

Association of International Development Agencies

January 2018

The following pages are a summary of a long report

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50 YEARS OF OCCUPATION

DISPOSSESSION, DEPRIVATION AND DE-DEVELOPMENT

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INTRODUCTION



THE OSLO ACCORDS, WHICH BEGAN IN 1993, aimed to establish peace between Israelis and Palestinians, and lay the foundations for an independent Palestinian state within five years. But the grand vision of Oslo was never realized. Twenty-five years later, the failure of that process has allowed the Israeli military occupation of the Palestinian territory to continue without reprieve.

After 50 years of occupation, life in the occupied Palestinian territory (oPt) is more impoverished and hopeless than ever. This report examines this grim reality and the systemic, decades-long squeeze of economic prospects and human rights in theoPt. It further calls on third states to push for the only change that will improve the situation: ending the Israeli military occupation.



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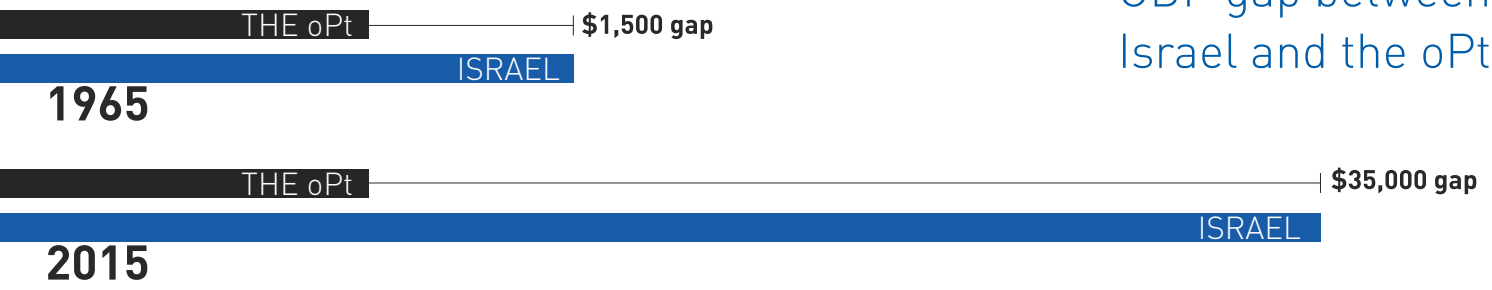
AN ECONOMY IN SHAMBLES



FIFTY YEARS OF ISRAELI OCCUPATION HAVE HAD dire economic consequences for Palestinians. The economy is small and poor, and the oPt produces almost no goods. High unemployment and extreme fragility are the norms.

The depressed Palestinian economy stands in sharp contrast to the flourishing Israeli one. Five decades ago, both economies were struggling; the gap between their GDPs per capita was only $1,500. In Israel, GDP per capita was $1,674, and in the oPt it was $175. But by 2015, the gap between the two economies had widened to $35,000, an increase of more than 2,000%.[1]

+2,000%
increase in per capita GDP gap between Israel and the oPt



THIS SITUATION IS ALMOST ENTIRELY DUE TO the occupation, which has distorted key economic structures and created crippling dependency.

Under the occupation, Palestinian economic advances have unraveled, leading to a process of steady de-development. This is most clearly seen in the dwindling of productive economic sectors over the past 40 years. Agriculture and manufacturing contributed 40% of the Palestinian GDP in 1975. Forty years later, they contributed a mere 14%.[2]

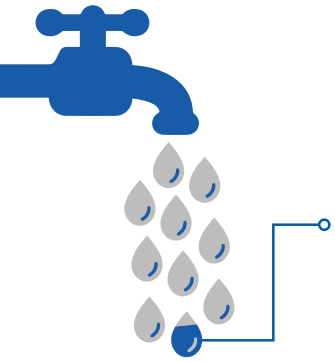
WHAT IS DEPENDENCY?

Dependency is an economic theory that originated in the mid-20th century. It states that when a strong economy interacts with a weaker one, the weaker economy can be harmed.

Dependency counters the idea that these relationships always boost the weaker economy by bringing investment, technology, and other vital resources.

The interactions between Israel and the oPt exemplify dependency. Israel has systemically exploited natural resources like water and land, Palestinians have been incentivized to work in Israel and illegal Israeli settlements as cheap labor, and sectors like agriculture and production have been greatly diminished due to Israeli restrictions.

