 1994 to 369 in 1998. This also affected the number of center beds and the quantity and quality of health services provided to Palestinians during that period.

Likewise, assistance brought important achievements in the education sector. During the first year alone, six schools were constructed and furnished with the necessary materials in the West Bank and Gaza Strip. And during the next five years, more than 76 schools were improved and renovated through PECDAR alone, thereby increasing the number of classrooms to approximately 2,068. Further, approximately \$1,156.5 million, or 33 percent of total assistance between 1994 and 2000, was spent on infrastructure. More than 112 water and sewage projects were implemented, and hundreds of kilometers of main and side roads were paved, which contributed significantly to the development of infrastructure services in the Palestinian territories. Added to this is international assistance's contribution—however limited—in supporting the Palestinian

During the past three years, more than 83 percent of assistance was directed towards humanitarian relief programs, funding the PNA treasury and repairing damages resulting from Israeli incursions.

More than 76 schools were renovated by PECDAR alone.

¹⁵ The World Bank, *Donor Investment in Palestinian Development (1994-1998), The Promise, the Challenges, and the Achievements*, 1999.

economic sectors. Within the industrial sector, the donor entities realized the importance of coherent export strategies and their impact on increasing employment in the Palestinian territories and in growth of the domestic product. Toward this ends, the donors worked to establish a number of industrial areas, perhaps the most important of which is

the industrial area in the Gaza Strip. In addition, donor assistance played a role in the Palestinian banking sector through training programs prepared for the banks. And it has funded numerous lending programs for small-scale projects, thereby expanding the lending base of the Palestinian banking system.

Point of Light 52: CARE's Initiative to Evaluate its Work

Like many international institutions, CARE exerts substantial efforts toward reevaluating its vision, programs, and modes of operation so that it can overcome new and difficult conditions in the Palestinian territories and respond to local community needs. Beginning in 2001, it has provided emergency assistance in addition to its development programs. The institution has faced three main challenges in carrying out its work: first, the deteriorating security situation and the siege to which the Palestinian areas have been subjected (which has frequently obstructed assistance from reaching those areas); second, the decline in donor support for development efforts in Palestine; and finally, the state of ever-increasing poverty in the Palestinian territories. CARE has confronted these challenges in a number of ways, including:

- Partnership with NGOs and local authorities.
- Strategic planning in the following areas:
 - Evaluating the institution's work and tasks in the Palestinian territories in order to reformulate its programs and priorities.
 - Revamping the institution's performance standards and activating its branch offices in order to reach the various Palestinian areas.
 - Initiating coordination with other institutions working in the same field, in order to exchange information and expertise.

5-3-5 The Contribution of International Funding to Providing Ingredients of Success for the Palestinian Development Process

It is relatively complicated to assess international assistance in terms of its direct impact on the development process in the Palestinian territories, as the lifespan of this assistance thus far is relatively short, not exceeding ten years. Therefore, it is difficult to build an economic model for measuring this

impact. Furthermore, no definitive relationship can be found between international assistance and changes taking place in the development indicators in Palestine. The PHDR therefore examines the indirect implications of international funding and its linkage with the macroeconomic and social indicators in the Palestinian territories. These conclusions, while not definitive, may offer some indications and evidence as to the importance of this assistance and its role in bringing about economic and social development and in empowering Palestinian society.

These indicators can be of benefit in activating the role of assistance and reinforcing its positive aspects, at the same time exposing the mistakes and negative aspects that marred the funding process during the previous stage.

Observers of the international funding process and its implementation in Palestine are able to note changes in the macro indicators. It is possible to track several of these indicators during the duration of the funding process along the following lines:

- **Domestic product:** Reports indicate that the gross national product (GNP) for the Palestinian territories has grown at negative rates of 3.5 percent, 10.1 percent, and 2.9 percent in the years 1993, 1995, and 1996, respectively.¹⁶ Positive GNP growth rates were recorded in 1998 and 1999, reaching 18 percent and 8.2 percent, respectively.¹⁷ The growth rate then dropped in subsequent years, especially since the outbreak of the Al-Aqsa Intifada and the accompanying Israeli measures. During the first year of the Intifada, GNP declined

approximately 11.2 percent. Moreover, consecutive declines in gross domestic product have been recorded since 2001, and the growth rates were negative during the last three years at 9.4 percent, 3.6 percent, and 1 percent, consecutively.¹⁸

- **Unemployment rates:** The unemployment rate increased to more than 30 percent after 1993, compared to only 5 percent prior to that year.¹⁹ There has been variation in these rates, which have risen and fallen under the influence of Israeli policies in the Palestinian territories, reaching their highest level in 2002, at 31.3 percent.

- **Living standards:** There was a significant decline in Palestinian living standards after 1993, as the per capita gross domestic product (GDP) dropped by 14.2 percent between 1993 and 1995.²⁰ Poverty rates have reached record levels since September 2000, with reports indicating that more than 60 percent of Palestinians have suffered from poverty during recent years. The overall level of prices rose by more than 37.7 percent in comparison with prices in 1996.

Box 5-5: World Bank Report

While pointing to international assistance's difficulty during the previous period in achieving the desired goals and empowering Palestinian society, a report issued by the World Bank notes an increase in the amount of international assistance at \$500 million per year between 2004 and 2006 (thus reaching \$1,500 million annually) will bring about some improvement in the per capita income rate, while unemployment rates will fall to the prevailing pre-Intifada level of 14 percent—but only if Israel removes barriers and ends internal and border closures blocking the movement of people and goods. However, the disturbing matter lies in the continuation of high poverty rates among Palestinians during the forthcoming period, despite an increase in assistance. If economic and social conditions are expected to be as indicated above even with extensive assistance totaling \$1,500 million, it is difficult to imagine what conditions would prevail in the absence of such assistance.

¹⁶ Muhammad Ishtiyah, *The Palestinian Economy during the Transitional Phase*, PECDAR, 2003.

¹⁷ *The Economic Observer*, No. 1, March 1997.

¹⁸ The Palestinian Central Bureau of Statistics, *National Accounts*, various years.

¹⁹ Muhammad Ishtiyah, *The Palestinian Economy during the Transitional Phase*, PECDAR, 2003.

²⁰ *The Economic Observer*, No. 1, March 1997.

International assistance has contributed to the promotion of the principle of participation to a certain extent.

Seventeen percent of Palestinian families are almost fully dependent on external assistance.

● **Community participation:** International assistance has contributed to the promotion of the principle of participation to a certain extent. However, it has not fully integrated this concept into the projects it supports in order for the beneficiaries to become full partners in formulating and taking decisions related to their communities. A case study of a Palestinian village was conducted for the purposes of this report. A meeting held between a number of representatives of institutions and activities from the women and youth sectors reveals the existence of some effective mechanisms and means for strengthening the principle of community participation.

The first of these mechanisms is the use of town meetings held by NGOs wherein individuals can take part in determining how assistance is spent by expressing their opinions and needs. The second mechanism is the regular meetings that the village municipal council has held with different groups in the village (educators, influencers, youth, women, and others), combining their views and identifying their demands and needs. These meetings usually succeed in forming a specific conceptualization of the directions of these groups, which are of benefit during negotiations with funding parties regarding village needs and priorities.

Further, a unique, groundbreaking instance of citizen involvement in determining needs and priorities was seen in the preparation of a survey through cooperation between the municipal council and the donor party. This case involved the Palestinian Hydrologists Group and the World Food program. The survey had one part related to services provided in the village and another for determining village needs based on priorities. However, most of these experiences were not generalized among residential areas or recipients of international assistance. Thus, community participation (on the level of

individuals and groups) in deciding how international assistance was spent remained weak and below the level required.

● **The relief role:** Results of an opinion poll conducted by the DSP showed that 56 percent of respondents answered “yes” to the question of whether international funding has helped alleviate Palestinians’ humanitarian suffering, while 30.3 percent answered “to some extent.” This is an indication of the perceived benefit from assistance in this field.

● **The development role:** When respondents were asked about the contribution of international assistance to the development of Palestinian society, the percentage of responses were 43.6 percent (“yes”) and 35.9 percent (“yes to some extent”), respectively. It is also important to point out the role of this assistance in supporting democratic processes and Palestinian institution-building. Of total assistance, 18.2 percent has been spent in this field. This percentage reached its height during the first, or construction, stage, when it totaled approximately 30 percent. This assistance has funded payments within a number of PNA ministries and the Legislative Council, and it has also played a role in funding activities of the Palestinian Central Bureau of Statistics. Moreover, in the field of building institutions and activating their role in Palestinian society, the donors have greatly supported the local authorities in the West Bank and Gaza Strip.

5-3-6 The Role of International Funding in Strengthening and Empowering Marginalized Groups

The definitions dealing with the subject of empowerment vary in the literature, but most definitions encompass a set of essential elements. These may be

summarized as freedom of access to information, guaranteed opportunities to participate in decision-making, and the ability to question officials within the authority and at official sites. These elements may be considered one of the fundamental bases through which the strength and empowerment of society can be measured. Despite society's need in its entirety (individuals and groups) for empowerment with its various political, economic, and social facets, there are specific social groups and sectors that need more than others to be provided with the ingredients for empowerment in order to expand their options and develop their abilities. These groups include women, the poor, workers, and youth. This section will touch on the role of international funding in empowering marginalized groups and helping them to integrate within Palestinian society.

The Palestinian territories suffer from high poverty rates. As shown previously, 67.7 percent of Palestinian families were suffering from poverty according to their income in 2003 (broken down as 62.6 percent in the West Bank and 77.5 percent in the Gaza Strip). International assistance helps provide support to this segment

of society through numerous institutions working in the Palestinian territories. Estimates of the United Nations Office of Coordination of Humanitarian Affairs (OCHA) indicate that about 17 percent of Palestinians are almost fully dependent on external assistance. Institutions providing loans for small-scale projects are among the major institutions offering support and a major income source for Palestinians. However, the relative importance of these institutions has declined since 1993 in favor of the banks. Assistance through micro lending programs has made some achievements. The results of a study on the effects of programs offering loans to small-scale projects implemented by UNRWA in the Palestinian territories indicate that these programs have contributed to increasing the income of their beneficiaries, in addition to increasing community participation on the part of program users, improving their ability to manage in the future and to negotiate with other parties, and increasing their well-being. In addition, these programs have helped to increase beneficiaries' control over their income sources and to raise their level of self-confidence.²¹

Box 5-6: The Contribution of International Funding

Despite all of the controversy surrounding assessment of the role of international funding, there have been achievements and contributions carried out through the funding of donor nations, including the Arab countries. Most important among them:

- Building schools and hospitals.
- Paving roads and restoring infrastructure, especially the sewage system in numerous residential areas.
- Training thousands of PNA and NGO employees.
- Employing the unemployed.
- Covering the costs of voter registration and the Palestinian elections.
- Organizing psychological support programs for children and women.
- Covering the salaries of PNA and NGO employees

²¹ Khalil El-Naqa, *The Impact of Microcredit, Case Study, UNRWA's Microcredit Programme, WBG, 2004, Master's thesis, Islamic University of Gaza.*

Box 5-7: Micro Credit and the Empowerment of Women

As shown previously, social indicators reveal a higher percentage of poverty among women than men in Palestine. One study related to Palestinian women²² found that an important resource lacking among women in several economic fields is provision of a lending network and financial network, and that women could benefit greatly from increased sources of credit. The study also found women's marginalization and alienation from trade and agricultural unions played a significant role in limiting their access to sources of information and material support. Further, the lending programs and institutions working in this field were incapable of delivering their services to wide sectors of women; the percentage of women ranged between 2 and 5 percent for institutions that lend to men and women, while the number of women borrowers receiving loans from institutions specializing in loans to women ranged between 150 and 200. The study attributed this to reasons related to the inability of these institutions to design lending programs and services suitable for the needs and conditions of these women.²³

Further, a qualitative study of micro credit to Palestinian refugee women in Lebanon indicates that micro credit can often help raise a family's income level and improve the family's ability to meet basic needs. However, the same study points out that the majority of these loans neglect stereotypical social relationships and roles, and rather than help to raise the level of women, they place additional burdens on them. At the same time, it is possible that women will withdraw from public and community life, and it is uncertain whether they will have control over project income or the properties related to project work. And most of these projects do not work toward changing men's mores and conventions or work to gain their approval for altering stereotypical roles, leading to a doubling of the financial and psychological burden on women in the family. Moreover, not all micro credit programs take into account training needs in the fields of marketing and project management, and they have not sought to change market mechanisms or laws governing women and men's work or the discrimination against Palestinians in general within the Lebanese market.²⁴

International assistance has failed to ensure the active participation of marginalized group in making decisions related to them.

Moreover, a report issued by the World Bank indicates that the assistance provided through the Community Development Project (CDP) (as an example of institutions that support local authorities and small villages) has helped to develop the economic and social infrastructure of the targeted population centers in a tangible way, through implementation of more than 200 projects in these

centers. Some achievements have also been made in the area of rehabilitating freed prisoners, which is to some extent a groundbreaking, successful undertaking. The deputy of the Ministry of Prisoners' Affairs, during a meeting that included various parties connected to international funding, pointed out the importance and role of internationally-funded programs for rehabilitating freed prisoners in training

²² Rema Hammami, *Palestinian Women: The Current Situation, Economy, and Work*, Women's Studies Programme, Birzeit University, 1997.