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ONLY 7%
of cultivated land in the oPt is irrigated

ONLY 21%
of arable land in the oPt is used



A 2017 REPORT FROM THE UN CONFERENCE ON Trade and Development (UNCTAD) provides a closer look at how this downward spiral happened in the agricultural sector. A combination of Israeli trade restrictions and control of natural resources like water left Palestinian agriculture to wither on the vine. Due largely to Israeli restrictions, only 21% of arable land in the oPt is used; 93% of cultivated land is not irrigated because of discriminatory water-sharing agreements that prioritize settlements. Limitations on the import of fertilizers make farming expensive and decrease land productivity by one-third. Palestinian farmers also face unequal competition and subsidized imports from Israel and its settlements.[3]

Because the Palestinian economy is not able to produce much food or other goods, exports have stagnated, and Palestinians have been forced to import most vital items. This has created a ballooning trade deficit, which rose to $4.26 billion in 2015—an alarming 35% of Palestinian GDP.[4] Only a handful of countries such as Afghanistan and Somalia have trade deficits that constitute such a large percentage of GDP; many countries, including Israel, have trade surpluses. More than $2.2 billion of the oPt's trade deficit was with Israel.[5]

THE PALESTINIAN ECONOMY OFFERS FEW employment opportunities other than public sector jobs that are almost entirely financed by outside assistance. Palestinian statistics show that unemployment has soared over the last several decades, reaching 27% in 2016. Job prospects are particularly bleak for young people and women.

Unemployment trends are amplified in the Gaza Strip, which has been dealing with the additional burden of an illegal Israeli blockade and near total global isolation since 2007. Unemployment among Palestinians living in Gaza reached a staggering 42% in 2016, up from 30% in 2005. Women in Gaza have almost no opportunities for employment; 65% of them were unemployed in 2016, and 86% of women between the ages of 15 and 24 were jobless.[6]

FOREIGN AID HAS RELIEVED SOME SUFFERING but led to a new kind of dependence. According to the World Bank, total aid to the oPt ballooned from $179 million in 1993 to a peak of more than $2.8 billion in 2009, settling back to $800 million in 2016.[7] This aid has come in lieu of economic development and jobs. In addition to fostering economic dependence, aid carries conditions. Austerity measures have forced cutbacks on the pension system and reduced subsidies for vulnerable people like refugees.

Female unemployment in Gaza, 2016



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A DETERIORATING HUMANITARIAN SITUATION



IN ADDITION TO STIFLING THE PALESTINIAN economy, Israel has continually violated international law and created growing humanitarian needs.

International Humanitarian Law requires Israel, as the occupying power, to provide for the welfare and wellbeing of Palestinians. But it has done just the opposite, unleashing a damaging combination of land takeovers and illegal settlements while severely limiting access to land and natural resources, and denying basic rights. In parts of the oPt, this has created a coercive environment.

WHAT IS A COERCIVE ENVIRONMENT?

In a coercive environment, a government or military force deprives people of choices about how they live, and in some cases, forces them to uproot and leave their communities. This has happened in parts of East Jerusalem and Area C of the West Bank.

Coercion can take many forms, including discriminatory plans and zoning, confiscation and destruction of private property, denial of access to natural resources or infrastructure, or restrictions on freedom of movement. In the most extreme cases, people are at risk of "forcible transfer." This means they are forced to move—against their will—from their homes. Israel, by creating a coercive environment, puts Palestinians at risk of forcible transfer—a direct violation of the Geneva Convention.

The humanitarian situation is most appalling in the Gaza Strip. Most materials for reconstruction and industry—wood planks, solar panels, fertilizers—are prohibited for entry by the Israeli authorities who cite security concerns. Electricity outages reached 20 hours per day in 2017.[8] According to the UN, at least one-third of arable land has been out of reach due to Israel's expanding "buffer zone," fishing is severely restricted, and 95% of the groundwater is contaminated and undrinkable.[9] Under these conditions, productivity has ground to a halt. Poverty levels are high and 80% of people in Gaza rely on some sort of international aid.[10]

95% of Gaza Strip groundwater is **contaminated and undrinkable**



300,000

children in Gaza suffered from PTSD following the Israel offensive of 2014

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THE RESTRICTIONS ON PALESTINIANS' MOVEMENT put their health at risk. Palestinians require permission from Israel to access medical care outside of where they live. In 2016, the Palestinian Ministry of Health issued nearly 92,000 referrals for patients to access healthcare in the West Bank, East Jerusalem, or Israel.[11] In the Gaza Strip, rates of approval for medical transport permits have been falling since 2012. According to the World Health Organization, only 62% of these permits were approved in 2016, down from over 92% just four years earlier.[12] With only 54% approved between January and October 2017, that year was on track to have the lowest approval rate since recording began in 2006.[13]