²³ Fatin, *Loans in Palestine and Poor Women with Micro Projects: A Case Study*.

²⁴ Munira Khalil and Sana' Hussein, *Micro Loans to Palestinian Women Refugees in Lebanon*, Case Studies, Social Aid Institute, 2004.

and rehabilitating this segment of Palestinian society, thereby enabling them to reintegrate within their communities. The European Union, Switzerland, and the Italians have funded most of these programs, whereas the United States has rejected numerous proposals to fund such programs.

International assistance (along with Palestinian institutions themselves) has also failed to ensure the active participation of marginalized groups in making decisions related to them. Perhaps the best example of this is seen in the PNA's general budget, which is supposed to meet the needs of all segments and groups within Palestinian society. The manner in which the public budget is prepared, approved, implemented, and monitored precludes involvement by these groups. What is disturbing in this regard is the failure of the donor parties to ensure active participation of these groups during the various budget stages through their support for Palestinian official institutions and NGOs. Donor institutions have not played a tangible role in heightening marginalized groups' awareness of their rights and of the importance of the budget in affecting their conditions. PNA budgets have not been published except in 2003 and 2004, and that was only after substantial foreign pressure was exerted on the PNA to take steps toward reform. It is also worth noting an example highlighting inadequate NGO concern with the budget: One NGO in Palestine held a workshop in late 2001 to discuss the general budget after the Legislative Council had approved the budget in the beginning of that year.

Conclusion

It may be said that international assistance over the past ten years did

not lead to achievement of Palestinian aspirations or fulfillment of Palestinian needs.²⁵ Doing so would have meant empowering Palestinian society to attain independence and self-determination and laying the foundations for sustainable human development. It appears that the source of this weakness in performance stems from the main goals for providing assistance, which are supporting the Palestinian-Israeli political process and giving it the required thrust by bolstering the Palestinian economy, eliminating tensions and violence in the region and containing their causes, and spreading democratic principles and human rights among Palestinians.

These objectives have been pursued at the expense of bringing about the real development sought by Palestinians. Indeed, this assistance may have unintentionally exempted Israeli authorities from assuming economic and service-related burdens upon reoccupation of most Palestinian areas for most of the past three years, since the assistance has enabled the PNA institutions and agencies and NGOs to continue providing basic services to citizens.

At the same time, just because provision of international assistance has coincided with negative changes in a number of economic and social indicators in the Palestinian territories does not mean that the assistance is the direct cause for these changes. However, it may be ascertained from the previous information that this assistance has not provided a lasting solution to the crises and negative developments afflicting the Palestinian territories during the past ten years. And although international assistance has brought some achievements, especially

International assistance did not lead to the achievement of Palestinian aspirations or fulfillment of Palestinian needs. Doing so would have meant empowering Palestinian society to attain independence and self-determination.

²⁵ Among those polled, 62 percent believe that the donor nations and funding institutions operate according to their own political agendas, not within the framework of the needs and priorities of Palestinian society.

²⁶ One World Bank report indicates that total assistance spent in the Palestinian territories between 1994 and 1996 amounted to approximately \$1.49 billion, whereas the extent of losses stemming from the Israeli closure policy during that same period was approximately \$2.8 billion.

in developing infrastructure, providing basic social services, and helping to strengthen marginalized groups, these achievements were unable to bring about actual empowerment of these groups, as was seen with women. Moreover, they did not utilize all means at their disposal to help promote the principle of community involvement for marginalized groups in the general budget and the Palestinian development plan.

The above notwithstanding, the effectiveness and impact of international assistance did not fully meet Palestinian aspirations and expectations. It did not develop the Palestinian economy nor reduce its vulnerability to and dependence on external factors, as this assistance did not limit the negative affects of the

Israeli occupation. Throughout the course of the previous years, the assistance failed to compensate for the losses and damages inflicted on Palestinian society and individuals by Israeli practices and policies.²⁶ Further, this assistance did not succeed in reducing Palestinian dependency on a second external factor—the assistance itself. Perhaps the best example of that is the continuing reliance of the PNA's general budget in funding its development expenditures with external assistance, as has been the case from the establishment of the PNA through the present. Likewise, numerous Palestinian ministries and institutions depend on donor parties to fund their activities, as exemplified by the Legislative Council and the Palestinian Central Bureau of Statistics.

Chapter Six

Conclusions and Recommendations – Toward Empowering Development

The 2004 Human Development Report analyzes the daily Palestinian reality and the roles of various external and internal factors in influencing (negatively and positively) the Palestinian political and development situation. This concluding chapter attempts to offer a realistic and practical vision—through a set of general and sector-specific recommendations—for what must be done in Palestine in order to emerge from the current state to achieve the goals of Palestinian society. These goals include freedom from all forms of tyranny and oppression by realizing the historical quest for independence and bringing about empowering development to rebuild society and enable the Palestinian people to take part in human civilization.

Introduction

The fragmented, disjointed geographical reality which Israel imposed on the Palestinian territories and then reinforced by building the Separation Wall has impacted Palestinian society at many levels. The lack of geographical contiguity has left its mark by weakening internal Palestinian affairs as well as Palestinian interaction with the outside world. It has also negatively affected the Palestinian social fabric of values, culture, and modes of conduct, which are not only linked to each other but also with collective Arab values and culture and the global human culture as well.

Internal and external causes precipitated these outcomes, together with structural flaws within institutions and uncoordinated development at all levels.

The internal causes consist of three main elements:

- **Lack of a holistic development vision:** There is a lack of clearly established and articulated Palestinian priorities within a comprehensive Palestinian development vision. Similarly, no effective coordination mechanism between the PNA and civil society organizations exists. The resulting administrative vacuum strengthened the donors' development agenda and political influence, and increased the dependence of civil society organizations on donor funding and expertise. The absence of the rule of law, procedural transparency, and democratic systems, as well as in the absence of a culture supporting rotation of power within PNA institutions and civil society organizations contributed to the degradation and dependence of civil society.

- **The concept of development leadership has not taken root:** The PNA took a relatively negative view of civil society organizations in the early years of their governance. Most civil

society organizations wanted to establish an integrated and democratic relationship with the PNA and to strengthen the bridges of trust between them. However, centralized control systems did not allow for full cooperation between the two sides. Further, the PNA's vacillations in its position towards the protection of civil society organizations and their involvement in decision-making reduced performance levels on both sides.

- **Mixed performance levels from civil society organizations:** Much of the NGO community has an unhealthy level of dependence on foreign donors for development and service project funding and in general, has failed to place financial self-reliance on their list of organizational priorities. Neglect of the concepts of self-sufficiency and sustainability has resulted in a loss of political independence and allowed donors to take control of the direction of Palestinian development. Poor coordination and cooperation at every level of civil society, the lack of a strategic development vision from the PNA, and a general disregard of the need for civil society organizations to regularly and objectively critique their own activities – all these factors contribute to mediocre performance levels across the board within this sector.

The external causes also consist of three main elements:

- **Israeli occupation of the Palestinian territories:** The occupation is the single most important factor for wasted empowerment opportunities within Palestinian society. It prevents any carefully structured and purposeful development of society's potential, and inhibits any chance to freely formulate a meaningful list of national priorities.

- **The role of the donors:** The donor nations, or any agencies that provide

The lack of geographical contiguity has left its mark on the performance of Palestinian society.

Much of the NGO community has an unhealthy level of dependence on foreign donors for development and service project funding and in general, has failed to place financial self-reliance on their list of organizational priorities.

Some donors have attempted to impose their political agendas on Palestine through funding.

the Palestinians with in-kind assistance, training, and other types of aid have played opposing roles—one positive and one negative. The positive role is one in which they provide funding for Palestinian projects, especially in the areas of skill development and capacity building. The negative role shows in the poor coordination between donor development programs and policies at the macro level, in the

limited sensitivity they display toward Palestinian priorities and political aspirations, and in attempts by some donors to impose their political agenda through funding. As a result, the relationship between Palestinian society and the donor community is totally out of balance, and the Palestinians are in the weaker position. The Palestinians are all but forced to accept unfair political conditions as a

Box 6-1: The Empowerment Approach: Awareness and Active Practice (Praxis)

Many institutions have adopted the concept of empowerment as a basis for their programs. However, in most cases, they focus too heavily on empowerment of the individual, and lose sight of the need to create a comprehensive and inclusive vision of empowerment in order to truly develop the society as a whole.

Empowerment is a concept with both individual and collective dimensions, which not only involves community awareness and education, but also the development of the social, economic, cultural, and political structures rooted in the surrounding environment. Empowerment can only be achieved in the context of a full merger between awareness and practice within an environment conducive to growth. All development programs and projects—whether they are at the stage of planning, implementation, or evaluation must adhere to this fundamental truth – awareness alone is not sufficient. All awareness-raising programs must emphasize that the end result of the empowerment process is the actual transformation of social structures (the market, international institutions, the law, the family) in order to enable individuals to practice what they have been made aware of or been trained in. Palestinian civic education programs are criticized for lack of an in-depth understanding of the nature of the surrounding conditions and of the need to create priorities and practical mechanisms for development, and thus for having spent millions of dollars without achieving any tangible benefit for society.

prerequisite for development support. In short, the lack of parity in the current relationship between the Palestinian and the donors has the potential to negate any positive achievements of the development program over the long-term.

- **The United Nations Relief and Works Agency:** UNRWA plays an important role in empowering the Palestinians, especially refugees. Since its establishment, it has provided

important services at the quantitative level in the fields of education, health, life skills development and vocational training. However, its actions at the qualitative level have more or less fostered a culture of dependency. In addition, UNRWA's own reliance on donations increases the vulnerability of Palestinian society. If donors fall short of their commitments to UNRWA's budget, UNRWA will become paralyzed. Given the weakness of the PNA and the inability of civil society to

Box 6-2: The Role of UNRWA for Palestinian Refugees: Aid or Empowerment?

UNRWA provides three main types of services to more than 4.1 million Palestinian refugees, 38 percent of whom live in the West Bank and Gaza Strip. These services are: educational programs (comprising 58 percent of UNRWA's budget and 72 percent of UNRWA employees), health programs (comprising 18 percent of the budget and 15 percent of employees), and relief and social services programs (comprising 9 percent of the budget and which benefit only 6 percent of all of the refugees). Some secondary programs exist as well, such as provision of loans and rehabilitation of camp infrastructure.

Many questions and conflicting positions have arisen regarding UNRWA and its role and means of operation. Every involved party attempts to depict UNRWA and its role in empowering and rehabilitating refugees from the vantage point of its own agenda. The most important perspectives are summarized as follows:

The refugees: The refugees view UNRWA as being of utmost importance from two angles: first, it brings international recognition to the chronic nature of the refugee problem and the many stateless Palestinians in refuge, and, second, because of the assistance it provides them in the fields of health, education, social services, and rehabilitation.

The refugees are highly sensitive to any attempt to reduce UNRWA services or abolish UNRWA's role, which they see as a move to bring an end to the refugee issue and negate the right of return, eventually paving the way for them to be forced to assimilate into their host countries. Empowering the refugees and improving their living conditions is an issue that usually carries negative connotations among most refugees, who see it as a guise to force them to give up the right of return in exchange for assimilation and financial compensation.

Israel: Israel has two conflicting perspectives of UNRWA. On one hand, it views UNRWA as a stabilizing force and thinks the agency can facilitate assimilation of refugees into their host communities by creating career and housing opportunities for them. On the other hand, Israel accuses UNRWA of inciting the Palestinian refugees to hostile behavior against Israeli forces and claims that UNRWA actually encourages Palestinian resistance efforts.

The Israelis also maintain that hatred of Israel is taught in UNRWA-funded schools, and that UNRWA school administrators do not require that the concepts of tolerance and understanding are made part of the curriculum. Israel would like to see UNRWA function as an institution created by the international community to serve its own interests; to abolish the refugees' dreams of return by making them comfortable and content within the host countries.

The host nations: UNRWA is in the good graces of all of the nations hosting the refugees. These nations see the presence of UNRWA as a reflection of international recognition that the refugee problem is ongoing. They demand that UNRWA's work continue until the refugee issues are resolved. Further, UNRWA bears the burden of providing basic services to the Palestinian refugees in these nations.

The international position: Most nations believe that UNRWA helps ensure stability in the Middle East region, especially given its role in the absence of a political resolution to the refugee issue. These nations see UNRWA's work with the refugees as diffusing potentially explosive social and political crises. UNRWA's prestige in this capacity correlates directly to the size of the donations that these nations give the agency annually. These nations believe that UNRWA is service-oriented and apolitical, even though the agency's funding is nothing more than a reflection of international will, tied at its core to political considerations.

perform UNRWA's tasks, Palestinian society's vulnerability to humanitarian

or political disaster is dangerously heightened.