PATIENTS SUFFER GRAVE CONSEQUENCES: Haaretz reported that 20 people from Gaza died during 2017 after requests for exit for medical treatment were denied or delayed.[14] In 2013, the United Nations estimated that the infant mortality rate in Gaza—one of the key health indicators in any society—rose for the first time in 50 years to 22.4 deaths per 1,000 live births.[15] The rate in Israel was only 3.5 per 1,000 in the same year.[16]



73%

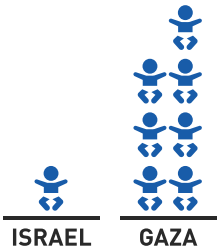
of Palestinian youth do not trust any political parties or movements

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HEALTH WORKERS AND FACILITIES IN THE OPT ARE regularly targeted. In the West Bank, the Palestine Red Crescent Society reported 335 attacks on its teams and ambulances by the Israeli Defense Forces and Israeli settlers in just four months between October 2015 and January 2016. The attacks wounded nearly 150 medics and volunteers, and damaged more than 90 ambulances.[17] In the Gaza Strip, records of the organization Medical Aid for Palestinians show that almost 150 hospitals and health clinics—as well as 80 ambulances—were damaged or destroyed during three Israeli offenses between 2008 and 2014; 145 medical workers were injured or killed.[18]

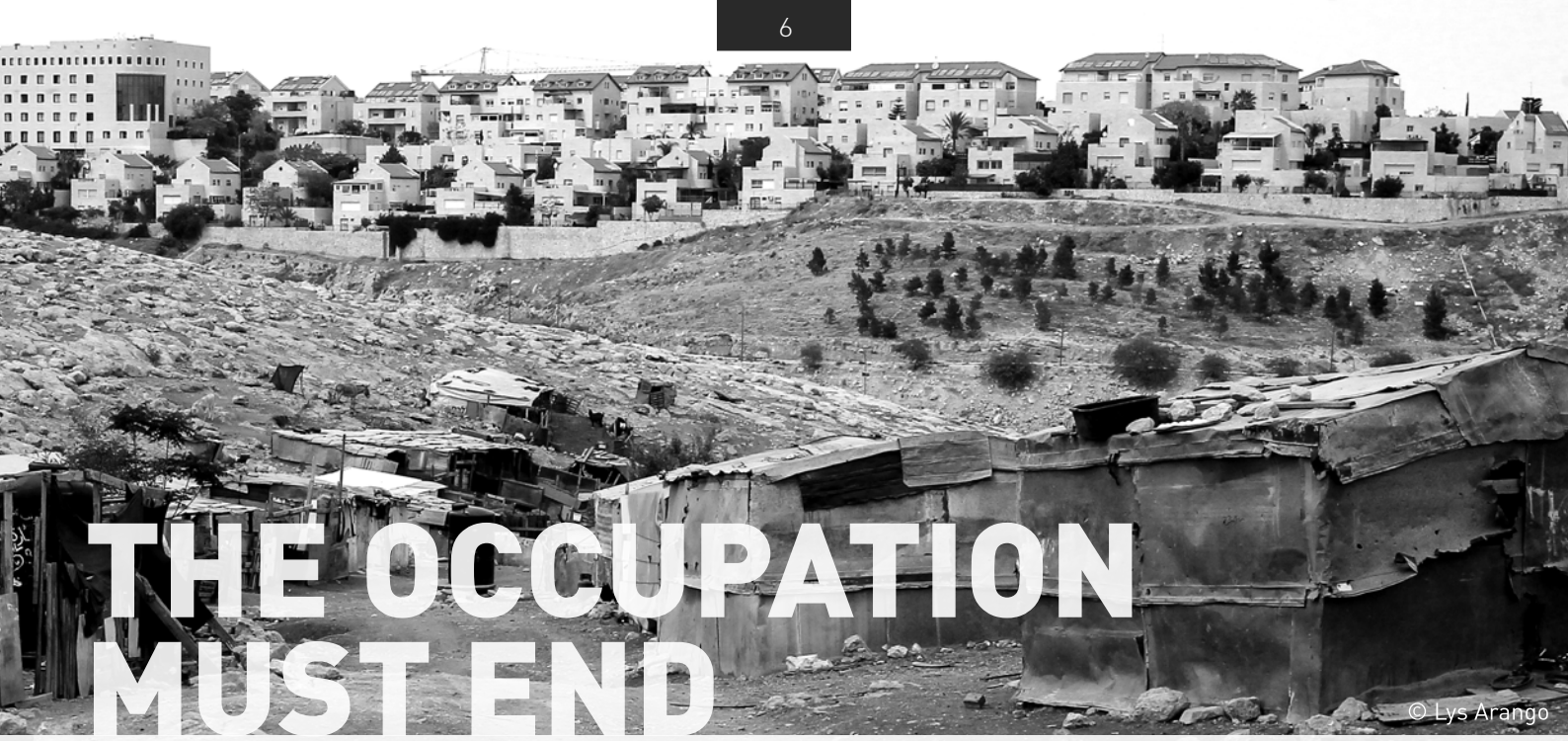
Infant Mortality Rate

Israel compared to Gaza, 2013



PHYSICAL HEALTH IS NOT THE ONLY ISSUE FOR Palestinians. Mental health has been severely impacted by the occupation and its waves of violence, insecurity, and humiliation. The scars are particularly painful for children. After the 2014 Israeli offensive in Gaza, UNICEF estimated that more than 300,000 children in Gaza required some form of psychosocial care.[19]

Beyond trauma, many Palestinian young people struggle with feelings of disconnection and disillusionment. Barriers to movement make it difficult to leave their immediate areas and connect with peers, and the lack of opportunities to earn income or influence their own futures is demoralizing. Feelings of distrust and political apathy are the norm. A 2016 survey of nearly 4,000 Palestinian youth found that 73% do not trust any political parties or movements.[20]



THE OCCUPATION MUST END

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ATTEMPTS TO END ISRAEL'S MILITARY OCCUPATION and forge peace have lacked follow-through. The most high-profile effort, the Oslo Accords of the 1990s, mapped out a plan for the Israeli military to withdraw from the Palestinian territory in phases. At the same time, Israelis and Palestinians were supposed to come to an agreement on a range of thorny issues including the status of Jerusalem and the plight of Palestinian refugees. All of this was intended to happen over the course of five years and culminate in the creation of an independent Palestinian state.

But the Oslo peace process was only partially implemented. Oslo left the West Bank and the Gaza Strip without any physical connection, which severed families and social and business ties. The West Bank was further divided into different regions: Areas A, administered by the Palestinian National Authority (PNA); Area B, run by both the PNA and Israel; and Area C, administered by Israel and containing the Israeli settlements.

While these were envisioned as interim arrangements until control of the areas could be transferred to the Palestinians, the interim context of Oslo has become permanent. In Area C, which comprises over 60% of the West Bank, planning power was never handed over to the PNA. As a result, Palestinians have been completely cut out of Area C and its vast supplies of minerals, agricultural land, and other natural resources. Palestinians are also unable to obtain construction permits in Area C—for homes, businesses, community centers, or infrastructure—and their buildings are regularly demolished. This obstructs any meaningful, long-term development.

At the same time that Palestinian development has been stalled, the number and size of Israeli settlements in Area C and East Jerusalem has significantly expanded. In addition to threatening Palestinian control of land, the settlements exploit resources, contribute to pollution, and treat waste from Israel, including hazardous waste, in the West Bank. The number of Israeli settlers in Area C and East Jerusalem has more than doubled since the time of the Oslo Accords.

In the 25 years since Oslo started, the oPt has become more fragmented, the occupation more entrenched, and hopes for a Palestinian state more elusive. The subsequent deterioration of Israeli-Palestinian relations has been accompanied by a lack of political action from important third parties—including the United States and the European Union and its member states—to address the deteriorating situation on the ground.

Continued occupation perpetuates the Palestinian downward economic spiral and violation of human rights throughout the oPt. Humanitarian assistance to vulnerable Palestinians is essential but it is no substitute for a permanent political resolution. Third states must hold Israel accountable for its violations of international law, and press for withdrawal from the oPt.

After more than 50 years of Israeli military occupation, **it is time for it to end.**

AIDA Association of International Development Agencies



ABOUT AIDA

The Association of International Development Agencies (AIDA) is a membership body and coordination forum of more than 80 international non-governmental and non-profit organizations working in the occupied Palestinian territory.

To learn more about AIDA, visit www.aidajerusalem.org

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