The Palestinian people strive to rid themselves of occupation, to strengthen their national fabric, and to firmly establish their presence on Palestinian land.

To bring the comprehensive concept of empowerment to fruition requires vision, a wise and legitimate leadership, well-guided institutions, and determination.

This report calls on all of society's institutions to be guided by the empowerment approach as they develop future programs and to integrate their work within the community to deepen the collective impact of their work.

Section One: Empowerment, From Reaction to Action

The Palestinian people strive to rid themselves of occupation, to strengthen their national fabric, and to firmly establish their presence on Palestinian land, rebuilding the Palestinian nation and society on sound, humanitarian foundations. Within this context, empowerment means strengthening the internal abilities of Palestinian society to regain its sovereignty over Palestinian land and to function as a developing, cohesive community with a distinct national identity, set of values and culture.

In addition, empowerment means preparing for viable and sustained interaction between the Palestinian people and their geographical surrounds, as well as activating and developing all of the energies and resources stored in the heart of society—with its individuals, institutions, and positive values—in the interest of accomplishing its historical quest for self-determination and building an independent state.

To achieve this, empowerment must be transformed from a defensive activity to a proactive means of sustaining the collective Palestinian will, to promote continued internal capacity building and to finally end the occupation of Palestine. In this framework, the tasks of development of society and its

institutions and above all else the Palestinian people are the central tasks of empowerment. In summary, the conditions of the occupation, geographical division, and cultural and social fragmentation make empowerment a critical matter in the present Palestinian situation as well as in the future.

To bring the comprehensive concept of empowerment to fruition requires vision, a wise and legitimate leadership, well-guided institutions, and determination. Toward this end, the report offers a number of interconnected recommendations, which consolidate the findings presented in its chapters. The recommendations all reflect the guiding theme of the report - empowerment. It must be perfectly clear at this stage that virtually every sector of Palestinian society will benefit from further discussions and elaboration of the findings and conclusions offered in the PHDR. This report calls on all of society's institutions to be guided by the empowerment approach as they develop future programs and to integrate their work within the community to deepen the collective impact of their work.

Section Two: Empowerment in Government Institutions - Summary and Recommendations

6-2-1 The Empowerment Assets of Government Institutions

Much of the data, reports, and practical experience point to the critical importance of the role of institutions in many of the complex functions of society – especially those tied to the processes of development,

empowerment, emancipation, and liberation. The importance of government institutions (i.e., PNA institutions in the Palestinian case) in terms of empowerment stems from their control over a number of material and moral empowering assets that are not controlled by other institutions in the society. These include:

Point of Light 53: The Experience of the Al-Aqsa Intifada Emergency Committee in the Nablus Governorate

In contrast to the weak empowerment performance of most official institutions in confronting the difficult circumstances besetting the Palestinian territories, there is an important example that offers crucial empowerment lessons and experience: the experience of the Al-Aqsa Intifada Emergency Committee in the Nablus governorate. The Committee pioneered new methods to confront occupation practices. Its work highlights the power of joint efforts and coordination of community activities, and it succeeded in raising general readiness levels within society to combat challenges imposed by the occupation. This experience is summarized as follows:

- In response to a call from a host of social, economic, and political bodies, the Emergency Committee was formed in October 2000. It brought together representatives of 17 institutions operating in the city, taking care to include national, NGO, and private sector institutions and not governmental ministries—in an attempt to avoid the imposition of bureaucracy and centralized decision-making on the committee's work.
- The impetus for forming this committee, other than the escalation of aggressive Israeli action, was the citizen's belief that existing community support mechanisms were inadequate and ineffective. Lack of funds, failure to objectively identify the needs of citizens and needy families and a collection of groups simultaneously trying to assume responsibility for the tasks of support and assistance resulted in a general state of confusion and redundancy of work.
- The Community Action Center was formed, from which a group of task committees emerged, including: the Committee on Children, the Committee on Women, the Committee for Boycotting Israeli Goods, the Media Committee, and the Grassroots (or Neighborhood) Committees. These committees provided support and compensation to affected citizens, bridged the gap in health care services, set up employment projects, and coordinated with the rest of the governorates to ensure integration and to set down priorities with regards to support.
- To achieve these goals, eight specialized branch committees were formed, including: the Emergency Committee for Relief and Assistance Provision, the Emergency Health Committee, the Committee on Buildings and Damage Assessment, the Emergency Committee for Employing and Supporting Workers, the Agricultural Committee, the Road and Street Committee, the Committee on Projects and Resource Development, the Financial Committee, and the Media Committee. All of these committees were formed so that membership included national, NGO, and private sector institutions relevant to the committee's work. The committees operated with professional management structures and under the principle of dividing work according to area of specialty and expertise.
- In general, the Intifada Emergency Committee achieved important community-based successes by supporting citizens and strengthening their resolve, and by mitigating the impact of the Israeli aggression measures. The Nablus experience was exemplary and carries important lessons for the empowerment process. The Palestinian people can learn from this model for action to develop mechanisms for confronting the occupation, standing firmly, and act directly and effectively in response to citizen's needs.

Box 6-3: 101 Points of Light (Lessons Learnt)

By highlighting individual and group initiatives, the report team accomplished the following interrelated goals:

- To encourage the leaders of initiatives to continue their creative, innovative, and determined efforts by praising the initiatives and publishing their stories in the PHDR.
- To re-galvanize society, including community members possessing initiative, by creating a sense of optimism and ending the isolation among those taking initiative, who, over recent years, came to feel that they were alone in their struggle to change conditions and take positive action on behalf of society.
- To affirm that the Palestinian people are a living, proactive, creative people, who will not stand paralyzed before tragedy, but rather will become active and proactive, creating and innovating in spite of hardships. By doing so, we affirm the universality of Palestinian society, and its central goal of ending the occupation. We recognize the humanitarian process of resistance, boldly undertaken by this society and its concern for the preservation of social, institutional and cultural life.
- The most important lesson learned from analysis of the initiatives incorporated within this report (in addition to others that were not included) is that they form the core of the development process. If the structural factors limiting their capacity to become integrated, community-based, independent, and interactive efforts were removed, Palestinians would have a real opportunity to build a modern, developed society. Bringing these initiatives together to form a collective effort requires a human development vision and new institutional mechanisms to aggregate and coordinate efforts toward realizing the goals of Palestinian society.
- Decision-makers and planners can greatly benefit from these individual and group initiatives in all corners of the West Bank and Gaza Strip. Close examination of these initiatives affirms that the expertise of local society—its individuals and groups—is a rich, time-tested resource for the realization of our national objectives.

The most important lesson learned from analysis of the initiatives incorporated within this report (in addition to others that were not included) is that they form the core of the development process.

Close examination of these initiatives affirms that the expertise of local society its individuals and groups is a rich, time-tested resource for the realization of our national objectives.

- **Resources:** Government institutions control all types of material, human, and symbolic resources needed for formulating and implementing the desired empowerment policies.
- **Legitimacy:** As part of the existing political, economic, and social establishment—given expression through the PNA—they enjoy the political and moral legitimacy that is derived from the electoral process and public mandate. In this way, they are distinguished from NGO organizations and private institutions.

- **Power:** The fact that government organizations possess both resources and legitimacy embodies them with power: the power to create and amend laws which establish the choices available to society and influence their systems of values and culture. This power can be used to include or exclude social groups in the processes of development, as well as to marginalize or discriminate. Government institutions also have wide latitude in their role to enhance the quality of governance, to promote participation and creativity, and

to encourage the practices of transparency and accountability in society as a whole.

- **Role in liberation and state-building:** The processes of comprehensive and sustained empowerment in Palestine are difficult and complex and, given that the tasks of liberation and state-building are intertwined, all resources must be mobilized to achieve the goals of ending the occupation and building the Palestinian state.

- **The importance of the principles of democracy:** Linking the empowerment process to government institutions is an early investment in the creation of a democratic state. This linkage brings the institutions themselves in touch with social reality, thereby enabling them to become more effective agents of change. This, in turn, bolsters their legitimacy and permits them to safeguard the process of the democratic transformation of society into the future.

6-2-1 Conclusions and Recommendations

- Contextual factors associated with the role and performance of PNA institutions, whether related to the internal environment (such as the political system, socio-economic status, and prevailing culture) or the external environment (such as Israel's influence, international political developments, and donor funding), significantly affect the ability of Palestinian institutions empower society. Internal environmental factors that significantly impact the empowerment process and that should be seriously addressed include: the interconnectedness of the task of national liberation and community development and, the related challenge of identifying appropriate goals and mechanisms that serve both ends. Several negative

aspects in the Palestinian institutional arena must also be addressed, such as the centralized approach to decision-making and initiative-taking, poor planning, weak systems of transparency and accountability, situational application of the law, individualism at the expense of institutionalization, an emphasis on personal gains at the expense of the public interest, and discouragement of professionalism in Palestinian institutions.

- Major external elements include the near total vulnerability to Israel (especially economically) and the climate of the international community turning against the Palestinian liberation struggle, as well as increased reliance on external assistance, resulting in dependency and lost ability to carry out independent, purposeful, and resolute planning in response to the people's desires and right to independence and a decent life.

- Undoubtedly, the course of the past four years has exposed many weaknesses, flaws, and internal shortcomings within PNA institutions. Conditions have laid bare the weaknesses inherent in the structures, performance, visions, goals, and strategies of a number of these institutions. These weaknesses are reflected negatively in their policies, plans, programs, initiatives, modes of interaction with the public, and ability to actively respond to challenges. They greatly limit empowerment potential at the national and community levels. Of course, the impact of the occupation makes it impossible for any institution, sector, or group to work alone. Therefore, mechanisms to harmonize the efforts of governmental sectors and grassroots initiatives must be created in order to integrate efforts to strengthen the collective ability to endure and to resist.

The fact that government organizations possess both resources and legitimacy embodies them with power.

Linking the empowerment process to government institutions is an early investment in the creation of a democratic state.

The impact of the occupation makes it impossible for any institution, sector, or group to work alone.

The private sector possesses many types of skills and expertise that could be of benefit in managing many of the economic projects and activities currently managed by the PNA.

Educational institutions must be revamped, especially in terms of the quality of the knowledge provided and the skill level of its labor force,

Results-oriented strategies include: developing employment offices and creating and activating training programs.

- The nature of relations between the PNA and its institutions must be examined, as well as the way in which it interacts with the private sector and NGO community. The role of these sectors must be reinforced and optimal use made of their capacities, potentials, and resources. Building a new relationship based on partnership and balance between these parties would spare the PNA and its institutions from having to provide some services that NGOs can provide, perhaps more effectively and at lower cost. Among these, for example, are health services (first aid services) provided by organizations in the health field. Moreover, the private sector possesses many types of skills and expertise that could be of benefit in managing many of the economic projects and activities currently managed by the PNA.

- The work of institutions must be coordinated at the sector level, so as to prevent repetition and redundancy in projects and activities. It is also necessary to strengthen regional coordination, especially between the West Bank and Gaza Strip, while attending to the contextual specifics of each region with the goal of encouraging local initiative.

- Although political institutions have been able to preserve their existence (in national and symbolic terms), they not adequately and effectively met the challenges posed to them at the program and policy level. They offer no vision or strategy to manage the many aspects of resistance to Israeli occupation, nor have they provided guidance on how to build communities from within in an effective and productive manner. Rather than assume the initiative, they often merely react to developments, especially those developments connected to the Intifada and its local and external consequences, causing the public to lose trust in them. The lack of a clear relationship between the presidency, the

prime ministership, and the security agencies, and between all of these institutions and the Legislative Council has reduced the public's trust in all of them. Thus, they struggle with a reduced capacity to develop and manage empowering policies, initiatives, and legislation needed to strengthen people's steadfastness on the land in the face of Israeli occupation policies while at the same time responding effectively to various community needs.

- Service delivery institutions, especially in the fields of health care, education, social affairs, and labor, have demonstrated greater success than others in terms of sustaining their services under the present circumstances. However, work is still needed to increase the number and types of services and to expand their coverage (horizontally and vertically) in order to reach all areas, social groups, fields, and levels.

- In the health care field, the number of centers, clinics, and specialized health units must be increased, and the quality of their services improved, with a focus on rural areas. More medical specialists in all fields are required, especially in those areas in which expertise is completely lacking. Primary and preventive health care services are also in need of attention.

- Educational institutions must be revamped, especially in terms of the quality of the knowledge provided, the skill level of its labor force, and the way in which subject matter is presented and taught, with an emphasis on the unique nature of the Palestinian context. Moreover, there is a need for qualitative transformation in the curricula and educational bureaucracy, and the problem of violence in schools must be addressed.

- The Ministry of Labor and the Ministry of Social Affairs bear the largest burden of responsibility to

prepare society to confront the challenges of unemployment and poverty and the host of social problems that stem from these issues. A comprehensive national strategy must be created to combat unemployment, poverty and the resulting decline in the quality of life for all Palestinian citizens. The decline in the quality of life shows in decreased levels of health and education services, the chaos and disorder that result from a drop in security levels, and a growing sense of futility and alienation among wide sectors of people who have been marginalized for years. In order to achieve results on the ground, precise, regular, and comprehensive data must be provided with regard to areas of high unemployment and economic sectors that have high job creation potential in order to effectively allocate resources. Some results-oriented strategies include: developing employment offices; creating and activating training programs; promulgating and implementing the Palestinian Employment Fund Draft Law ; and refocusing attention on the agricultural sector through land reform and improved agricultural services, as well as activating the role of agricultural lending institutions and banks in providing support to farmers.

- The Ministry of Social Affairs, in particular, must give more attention to development institutions engaged in long-term, sustainable initiatives—and not merely by providing relief and temporary services. It must pay more attention to the weaker segments of the population, especially children, women, and the elderly, by responding to their needs, supporting them, and protecting them emotionally, socially, and legally. It is critical that the initiatives adopted be inclusive, balanced, and long-term, so as to make it more likely that they will truly mitigate the occupation's negative effects on Palestinians' lives at present and in the future.

- Local councils must be supported and strengthened in order to help them to reinforce the public's resolve and confidence at the local and national levels and to better serve their constituents within the community. Supportive measures for the local councils include: continuing to hold free and fair elections and ending the policy of political appointment of their leadership, bringing a halt to unjustified interference by the central authority in their affairs, expanding the powers and mandates of local councils, and providing the financial and technical support necessary for local development and progress.

- Coordination and cooperation between local councils and other relevant institutions is crucial, as it makes it possible for the local councils to provide their services in a beneficial and effective manner (in terms of quality, expenditure, and modes of delivery). Although instances of coordination and cooperation can be found in between some local councils, it is generally absent or limited to delivery of certain services, and fails to address general goals, plans, strategies, or financial and administrative considerations. Cooperation and coordination at the local level is especially important for Palestinians if they are to conserve their resources and successfully counter the destructive measures of the Israeli occupation.

Finally, it is clear that the empowerment process will remain moribund unless political institutions conduct a comprehensive reassessment and review of the Intifada's consequences and implications for the future. The second Intifada brought one era (i.e., the Oslo era) entirely to an end and has advanced the Palestinians into a new era. This new era requires understanding and creative management as Palestinians work to learn political lessons, increase their level of self-reliance, reduce dependency on

Development initiatives must pay more attention to the weaker segments of the population, especially children, women, and the elderly.

Palestinian government must continue to hold free and fair elections and end the policy of political appointment.

The Palestinian people must restore and rebuild their society from within on rational and participatory bases.

Israel and reliance on the donor countries, and restore and rebuild their society from within on rational and

participatory bases, focusing on the legal and institutional aspects as well as social and economic issues.

Section Three: Empowerment and Civil Society Summary and Recommendations

The current level of performance of the vast majority of both modern and traditional institutions remains below the necessary and expected level.

Although Palestinian civil society organizations have made great progress in terms of experience, activities, and delivery of various services, they still have work to do in order to become fully empowered themselves, and to facilitate the empowerment of Palestinian society. At present, the extent to which they rely on donor funding suggests that this is a situation they will not be able to extricate themselves from any time soon. In fact, the concern is that the level of dependence will actually grow if action is not taken. In this regard, civil society organizations face two types of problems: contextual problems that prevent them from delivering services to their constituents, and problems related to their inability to critique their own performance levels and the failure to work together on joint actions for the common good.

Therefore, emphasis must be placed on the practices of democracy and development. As two major mechanisms of empowerment, democracy and development are issues of utmost concern within Palestinian society. Democracy and development bring with them collective and individual empowerment through increased involvement in decision-making and monitoring decision implementation, and accountability. According to this criterion, the current level of performance of the vast majority of both modern and traditional institutions remains below the necessary and expected level.

The main recommendations in this regard are:

- Return attention to and reactivate Palestinian Liberation Organization

institutions, and build a national leadership capable of strengthening communication between the Palestinian people, reinforcing the fabric of society, and ending the current fragmentation.

- Create advocacy groups composed of public interest groups, trade unions, chambers of commerce and social services providers to improve the general performance of government, especially in the interest of strengthening the independence of the judiciary and adherence to the rule of law.

- Guide and reinforce plurality; expand the frameworks of democracy, accountability, and transparency; and involve civil society organizations in the decision-making process.

- Encourage political movements and parties to improve their performance and ground that performance in firm democratic practice, doing away with power centered on the individual and internal conflicts so as to transcend politics and rebuild and modernize society.

- Lobby the PNA to cooperate with civil society organizations and to assume the role of organizer in the modernization process.

- Promote, enhance, and create linkages in the relationships between different social institutions on two levels. The first level is the relationship between traditional community institutions and modern civil society organizations, where links between them should take the direction of dialectic interaction leading to soundly guided modernization. The second level relates to promoting networking and

coordination among civil society organizations themselves on sector, inter-sector, and geographic bases in order to promote their role in development and empowerment.

- Foster a smooth transition from the ways of the past to modernization without disrupting the functions of society. This requires formulating a suitable transition policy based on coordinating the roles of the PNA and civil society organizations in accordance with a development perspective created and monitored by official and civil society organizations.

- Intensify training geared toward building the capacity of PNA institutions and civil society organizations at three levels:

- **First**, equip civil society organizations

with advanced capabilities in modern management such as identifying vision; determining general goals; developing strategies, programs, and budgets; monitoring and conducting impact assessment; promoting the use of feedback in reviewing strategies and programs; reporting; decision making; accountability; and transparency.

- **Second**, encourage participation in crafting and updating a flexible development vision (officially and by NGOs) and lobbying to direct the funding from various sources in favor of the development vision and development activities that support perseverance as an issue of survival and political necessity.

- **Third**, lobby donors to obtain their recognition and firm support of the Palestinian development vision.

Create advocacy groups composed of public interest groups, trade unions, chambers of commerce and social services providers to improve the general performance of government.

Implementation of the PHDR recommendations would maximize the Palestinian people's potential to benefit from this assistance as they continue their efforts to achieve comprehensive, sustainable human development.

Section Four: Empowerment and International Funding – Summary and Recommendations

In view of the information presented in this report, it is possible to derive a number of conclusions on the degree to which international assistance helps to hasten the Palestinian development process in general, and to empower Palestinian individuals and society as a whole. In order to mobilize assistance for empowerment of the individual and development of Palestinian society, a set of recommendations was formulated, which, if implemented, would maximize the Palestinian people's potential to benefit from this assistance as they continue their efforts to achieve comprehensive, sustainable human development.

- Available data on international assistance indicate that it has been largely influenced, in terms of quantity and quality, by the extent of progress made in the peace process. The main objective of the donor community is to fund the peace process and create the conditions for its success. This concept

was recently confirmed by a 2004 World Bank report assessing the economic implications of the Israeli disengagement plan from Gaza. The questions remain: What if the peace process, based on the assumption of the establishment of an independent Palestinian state in accordance with United Nations resolutions, is ended? What options are available to the donors and the Palestinians in this case?

- Despite the relatively large size of international assistance to the Palestinian people, poor coordination of the planning, management and implementation of the programs and projects funded by this assistance has weakened their impact on beneficiaries. Systems established by the PNA institutions responsible for fiscal oversight and program management of donor funds are haphazard and overlapping and lack clear priorities and conditions for the disbursement of funds. These institutions are also put

The lack of planning and coordination in managing the assistance has given the donors a wide margin and significant flexibility in setting expenditure priorities.

International assistance has achieved a degree of success in empowering some poor and marginalized groups.

A permanent coordination council for international aid must be established.

Suitable mechanisms must be created to insure incorporation of the proposed coordination council's development plans within the PNA's annual general budget.

in the position of having to compete with the NGO community for donor funding, despite the dissimilarities between their respective missions and mandates.

These conditions have resulted in the squandering of large amounts of donor resources, as projects with similar goals and target groups are undertaken simultaneously by more than one organization with the funds of separate donors, with clear examples of redundancy to be found in the fields of human rights, women's empowerment, democracy and reform. Ample capacity and need exists within civil society organizations and PNA institutions at all levels for donor projects in hundreds of areas, which makes the duplication of effort and redundancy of project types all the more regrettable. The weakly managed donor programs also absorb a good percentage of already scarce Palestinian resources, in terms of human and financial capital, thus diverting those resources from domestic development initiatives. In fact, coordination between donor agencies is little better than coordination within the Palestinian establishment.

- The lack of planning and coordination in managing the assistance, along with the intense competition for funding among most official institutions and NGOs, has given the donors a wide margin and significant flexibility in setting expenditure priorities to best fit their political, economic, and social agendas (rather than the agendas of Palestinian institutions). In this regard, the pursuit of self-interest is as prevalent among the donors as it is among Palestinian institutions.

- In spite of some achievements, particularly in the development of infrastructure and provision of basic social services made possible through international assistance, such assistance has not mitigated the

negative effects of the political and security situation. Moreover, the international assistance has not improved levels of self-reliance within Palestinian society, nor has it significantly increased opportunities for self-development. For no matter how much aid money is given, or how well the Palestinians succeed in managing that money, it will never achieve its true goals of individual and collective empowerment until the root cause of social distress is removed permanently — the Israeli occupation.

- In spite of some instances of expanded community participation in the management of some assistance programs and projects, the number of these examples remains limited and must be considered the exception rather than the rule.

- International assistance has achieved a degree of success in empowering some poor and marginalized groups, as evidenced in the microfinance programs targeting women and limited income families, the emergency relief programs, and job creation projects. Unfortunately, however, the needs of these groups have still not been fully met, as the vast majority remains mired in the cycles of unemployment and poverty. In addition, these programs are criticized for failing to establish links between immediate relief efforts and longer-term development programs that contribute to sustainable empowerment.

The main recommendations to strengthen the impact of international funding are:

- Institutionalize the coordination of donor aid management among official PNA institutions and civil society organizations. A permanent coordination council governed by a clear development strategy and headed by the Ministry of Planning would be a significant first step. Its membership would be drawn from other ministries directly involved with foreign

donors, the private sector and the NGO community. The task of this council would be to develop regular and emergency plans for the effective implementation of programs funded by international aid and to construct a database of all the projects and programs underway or under consideration to prevent duplication and to achieve economies of scale.

- The Ministry of Finance and Ministry of Planning need to create suitable mechanisms to ensure incorporation of the proposed coordination council's development plans within the PNA's annual general budget in order to transform these plans into concrete action synchronized with the PNA's general financial policies and development directions.

Community participation must be promoted in formulating policies and preparing development and emergency plans.

Box 6-4: Success Factors for Community Initiatives (Lessons Learnt)

Careful examination of the successful initiatives presented in this report, as well as others that were studied, demonstrates that there are success factors behind these pioneering experiences, especially the group initiatives among them. The most important of these factors include:

- There is a collective effort, a unified purpose, distance from individual and special interest agendas and independence from centralized control of the project and its funding. These characteristics serve to combine energies and to create a situation wherein the public embraces the initiative.
- All involved institutions are committed to participation and cooperation.
- There is coordination and integration between the various bodies active on the governorate level, thereby preventing duplication of effort or funding and facilitating the fundraising process.
- Partisan political representation is avoided, and the focus is on bringing the various sectors together, thereby contributing to greater public acceptance of the initiative and its activities.
- There is continuous follow-up and assessment of the projects and programs that are implemented, helping to correct mistakes and reinforce the positive aspects of the experience.
- Those carrying out the initiatives have credibility as well as the social, economic, and political backing to enable them to perform as effective leaders.
- All project activities are documented and archived, in order to create a body of institutional experience and to create professional systems of organization and management.
- Local funding is available to complement foreign aid, in order to invest the local community more completely in the project.

Among the most important lessons learned through these experiences are:

- The importance of coordination between the various sectors (official, NGO, public, and private);
- The importance of balance between institutionalized responsibility and grassroots initiative, achieved by utilizing available community resources and expanding public involvement;
- The importance of working in the context of decentralized mechanisms and procedures, giving those in the field the authority to adapt their work as conditions require in order to increase the preparedness level and thus the capacity to better counter occupation measures; and,
- The paramount importance of relying on internal abilities rather than external support so as to improve performance and increase community readiness to strengthen the resistance and shore up the community-building process.

International assistance comes with no long-term guarantees.

The Palestinians must draw upon the strength and potential of their society in order to force an Israeli withdrawal from Palestinian land.

Professional leadership must possess the means of guidance and control and will be entrusted with the responsibility for modernization, planning and follow-up.

The most important proposals of this report include reinforcement of the concept and status of social movements, which form linkages between the individual, the group and the institution.

- In terms of coordination, the donors must create their own body to coordinate among them so as to avoid duplication of funding. The donor coordination council will work in tandem and under the oversight of the Palestinian national coordination council to manage the foreign aid program.

- PNA institutions must create strategic work plans for the implementation of international assistance that connect relief to development. It may be beneficial in this context to focus on infrastructure projects and projects involving investment in education, as both form the foundations of Palestinian development over the long term. It is also recommended to direct investment toward the agricultural and handicraft industries that serve the local markets and which have significant potential in terms of job creation under the current political conditions.

- Promote community participation in formulating policies and preparing development and emergency plans by assigning a larger role to the local councils in the management of international assistance projects, and establishing support committees for local councils to carry out this task. It is also essential to create the tools necessary to ensure wider grassroots and public involvement in developing the PNA's draft general budget prior to its ratification by the Legislative Council. Civil society organizations may play a large participatory role in this regard, in cooperation with the Ministry of Finance and the Legislative Council.

- There is a need to support the small and micro loan programs that target limited income groups and owners of small businesses who are unable to secure credit from traditional lending programs offered through the banks. Development experts agree that well-managed microfinance programs contribute greatly to the long-term empowerment of the individual and to

the collective development of society, and not merely to short-term income improvement. Microfinance has the potential to play an important role in the expanding informal economy in the West Bank and Gaza Strip, particularly given that the informal economy has the capacity to absorb a considerable amount of surplus labor—and especially unskilled labor—in the local market.

- Finally, it should be reiterated that international assistance comes with no long-term guarantees: donors can reduce or eliminate their contributions at their own discretion and with little warning. For this reason, international assistance must not be made an integral component of the Palestinian development strategy. Rather, it must be viewed as a valuable yet unreliable resource — to be optimized while available even as Palestinians work to end their dependence on it.

Report Conclusion: Conditions and Essential Components of Empowerment

Confronting problems resulting from Israeli occupation of the Palestinian territories means preventing deterioration of the fabric of the Palestinian society, preserving its national aspirations, and ensuring its survival. The Israeli occupation focuses its efforts on the fragmentation of Palestinian land and disintegration of the Palestinian social and cultural fabric as a means of controlling Palestinians' lives. Therefore, the confrontation imposed on Palestinians in terms of their social unity, values, and behavior is determined by two factors: Israel's technical and military supremacy, and Palestinian resistance in the comprehensive meaning of the term. Since parity in terms of power is not attainable in the foreseeable future, the Palestinians must draw upon the strength and potential of their society in order to force an Israeli withdrawal from Palestinian land.

All of this requires an agreed upon development perspective that can guide the performance of all society's institutions, as well as a resolute, persistent, and professional leadership possessing the means of guidance and control and which is entrusted with the responsibility for modernization, planning, and follow-up. They must act within a framework of a general national accord between official institutions and civil society organizations as well as within a human and national development vision that has a clear purpose and direction and can ensure effective utilization of all society's resources. This may be achieved through dialogue between the PNA, a wide network of civil society organizations, and the private sector within the context of a strategy of integrated, complementary action. The major elements of empowerment, as well as the most important proposals of this report, include reinforcement of the concept and status of "social movements," which forms the linkages between the individual, the group, and the institution. Social movements must engage with a shared vision that embraces political change, with its wide range of influence, and social change, stressing the need for participation by all segments of society on the basis of equal rights and strengthening of the capacities of groups such as women, youth, and children, who are still subjected to rights discrimination under the law and within the prevailing culture.

Due to the changes wrought within Palestinian institutions by the consequences of the Intifada, along with the multiple, interconnected development priorities these institutions share, it is not easy to establish a clear governing framework based on precise development and empowerment principles for them to follow. This fact notwithstanding, an effort must be made to define a clear institutional

vision of development and empowerment. For defining the vision remains a fundamental prerequisite for its success, along with elaborating its goals and its strategies. The comprehensive Palestinian development vision must reflect the aspirations of the people and incorporate internal and external developments—thereby rendering that vision sound, legitimate, and sustainable. This clearly defined vision (along with its goals and strategies) would increase the effectiveness of the work of our national institutions, and ensure coordination of that work with Palestinian development priorities, reducing or eliminating all together the redundancy, failures and false starts that have plagued development efforts for decades.

In order for Palestinian institutions to embrace an empowerment vision—and thereby initiate and manage empowerment processes within the specifics of the Palestinian context, taking into consideration both the national liberation and human development dimensions—the following important considerations must be taken into account:

- Empowerment has two parallel dimensions, national liberation and human growth. The first requires mobilization of resources and capacities to reinforce people's endurance and enable them to stand firm on their land, to resist fragmentation policies imposed by the Israeli occupation, to create effective means of resistance not viewed as terrorism by the world community, and to successfully and effectively manage political negotiations with Israel. The second dimension is the human dimension, which requires mobilization of resources to create a climate conducive to the free exercise of individuals' potential and skills, encouraging a spirit of initiative among

Defining the vision remains a fundamental prerequisite for success.

Empowerment has two parallel dimensions, national liberation and human growth.

Empowerment should be seen as a cumulative and sustainable process.

The Palestinian development vision must give expression to the concerns and aspirations of the public.

Palestine is a state of institutions that are democratic, effective, and strive to serve and empower the Palestinian people.

Palestine is a peace-loving state whose people strive for peaceful coexistence.

Palestine strives to achieve justice and fairness among all social sectors, and actively endeavors to achieve equality for women and other marginalized groups, such as youth, workers, children, and persons with disabilities.

them, and protecting their basic rights and freedoms. Institutions must be supported by a broad and well-organized public base in order to maximize solidarity and to protect their achievements in the areas of empowerment and resistance.

- The empowerment vision should emanate from recognition of the negative effects of the Israeli occupation, while also seriously addressing our own internal obstacles and challenges.

- Ensuring the political will and necessary resources to convert development-empowerment visions into clear, defined goals.

- Addressing empowerment as both a concept and a system of processes built on a professional foundation that does not tolerate disorganization, confusion, internal conflicts, factionalism, or pressure from the donor agencies.

- Ensuring that the development agenda is compatible with priorities of Palestinian society by involving society and all its different sectors, and especially the private and NGO sectors—in setting the agenda. The empowerment process is an effort built on the common will of everyday people and reflecting a harmony of purpose, born of active public dialogue. This goes along with attending once more to the development role of Palestinian individuals, viewing them as active partners in the empowerment process—intellectually and practically—rather than powerless and visionless recipients of aid.

- The clear and straightforward communication of development and empowerment visions should not be limited to the higher management levels, but should reach the intermediate and lower levels as well.

- Empowerment should be seen as a

cumulative and sustainable process that brings together institutions and organizations from every sector rather than as a temporary, separate, and independent process.

Palestine and Hope for the Future

Recognizing the importance of the recommendations above, the real starting point for empowerment and development in the Palestinian territories rests in the Palestinian people's realization of self-determination and the establishment of a sovereign state. If this supreme goal were achieved, Palestinian society could move forward in its embrace and implementation of the following key elements of a "development constitution":

- **Palestine is for all Palestinians everywhere.**

- **The Palestinians work together in the interest of the national and development endeavor, both individually and through their institutions.**

- **Palestine is a state of institutions that are democratic, effective, and strive to serve and empower the Palestinian people, working to mobilize human energies and initiative within an environment of inclusion and open communication.**

- **Palestine is a state which embraces the rule of law and its institutions.**

- **Palestine is a peace-loving state whose people strive for peaceful coexistence and work diligently to achieve peace in the region and world.**

- **Palestine, as a state and as a society, respects human rights, strives to achieve justice and fairness among all social sectors, and actively endeavors to achieve equality for women and other marginalized groups, such as youth, workers, children, and persons with disabilities.**

- **Palestine is a state that respects international conventions**, including those related to peace, armed conflict, social development, population, the child, and the elimination of all forms of discrimination.

- **Palestine, as a state and as a society, respects individual rights and freedoms**, including freedom of thought, expression, press, and publication.

- **Palestine, as a state and as a society, respects the environment** and serves as a global model in this field, preserving the rights of future generations to enjoy plentiful resources.

- **Palestine is a state that recognizes modernization as the path to advanced levels of development** and works to use information technology as a means to achieve development, social justice, and economic revival.

- **Palestine is a holy land for all religions and the Palestinians work** to serve as a model of inclusiveness and peaceful human coexistence within their society.

- **Palestine, as a state and as a society, believes in tolerance and nonviolence**, and it strives to benefit from historical experience to promote a culture of nonviolence in all parts of the world and its educational curricula reflect this priority.

- **Palestine, as a state and as a society, is concerned with culture**, and it strives to preserve the positive aspects of the national heritage and to promote a universal, humanitarian culture by

encouraging the arts, theatre, and literature.

- **Palestine has a strong civil society**, which continues to promote participation, accountability, and true representation for the marginalized groups in society.

- **Palestine has a private sector that contributes significantly to economic and social development** and assumes its national and development responsibilities.

- **The Palestinians have a well-guided, responsible, and sincere leadership that inspires all segments of the population**; strengthens and supports society in all its endeavors; works with its constituents on the development of shared vision, policies, plans, and real solutions; unifies Palestinians around national goals; and helps coordinate existing development efforts as well as to initiate and encourage new efforts.

The dream of a state and society in which all citizens may live with dignity, cooperation, responsibility, love, and peace is attainable once the obstacles to achieving it are removed. A serious look at the human reality affirms that people's dreams are shared. All people strive for justice, happiness, and security at the personal, family, and community level. It is necessary to combine efforts and spread a climate of optimism based on positive actions on the ground, so that the Palestinians, in cooperation with the international community, can build a state that serves as a model for development, justice, and peace.

The Palestinians have a well-guided, responsible, and sincere leadership that inspires all segments of the population and strengthens and supports society in all its endeavors.

The dream of a state and a society in which all citizens may live with dignity, cooperation, responsibility, love and peace is attainable.

Appendix

Appendix One : Human Development Indicators, West Bank & Gaza Strip

Appendix Two : Report Methodology

Appendix Three : Report References

Appendix One

Human Development Indicators

West Bank & Gaza Strip

List (A) Aggregate Indicators in Palestine:

1. Human development indicators
2. Economic indicators
3. Employment and unemployment indicators
4. Human poverty Indicators
5. Education Indicators
6. Health Indicators
7. Basic demographic indicators
8. Gender and human development indicators 2002
9. Gender and human development indicators 2003
10. Gender and human development indicators 2003
11. Gender and human development indicators 2004
12. Casualties of Israeli violence
13. Selected social indicators
14. Access to information and technology indicators
15. Food security and environmental indicators

List (B) Regional Indicators: The West Bank and Gaza Strip

1. General development indicators
2. Employment and income indicators

List (C) Indicators by type of Residence

List (D) Governorate Indicators

1. Population distrutation.
2. Students per teacher and students per classroom
3. Percentage distribution of employed persons by economic activity
4. Poverty indicators

List (E) Palestinian abroad (Diaspora): general development indicators

List (F): International Funds Indicators:

1. Commitments by donor countries (1994-2003)
2. Regional Distribution of the International donations (1994-2003)
3. Loans from the donor countries (1994-2003)

List (G): Annual Comparative Indicators

1. Health and Domographic indicators
2. General Economic indicators
3. Employment and Unemployment Indicators

Note: Only sources other than PCBS are indicated when used.

List (A): Aggregate indicators in Palestine

Table (1): Human Development Indicators

	2003	2003
Life expectancy at birth (year)	72.3	72.4
Adult literacy rate (%)	91.9	92.4
Combined first-, second- and third level gross enrolment ratio 2002/2003 (%)	73.6	
Adjusted real per capita GDP \$	1203.4	

Table (2): Economic indicators¹

	2003
Total GNP (million \$)	4570.7
Total GDP (million \$)	4169.3
GNP growth annual rate	-5.1
GDP growth annual rate	-3.6
Per capita GNP \$	1319.3
Per capita GDP \$	1203.4
Per capita GDP growth annual rate ***	-8.2
Per capita GDP growth annual rate***	-10.0
Imports of goods & services growth annual rate ***	-19.8
Exports of goods & services growth annual rate ***	-15.4
Number of closure days per year ***	210
Percentage share of economic sectors in GDP	
Agriculture	9.3
Industry	15.3
Building and construction	2.7
Services ²	72.7
Commitments by donor countries (million \$) ****	582.1
Disbursements by donor countries (million \$) ****	490.2
Gross capital formation (million \$)	727.2
Final consumption (million \$)	5507.2
Total liabilities and assets in the banks (million \$) *	519.9
Public expenditures (million \$) **	1126
Public revenues (million \$) **	798
Governmental consumption (million \$) *	1222.9
Governmental consumption (growth annual rate) *	-7.8
Proportion of people living on less than two dollars per day ****	40.0

¹ Source of data indicated by * is the Palestinian Monetary Authority. Source of data indicated by ** is the Ministry of finance. Source of data indicated by *** is the World Bank. Source of data indicated by **** is MOPIC.

² Services include wholesale, retail trade, transport, financial intermediation, other services, public administration, and defense.

Table (3): Employment & Unemployment Indicators

	2003	Q2/2004	2004
Proportion of the labor force over the age of 15 (%)	40.4	40.4	40.5
Proportion of women in the labor force (%)	12.8	13.4	13.5
Proportion of children (10-17) year in the labor force (%)	2.5	2.8	2.7
Proportion of children (10-14) year in the labor force (%)	1.2	1.9	1.3
Percentage of the labor force according to economic activity:			
Agriculture	15.7	15.2	15.9
Industry	12.5	13.1	12.7
Building and construction	13.1	10.4	11.7
Services ³	58.7	61.3	59.7
Number of workers in Palestine (thousands)	591	556	618
Full employment rate (%)	68.2	64.0	66.9
Underemployment rate (%)	6.2	7.4	6.3
Unemployment rate (%)	25.6	28.6	26.8
Unemployment rate, ages (15-24)	38.4	39.2	39.8
Number of employment searchers (thousands)	203	238	225
Percentage distribution of employed persons by employment status:			
Employer	3.5	4.4	4.1
Self employed	27.8	26.9	26.5
Wage employee	57.8	57.8	58.3
Unpaid family member	11.4	10.9	11.1
Average monthly work days	23.0	24.9	23.5
Average daily wage (NIS)	73.7	73.0	74.9
Distribution of employed by occupation: (%)			
Legislator, senior officials and managers	4.0	3.9	3.8
Professionals, technicians and clerks	22.2	24.2	23.6
Services, shop and market workers	18.7	18.3	18.2
Skilled agriculture and fishery workers	13.5	13.8	14.2
Craft and related trade workers	18.6	17.1	17.1
Plant and machine operators and assemblers	8.7	8.9	8.8
Elementary occupations	14.3	13.8	14.3
Reasons for remaining outside the labor force: (%)			
Old-age / illness	9.8	12.0	12.1
Housework	50.8	48.9	49.0
Education or training	31.5	33.3	33.2
Other reasons	7.9	5.8	5.7

³ Services include commerce, hotels, restaurants, transportation, storage, communications, services and other branches.

Table (4): Human poverty indicators

		2003	2003
People not expected to survive to age 40	(%)	5.4	5.6
Adult illiteracy rate	(%)	8.1	7.6
Population without access			
to safe water ⁴	(%)	10.5	
to sanitation	(%)	49.2	
Unemployment rate	(%)	25.6	
Poverty rate		35.5	
Absolute poverty		24.3	

⁴ As defined by PCBS. WHO (1993) has estimated that 70 % of Palestinians don't receive clean water.

Table (5): Education Indicators

		2003
Adult literacy	(%)	91.9
Adult literacy (15-24)	(%)	98.7
Combined first-, second- and third level gross enrolment ratio	2002/2003 (%)	73.6
Enrollment in secondary technical education from total secondary education	(%)	4.5
Enrollment in basic education	(%)	91.9
Enrollment in secondary education	(%)	64.0
Enrollment in higher education	(%)	27.1
Enrollment in natural and applied sciences from total enrollment in higher education 2002/2003 (%)		5.3
Annual increase in numbers of student (basic and secondary education)		3.4
Illiteracy rate		8.1
Number of students per teacher in schools * ⁵		27.3
Average number of students per class in basic education *		36.1
Average number of students per class in secondary education *		30.4
Average number of students per social consultant (counselors) *		16.93
Number of students per computer in schools *		71
Proportion of the Educational status over the age of 15		
Illiterate		8.1
Can read or write		8.0
Elementary		19.3
Preparatory		33.6
Secondary		19.5
Associate Diploma		4.4
Bachelor +		7.1
Share of education from international assistance	(%)	11.0

⁵ Source of data indicated by * is the Ministry of education.

Table (6): Health Indicators

	2003	2004
Life expectancy at birth (years)	72.3	72.4
Proportion of coverage of vaccination		69.3
Children (under age of 5) vaccinated against :		
Measles		73.4
BCG		93.8
HBV		79.7
Polio		83.7
MMR		66.4
DPT		83.4
Women who have received some form of health care during pregnancy (%)		96.5
Births under some form of health supervision (%)		96.3
Percentage of mothers received tetanus toxoid		34.6
Average maternal mortality per 100,000 1995	80-78	
Fertility rate among women (15-19) of total 1999 (%)	6.0	
Infant mortality per 1000 live births 1995-1999	24.2	
Child mortality below the age of 5 per 1000 births 1995-1999	28.3	
Percentage of children under five years of age wasting weight-for-age		4.9
Percentage of children under five years of age wasting height-for-age		9.9
Percentage of children under five years of age wasting weight-for-height		2.8
Tuberculosis cases per 100,000 people	0	0
Malaria cases per 100,000 people	0	0
Number of doctors (per 10000 people)	15	
Number of nurses (per 10000 people)	14	
Persons with disability as a percentage of total population 1997	1.8	
Hospital beds per 1,000	1.4	
Number of hospitals	73	
Households connected to public water networks 2002 (%)	93.8	
Households connected to public sewage networks (%)	50.8	
Smokers (over 12 years of age) (%)		18.0
Percentage of people with health insurance		76.7
Share of health from international assistance (%)	8.0	
Proportion of families unable to reach health centers on time when needed	41.7	

Table (7): Basic Demographic Indicators

	2003	2004
Population (million)	3.7	3.8
Date population doubles	2020	
Population forecast 2010	4.99	
Total fertility rate (%) 1999	5.9	5.9
Annual natural rate of population growth	3.5	3.5
Net migration	0	0
Average family size	6.1	5.7
Dependency ratio	97.0	95.5
Households by tenure of housing unit (%)	2.1	1.86
Refugees as a proportion of population	42.6	42.3
Average crude births per 1000	39.2	38.6
Average crude death per 1000	4.2	4.1
Females headed household (%)	9	8.9
Percentage of women who have used contraceptives		50.6
Proportion of home owners	82.9	82.9
Proportion of population by locality: (%)		
Rural	28.5	28.5
Refugee camps	15.1	15.1
Urban	56.4	56.4
Percentage distribution of the population according to age (%)		
0 -14	46.2	45.8
15 - 29	26.8	27.1
30 - 49	18.6	18.8
50 - 64	5.3	5.3
65+	3.1	3.0
Palestinians 12 years and over by marital status: (%)		
Never or legally engaged	43.9	43.9
Married	52.0	52.1
Divorced	0.8	0.7
Widowed	3.5	3.1
Separated	0.2	0.2

Table (8): Gender and Human Development Indicators, 2002

Indicators	Females	Males	Ratio of females to males
Population distribution	1,714,599.00	1,757,522.00	97.6
Life expectancy at birth years	73.0	69.8	104.6
Average marriage age	19.0	24.2	78.5
Adult literacy ratio (%)	87.4	95.7	91.3
Enrollment rates in the stages of education			
Basic education (%)	94.6	93.6	101.1
Secondary education (%)	66.4	58.6	113.3
Higher education	28.1	26.2	107.3
Basic and secondary and higher education	74.6	72.5	102.9
Drop out rates of the secondary level 2002	4.8	2.6	184.7
Distribution of labor force from the total labor force over the age of 15 (%)	10.4	65.5	15.6
Distribution of Unemployment rate	14.0	30.8	45.5
Distribution of workers according to profession (%)			
Legislators and higher administrative employees	2.7	4.8	56.3
Artisans, specialists, and clerks	48.4	19.0	254.7
Service employees and retailers	7.8	21.0	37.1
Skilled employees in agriculture and fishing	28.7	9.5	302.1
Handicraft employees and others	6.3	19.7	32.0
Machine workers and assemblers	0.9	10.0	9.0
Primary professions	5.2	16.0	32.5
Percentage of the labor force according to economic activity			
Agriculture	29.9	11.9	251.3
Industry	8.1	13.9	58.3
Building and construction	0.2	13.0	1.5
Services	11.9	29.9	39.8
Poverty rate in household headed by 1998	25.60	19.80	129.30
Ministers in the Ministerial Council 2004	2	22	9.1
Members in workers union (%)	7.5	92.5	8.1
Judges (number) 2002	7	93	7.5
Members in PLC	5	83	6

Table (9): Gender and Human Development Indicators, 2003

Indicators	Females	Males	Ratio of females to males
Population distribution	1,887,874.00	1,940,040.00	97.3
Life expectancy at birth years 2004	74.0	70.9	104.4
Average marriage age	19.4	24.6	78.9
Adult literacy ratio (%)	87.4	96.3	90.8
Distribution of those who have BA and Above (1997) (%)	3.1	7.8	39.8
Distribution of those who have BA and Above (2003) (%)	4.7	9.4	50
Enrollment rates in the stages of education			
Basic education (%)	92.4	91.4	0.99
Secondary education (%)	76.5	60.7	0.90
Distribution of labor force from the total labor force over the age of 15 (%)	12.8	67.6	18.9
Distribution of unemployment rate (%)	18.6	26.9	69.1
Distribution of workers according to profession (%)			
Legislators and higher administrative employees	2.9	4.2	69.0
Artisans, specialists, and clerks	40.6	17.3	234.7
Service employees and retailers	9.9	20.9	47.4
Skilled employees in agriculture and fishing	35.4	9.7	364.9
Handicraft employees and others	5.3	21.4	24.8
Machine workers and assemblers	1.5	10.1	14.9
Primary professions	4.4	16.4	26.8
Percentage of the labor force according to economic activity			
Agriculture	36.2	12.2	296.7
Industry	7.3	13.5	54.1
Building and construction	0.1	16.0	0.6
Services	56.4	58.3	96.7

Table (10): Gender and Human Development Indicators,2003 (Percentage of Total)

Indicators (percentage of total)	Females	Males	Ratio of females to males
Labor force from the total labor force over the age of 15 (%)	17.2	82.8	20.8
Unemployment rate	11.4	88.6	12.9
Distribution of workers according to profession (%)			
Legislators and higher administrative employees	12.5	87.5	14.3
Artisans, specialists, and clerks	32.7	67.3	48.6
Service employees and retailers	8.9	91.1	9.8
Skilled employees in agriculture and fishing	43.1	56.1	75.7
Handicraft employees and others	4.9	95.1	5.2
Machine workers and assemblers	3.0	97.0	3.1
Primary professions	5.3	94.7	5.6
Percentage of the labor force according to economic activity			
Agriculture	38.1	61.9	61.6
Industry	10.1	89.9	11.2
Building and construction	0.1	99.9	0.1
Services	16.7	83.3	20.0

Table (11): Gender and Human Development Indicators, q2/2004

Indicators (percentage of total)	Females	Males	Ratio of females to males
Distribution of Labor force from the total labor force over the age of 15 (%)	18.6	81.4	22.9
Distribution of Unemployment rate	10.9	89.1	12.3
Distribution of workers according to profession (%)			
Legislators and higher administrative employees	11.9	88.1	13.5
Artisans, specialists, and clerks	34.7	65.3	53.1
Service employees and retailers	8.4	91.6	9.2
Skilled employees in agriculture and fishing	43.3	56.7	76.4
Handicraft employees and others	5.8	94.2	6.1
Machine workers and assemblers	4.7	95.3	4.6
Primary professions	6.0	94.0	6.4
Percentage of the labor force according to economic activity			
Agriculture	40.1	59.9	66.9
Industry	12.1	87.7	14.0
Building and construction	0.5	99.5	0.5
Services	17.7	82.3	21.6

Table (12) Casualties of Israeli violence

# of Palestinians killed 30/4/2004	3084
# of children killed 4/4/2004	599
Permanent disabilities 13/1/2004	6681
# of injured 30/4/2004	38684
# of homes fully destroyed 2003	852
# of homes partially destroyed 2003	2000
# of uprooted trees 2003	83000
# of businesses fully destroyed 2003	412
Average economic losses (Billion) till the end of 2002	1.536

Table (13) Selected Social Indicators

	2003	2004
Number of Doctors (per 1000 people)	15	
Number of Teachers (per 1000 people)	10.2	10.9
Palestinians abroad (million)	4.84	4.98
Population density person / km ²	606	636
Divorce rate	1.1	
Poverty rate	35.5	
Suicide attempts (number)	133	
Suicide (number of cases)	11	
Number of reported rape cases	71	
Number of reported rape attempts	14	
Political prisoners in Israeli prisons	8000	7500

Table (14): Access to information and technology indicators

		2003	2004
Households with Telephone line	(%)	42.6	40.8
Households with mobile (owned by any member of household)	(%)	66.1	72.8
Households with TV sets	(%)	91.9	93.4
Households with computers	(%)	21.3	26.4
Households with internet services	(%)	6.0	9.2
Households with satellite	(%)	60.4	69.5
Main roads network length	KM	529.8	
Regionalism roads network length	KM	393.4	
Internal roads network length	KM	3234.4	
# of taxis per 1000 residents		1.9	
# of private cars per 1000 residents		18.8	
Grand total of licensed vehicles		105774	

Table (15): Food security and environmental indicators (natural resources)

	2003	2004
Total area (West Bank and Gaza Strip (km ²))	6020	6020
Average per capita electricity consumption (kw/h)	43.5	
Percentage of household using traditional fuel	25.2	
Solid waste produced daily by household (Ton)	2694.6	
Percentage of communities served by solid waste collection	417	
Percentage of household with access to public sewage networks	42.9	
Percentage of household exposed to different sources of pollution:		
Noise	20.4	
Smell	20.4	
Dust	12.2	
Smoke	6.0	
Amount of water purchased from the Israeli water company (1000m ³)	47193.1	
A mount of solid waste produced daily by household (kg)	4.5	
The daily average of solid waste produced by individual (kg)	0.7	
The total of residential locations exposed to smells (pollution)	374	
Sustainable agriculture land 2002 (km ²)	1,851,070.00	

List (B): Regional indicators

Table (1): General Development Indicators

Indicators	West Bank	Gaza Strip	Palestine
Population distribution (%)	63.2	36.8	100
Life expectancy at birth (years)	72.8	71.1	72.4
Sex ratio	102.9	102.6	102.8
Adult literacy ratio	91.8	91.9	91.9
Enrollment rates in the stages of education 2003			
Basic education	88.8	96.8	91.9
Secondary education	60.8	96.3	94.0
Higher education	-	-	27.1
Basic and secondary and higher education	-	-	73.6
Natural rate of population growth	3.2	4.0	3.5
Population (million) 2004	2.42	1.41	3.83
Population (million) 2003	2.31	1.33	3.647
Percentage distribution of the population according to age (%)			
0-14	44.0	48.8	45.8
15-29	27.1	26.8	27.1
30-49	20.0	16.9	18.8
Over 50	8.9	7.5	8.3
Refugees as a proportion of the population	29.4	65.5	42.6
Average family size (persons) 2003	5.8	6.8	6.1
Percentage of women who have used contraceptives, or their husbands 2005	54.9	43.0	50.6
Female headed households 2004	9.9	7.0	8.9
Infant mortality per 1000 live births			
Child mortality below the age of 5 per 1000 births			
Average crude births per 1000 (%)	35.8	43.4	38.6
Average crude death rates per 1000 (%)	4.1	3.9	4.1
Total fertility rate 2003 (%)	5.1	6.6	5.6
Proportion of home owners 2004	80.4	87.8	82.9
Households with TV sets 2004 (%)	94.6	91.2	93.4

Table (2): Employment and income indicators, 2003

Indicators	Gaza Strip	West Bank	Palestine
Per capita GDP (\$) 2002	1350.3	944.2	1203.4
Per capita GNP (\$) 2002	1430.7	1014.9	1319.3
Participation rate in the labor force (15 and above)	41.9	37.6	40.4
Unemployment rates (%)	23.8	29.2	25.6
Share of women in the labor force (%)	14.7	9.2	12.8
Distribution of workers according to the economic activity: (%)			
Agriculture and fishing	14.9	17.4	15.7
Mining, stone crushing	14.0	9.2	12.5
Building and construction	14.3	10.4	13.1
Services	56.8	63.0	58.7
Distribution of workers according to the employment status (%)			
Employers	4.1	2.2	3.5
Self employed	29.2	24.5	27.8
Wage employee	55.3	61.8	57.8
Family members without wages	11.4	11.5	11.4

List (C): Indicators by type of residence

Indicators (2003)

	Rural	Urban	Refugee
Population distribution (%)	28.5	56.4	15.1
Adult literacy ratio	89.7	93.6	91.5
Average family size (persons)	6.1	6.0	6.6
Percentage of women who have used contraceptives (2004)	54.3	50.0	44.6
Females headed Households	8.0	9.4	9.7
Infant mortality per 1000 live births 1999-2003	20.3	23.6	32.5
Child mortality below the age of 5 per 1000 births 1999-2003	24.5	27.7	36.2
Total fertility rate 2003 (%)	5.64	5.51	6.06
Proportion of home owners (%)	89.6	77.5	89.9
Households with TV sets (%)	90.1	92.9	91.8

List (D): Governorate Indicators

Table (1): Population distrutation

Governorate	Population, 2004
Jenin	259683
Tubas	47543
Tulkarm	171520
Qalqilya	95752
Salfit	63300
Nablus	334050
Ramallah	284940
Jerusalem	410193
Jericho	43065
Bethlehem	178104
Hebron	533337
Total West Bank	2421491
North Gaza	267239
Gaza	294953
Deir Al-Balah	203667
Khan-Younis	273074
Rafah	167490
Total Gaza Strip	1406423
Grand total	3827914

Table (2) : Students per teacher and students per classroom:⁶

Indicator/ Governorate	Student per Teacher	Student per Classroom
Palestinian Territories	35.5	23.9
West Bank	31.8	21.4
Jenin	33.3	21.4
Qabatya	33.2	22.0
Nablus	40.6	23.2
Salfit	19.9	19.8
Tulkarm	34.4	21.8
Qalqilya	32.9	21.9
Ramallah	36.0	19.3
Jerusalem	55.3	19.5
Jerusalem Suburbs	36.3	17.9
Bethlehem	40.0	20.5
Jericho	38.0	22.9
Hebron	37.1	23.0
South Hebron	33.5	22.7
Gaza Strip	42.7	31.1
Gaza	42.4	28.0
North Gaza	42.4	29.2
Khanyounis	43.1	28.6
Rafah	43.0	29.2

⁶ Ministry of Education, 2004.

Table (3) : Percentage Distribution of Employed Persons by Economic Activity

Governorate	Economic activities							
	Agriculture		Industry		Building and Construction		Services	
	2003	2004	2003	2004	2003	2004	2003	2004
Jenin & Tubas	32.7	35.4	7.6	8.6	7.7	10.4	48.0	54.4
Tulkarm & Qalqilya	25.3	24.9	11.2	10.0	7.0	7.7	43.5	42.6
Nablus & Salfit	15.8	18.6	14.3	16.0	11.9	10.7	42.0	45.3
Ramallah & Al-Beirah	6.0	6.0	16.4	16.5	15.9	17.4	38.3	39.9
Jerusalem	1.0	1.3	12.0	12.4	19.0	13.4	32.0	27.1
Bethlehem & Jericho	13.8	15.9	15.9	17.3	19.7	16.4	49.4	49.6
Hebron	16.5	18.0	18.3	16.6	16.3	15.5	51.1	50.1
West Bank	14.9	16.9	14.0	14.1	14.3	13.0	43.2	44.0
North Gaza	17.5	13.6	9.8	9.3	12.8	7.6	40.1	30.5
Gaza	4.0	2.7	14.4	14.0	13.0	9.2	31.4	25.9
Deir Al-Balah	18.3	13.3	7.1	6.2	9.7	5.4	35.1	24.8
Khanyounis	25.6	29.2	3.8	4.3	6.2	9.7	35.6	42.5
Rafah	29.3	25.7	3.0	2.6	6.4	7.5	38.7	38.8
Gaza Strip	17.4	13.4	9.2	9.1	10.4	8.2	37.0	30.7
Palestinian Territories	15.7	15.9	12.5	12.7	13.1	11.7	41.3	40.3

Table (4) Poverty Rates by Governorate, till the end of 2003

Governorate	Poverty Rate
Jenin	47.7
Tubas	58.6
Tulkarm	44.9
Qalqilya	16.9
Salfit	53.2
Nablus	41.5
Ramallah	19.9
Jericho	17.2
Jerusalem	3.6
Bethlehem	30.5
Hebron	38.0
West Bank	30.9
North Gaza	41.5
Gaza	35.0
Deir Al-Balah	53.6
Khanyounis	53.0
Rafah	50.9
Gaza Strip	44.7
Total	35.5

List (E): Palestinians abroad

Table (1) Palestinians abroad (Diaspora): general development indicators (2003)

Indicators	Jordan	Syria	Lebanon	Iraq	Egypt
Population (million)	2.798	0.436	0.415	0.11	0.062
Life expectancy at birth (years)	69	70	70	58	66
Number of students Combined first-, second- and third level gross					
Average number of students per class	41.0	44.3	40.2		
Number of students per teacher in schools	30.2	36.8	33.8		
Percentage distribution of the population according to age (%)					
0-14	42.5	36.7	36.4	39.7	39
65+	3.0	3.9	4.4	3.4	
Average family size	6.2	5.5	5.1		
Headed household by women	10.0	9.3	12.5		22.0
Infant mortality per 1000 live births	24.9	34.0	38.0	127.0	52.0
Child mortality below the age of 5 per1000 births	27.4	42.0	48.5		
Average crude births per 1000	29	28.3	29.3		26.0
Average crude death per 1000	5	5	7	10	6
Fertility rate	4.6	3.5	3.5	5.4	3.5
Households by tenure of housing unit (%)	3	2.3	5.1		
Household connected to electricity	98.9	99.3			
Household connected to water by pipe	94.4	79.6	70.0		
Household connected to Sewage	99.5	92.8	99.0		
Poverty rate	23.0	26.3	10.6		

List (F): International Funds Indicators⁷:

Table (1): Commitments by donor countries (1994-2003) Million \$

Donors	1994-1997		1998-2000		2001-2003		Total	
	Commitments	Disbursements	Commitments	Disbursements	Commitments	Disbursements	Commitments ⁸	Disbursements
Arab Countries	312.3	193.8	101.5	105	5.2	903.4	418.9	1203.1
EU	520.2	219.1	507.2	235	187.3	787.3	1214.6	1214.6
USA	292.9	285.3	396.8	260.4	759.5	482.3	1449.2	1028
Japan	298.9	308.3	167.5	132.4	37.5	41.3	504	482
International Institutes	225.5	139.3	180.5	140.7	54.5	154.7	460.4	434.7
European Countries	1107.6	810.9	858.6	533.4	519.3	669.5	2485.6	2013.8
Other Countries	101.5	72.6	57.2	57.9	16.7	18.9	175.4	149.4
Total	2858.9	2029.3	2269.2	1465.9	1580	3057.4	6708.3	6552.5

Table (2): regional Distribution of the International donations (1994-2003) Million \$

Sector	1994-1997		1998-2000		2001-2003		Total	
	Commitments	Disbursements	Commitments	Disbursements	Commitments	Disbursements	Commitments ⁹	Disbursements
Infrastructure	999.3	606	1025.5	550.5	500	307	2524.8	1463.5
Production Sectors	270.5	137.3	348.9	192.5	143.9	98.5	763.2	428.3
Social Sectors	815.2	599	439.1	427.4	516	2094.7	1770.3	3121.1
Building Institutions	697	604.5	406.1	241.7	333.2	346.8	1436.2	1193
Other Sectors	76.9	82.5	49.6	53.8	87.1	210.2	213.8	346.5
	2858.9	2029.3	2269.3	1465.9	1580.2	3057.4	6708.3	6552.3

⁷ Calculations by the research team based on data published by MOP and MOF

⁸ By mid - 2003

⁹ By mid - 2003

Table (3): Loans from the donor countries (1994-2003) Million \$

Loaner	1994-1997		1998-2000		2001-2003		Total	
	Commitments	Disbursements	Commitments	Disbursements	Commitments	Disbursements	Commitments ¹⁰	Disbursements
Arab Countries	36.9	0	9.8	26	0	486.4	46.7	512.4
EU	98.9	0	154.6	86.9	0	12.6	253.5	99.5
European Countries	55.2	30.2	149.4	51.3	28.4	9.8	233	91.3
China	12.5	1.7	1.2	0.3	0	0	13.7	2
International Institutes	202.2	106.6	155	113.9	43	66.2	400.2	286.7
Total	405.7	138.6	469.9	278.4	71.4	575	947	992

¹⁰ By mid - 2003

List (G): Annual Comparative Indicators

Table (1): Health and Demographic indicators¹¹

	1996	2000	2004
Demographic Indicators			
Children less than 5 years old	NA	18.5	17.6
Children less than 15 years old	NA	46.9	45.8
Persons 65 years old and over	NA	3.4	3.0
Women 15-49 years old	NA	44.0	45.5
Total Fertility Rate	6.1(1994)	5.9(1999)	5.6(2003)
Infant mortality rate	NA	25.5 (1995-1999)	24.2 (1999-2003)
Under five mortality rate	NA	28.7(1995-1999)	28.3(1999-2003)
Children ever born alive	4.8(1995)	4.6	4.5
Median age at first marriage	NA	18	18
Consanguinity (first cousins marriage)	NA	28.2	27.4
Reported health status, health behavior and health services			
Percentage of individuals 10 years old and over who smoke	21.8	22.1	18.0
Males	39.9	40.7	33.7
Females	2.7	3.2	2.0
Percent of households consuming iodized salt	NA	37.4	65.3
Percent of individuals with health insurance	61.6	60.4	76.2
Maternal and child health			
Family planning			
Percentage of women (15-49 years old) reporting currently using any family planning method at the time of the survey	45.2	51.4	47.9
Percentage of women (15-49 years old) reporting currently using any modern family planning method at the time of the survey	30.7	36.7	34.4
Percentage of women (15-49 years old) reporting currently using IUD at the time of the survey	21.5	24.6	23.5
Percentage of women (15-49 years old) reporting currently using Pill at the time of the survey	3.8	5.8	6.2
Women (less than 55 years old) who want no more children	NA	52.4	51.7

¹¹ NA: Not Available

Ante natal care and delivery			
Percentage of women (less than 55 years old) who reported receiving ante-natal care with the last two births taking place during the past three years	94.6	95.6	96.5
Percentage of births taking place in health institutions of the last two births reported by women during the past three years	86.8	94.8	96.3
Births that took place at home	10.0	5.2	3.1
Percent of women (less than 55 years) with a birth in the past year and reported receiving tetanus toxoid ²	22.0	27.5	34.6
Percent of women (less than 55 years) who received Iron tablets ³	50.4	75.8	75.7
Percent of women (less than 55 years) who received folic acid	NA	44.3	43.6
Main type of delivery			
Normal delivery	72.3	72.1	71.5
Caesarian	6.8	8.8	12.4
Suction and forceps	3.1	2.7	2.4
Episiotomy	11.1	16.4	13.7
Breastfeeding			
Percent of children who breastfed	96.0	96.8	95.6
Percent of children who were weaned during the first three months	7.4	12.9	9.8
Continued breastfeeding rate (9-12 months)	58.3	68.8	65.8
Mean duration of breastfeeding (months)	11	11.1	9.9
Children 0-6 months who were exclusively breastfed	NA	16.7	25.4
Children 0-6 months who were mixed fed (breast and other milk) breastfed	NA	38.1	33.3
Children 0-6 months who exclusively received milk other than breast milk	NA	0.7	2.9
Percent of children under one year of age who received vitamin A/D	38.1	50.4	61.8
Percent of children under five years of age whose Immunization cards were seen	66.8	71.4	72.9

Percent of children (12-23) months whose cards were seen and receive			
Immunized against polio (3rd dose)	95.7	96.8	98.1
Immunized against DPT (3rd dose)	96.4	88.5	97.9
Immunized against measles	48.9	92.9	95.3
Children aged 18-59 months that were fully immunized ⁴	NA	69.9	77.8
Percentage of children under 5 years who suffered from			
Stunting	7.2	7.5	9.9
Wasting	2.8	1.4	2.8
Under weight	4.0	2.5	4.9

Table (2): General Economic indicators¹²

	2000	2001	2002	2003
Total GNP (million \$)	5426.5	4817.4	4570.0	4581.8
Per capita GNP \$	1722.7	1460.3	1319.3	1226.1
Total GDP (million \$)	4619.2	4325.7	4169.3	4143.3
Final consumption (million \$)	4574	4371.8	4284.8	NA
Governmental consumption (million \$)	1162.2	1326.1	1222.9	NA
Total Investment (Million \$)	1507.7	1186.2	727.2	NA
net accumulation of Export Income (Million \$)	2624.8-	2550.3-	2050.1-	2081.1-
Total Imports (Million \$)	3513.9	3155.5	2615.1	2701.5
Percentage of Imports of goods & services from Israel	73	NA	NA	NA
Total Exports (Million \$)	889.1	605.2	565	620.4
Percentage of Exports of goods & services to Israel (million) \$	92.3	NA	NA	NA
Adjusted real per capita GDP \$	1466.4	1311.2	1203.4	1108.7
Percentage of share of economic sectors in GDP				
Agriculture	8.5	8.1	9.3	NA
Industry	15.7	14.9	15.3	NA
Building and construction	6.5	5.1	2.7	NA
Services	69.3	71.9	72.7	NA
Commitments by donor countries (million \$)**	852.8	619.9	582.1	378.2
Public expenditures (million \$) **	946	1129	1126	1066
Current Expenditures (million \$) ***	940	1091	1096	1044
Development Expenditures	24	38	30	22
Public revenues (million \$) ***	964	758	798	1066
Domestic revenues (million \$) ***	360.3	255.9	205	207
Clearing revenues (million \$)***	603.7	325.1	0	324

¹² Source of data indicated by * is the Palestinian Monetary Authority. Source of data indicated by ** is the Ministry of planning. Source of data indicated by *** is Ministry of finance.

	2000	2001	2002	2003
Donations to finance the current budget (million \$) ***	0	117+60 Low rate loans	578+15 Low rate loans	535
Budget deficit + Arrears (million \$) ***	(50) Arrears	(371+155) Arrears	(328+425) Arrears	0.0
Public Debt (million \$)***	391.8	839.7	962.2	989.2
Proportion of people living on less than two dollars per day	32	44	60	NA
Number of closure days (Days)	62	210	NA	NA
Banking Data	2000	2001	2002	2003
Total liabilities in the banks (million \$) *	412.35	372.73	396.56	519.9
Total banking facilities	1346.25	1220	957.12	1072
Percentage of over draft from total bankng facilities	56.8	52.7	54.4	44.2
Percentage of loans from total banking facilities	38.4	44.4	43.6	44.3
Total deposite in the banks (Million \$) *	3506.9	3492.55	3563.37	3523.52
Percentage of deposites to facilities	38.4	34.9	26.9	30.4
Total profits (Million \$) *	21.9	(1.87)	(12.37)	(8.63)

Table (3): Employment and Unemployment Indicators:

	2000	2001	2002	2003
Proportion of the labor force over the age of 15 (%)	41.5	38.7	38.1	40.4
Proportion of women in the labor force (%)	12.7	10.4	10.4	12.8
Proportion of children (10-14) year in the labor force (%)	1.8	0.6	0.6	1.2
Number of workers in Palestine (thousands)	597	508	486	591
Number of workers in the local economy	480	438	436	533.7
Number of workers in the public sector	115	118	113	NA
Number of workers in Israel and in Israeli Settlements	117	70	50	57.3
Average daily wage for workers in the West Bank (NIS)	69.5	69.1	71.4	72.2
Average daily wage for male workers in the West Bank (NIS)	72.8	72.4	74.2	75
Average daily wage for female workers in the West Bank (NIS)	55.5	56.8	62.1	63.3
Average daily wage for workers in Gaza Strip (NIS)	53.3	54.4	54.9	53.1
Average daily wage for male workers in Gaza Strip (NIS)	53.7	54.8	54.8	53.1
Average daily wage for female workers in Gaza Strip (NIS)	50.7	51.1	56.3	53.0
Average daily wages for workers in Israel and in Israeli Settlements (NIS)	110.4	106.9	117.3	125.1
Average daily wage for male workers in Israel and in Israeli Settlements (NIS)	110.7	107.2	117.4	125.7
Average daily wage for female workers in Israel and in Israeli Settlements (NIS)	91	93		
Percentage of the labor force according to economic activity:				
Agriculture	13.7	12	14.8	15.7
Industry	14.3	14	12.9	12.5
Building and construction	19.7	14.6	10.9	13.1
Services	52.3	59.4	61.4	58.7
Unemployment rate (%)	14.1	25.5	31.3	25.6
Unemployment rate, ages (15-24) (%)	20	31.1	42.6	38.4

Reasons for remaining outside the labor force: (%)					
Old-age / illness	9.5	9	8.5	9.8	12.1
Housework	53.7	53.7	52	50.8	49.0
Education or training	26.8	26.7	29	31.2	33.2
Other reasons	10	10.6	10.5	5.7	5.7

Appendix Two: Report Methodology

In order to ensure the accuracy and objectivity of the Human Development Report, and to guarantee the meaningful involvement of all relevant Palestinian actors — including PA institutions, political groups, civil society organizations, academic institutions, professional associations, trade unions and grassroots organizations — a diverse set of research and data collection methods were employed in its preparation. These methods include:

- **Conducting primary research studies, preparing background papers and performing literature reviews specifically for the purposes of this report. A list of researchers, authors and reviewers and their contributions follows:**

1. Ibrahim Dakkak, *The Role of Civil Society Institutions in Society Building and Empowering the Palestinian People*.
2. Bassem Ezbid, *The Role of Palestinian National Authority Institutions in Society Building and Empowering the Palestinian People*.
3. Nasr Abdul-Karim, *The Role of International Funding in Society Building and Empowering the Palestinian People*.
4. Jamil Hilal, *Emancipatory Empowerment of Palestinian Society in the West Bank and Gaza in the Face of Fragmentation, Marginalization, and Intensified Segregation*.
5. Taysir Muheisen, *Empowerment: The Concept and Its Indicators*.
6. Nader Said, *The Concept of Empowerment and its Implications*.
7. Nader Said, *Concepts: Empowerment, Political Participation, and Decision-Making from the Perspective of Gender*.
8. Nasser Abul-Atta, *The Relationship between the Individual and Society*.
9. Nasser Al-Rayyes, *Palestinian Human Rights in the Context of International Standards and Conventions*.
10. Samir Abdullah, *The Nature of the Environment Affecting the Palestinian Development Process*.
11. Ibrahim Abu Hantash, *Economic Indicators*.
12. Samir Abu Zuneid, *Remarks on the Human Development Report 2003/2004*.
13. Tafidah Al-Jarbawi, *Gender in Palestinian School Textbooks*.
14. Anwar Hamam, *Palestinian Camps in the West Bank and Gaza Strip and the Role of UNRWA in Empowering the Refugees*.
15. Muhsen Abu Ramadan, *The Development Environment 2002-2004*.
16. Fadwa As-Sha'er, *The Future of the Relationship between the Ministry of Interior and Civil Society Institutions*.
17. Khalil Nakhleh, *Review of the Chapter on the Role of International Funding in Society Building and Empowering the Palestinian People*.
18. Muhammad Al-Samhour, *Review of the Chapter on the Role of International Funding in Society Building and Empowering the Palestinian People*.
19. Osama Noufel, *Reading of the Draft Human Development Report – Palestine*.

- **Holding a number of meetings with the Ministerial Committee** (composed of representatives from 15 ministries and chaired by the Ministry of Planning) **and the Technical Advisory Committee** (composed of 31 academics, experts, and technicians) in the West Bank and Gaza Strip. The meetings began in the earliest stages of report preparation in order to identify the principal report themes. Meetings continued throughout the stages of report development to discuss and review background papers, report chapters

and to propose modifications. In addition to these meetings, regular meetings were held with the primary authors of the report chapters in order to discuss and further develop the content and to closely align all sections of the report under one theme. A list of the most important meetings conducted throughout the process of report development follows:

1. An advisory meeting was held with the Ministry of Planning and the United Nations Development Programme to determine the planning strategy for the report launch. Subsequently, a series of brainstorming sessions were conducted to consider proposals for the report theme.
 2. Four Ministerial Committee meetings were held to follow up on the internal processes of report preparation and content development.
 3. Five Technical Advisory Committee meetings were held to follow up on the internal process of preparing the report and its contents.
 4. In cooperation with the Ministry of Planning, focus groups were conducted in order to gather data for use in the chapter on the PA institutions and their role in empowerment. These focus groups were conducted in the West Bank on 5 July 2004 and in Gaza on 11 July 2004.
- The DSP conducted thorough **literature reviews on the primary report topics** and on the issues addressed in its chapters. In addition, the DSP examined a large body of statistical data, particularly the publications issued by Palestinian Central Bureau of Statistics.
 - In order to highlight the critical importance of **Palestinian public opinion**, some of the report chapters reference the results of various public opinion polls. The DSP designed and conducted a number of polls to explore opinions on report issues and themes. From the beginning of 2003 through the end of 2004, the DSP conducted ten public opinion polls (Poll No. 10 on 6-10 February through Poll No. 20 on 3 December 2004).
 - The DSP undertook numerous field research activities, such as **workshops** (with political parties and groups, representatives of civil society organizations, and representatives of professional and trade unions) and **focus groups**. In addition, **several research** questionnaires for governmental institutions and local authorities were designed to examine the respective roles of PNA institutions, civil society, and international funding agencies. The most important field research activities undertaken by the DSP for the purposes of the report include:
 1. A questionnaire evaluating the local councils, involving six local councils in the West Bank and Gaza Strip (Habla Municipality, Al-Ram Local Council, Jenin Refugee Camp Popular Services Committee, Beit Hanoun Municipality, Wadi Al-Salqa Municipality, and Rafah Municipality).
 2. A questionnaire evaluating the work of PNA ministries, distributed to nine ministries (the Ministry of Social Affairs, the Ministry of Culture, the Ministry of Agriculture, the Ministry of Education and Higher Education, the Ministry of Planning, the Ministry of Economy, the Ministry of Health, the Ministry of Youth and Sport, and the Ministry of Local Government).
 3. A workshop with representatives of professional and trade unions in the West Bank.
 4. A workshop with representatives of NGOs in the West Bank.
 5. A workshop with representatives of NGOs, unions, and political groups in the Gaza Strip.
 6. A workshop with representatives of political parties and national groups in the West Bank.
 7. A focus group with ministries receiving international assistance, private sector institutions, NGOs, and beneficiaries.
 8. A case study: "The Impact of International Assistance in Promoting Community Participation, especially for Marginalized Groups, such as Women, Youth, and the Unemployed" in Al-Mazra'a Al-Qabliya village.
 9. Gathering data on international assistance from primary sources of statistical data including: the Palestinian Central Bureau of Statistics, the Palestinian Monetary Authority, the Ministry of Planning, the Ministry of Finance, and UNRWA.

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