

# Chapter 9

## SOCIO-ECONOMIC ACHIEVEMENTS OF THE PALESTINIAN PEOPLE, 1993-PRESENT



Photo: United Nations

Palestinian girls at an UNRWA school.

### **Building a public administration under the Palestinian Authority**

One of the aims of the Declaration of Principles on Interim Self-Government Arrangements (Oslo Accord), signed by Israeli Prime Minister Yitzhak Rabin and PLO Chairman Yasser Arafat on 13 September 1993, was to establish a Palestinian Interim Self-Government Authority with an elected legislative council for the Palestinian people in the West Bank and the Gaza Strip.

With the additional signing in Cairo on 4 May 1994 by Prime Minister Rabin and Chairman Arafat of the Agreement on the Gaza Strip and Jericho Area, the transitional period envi-

sioned in the Oslo Accord began. On 17 May Israel transferred control of daily administration in the Gaza Strip and Jericho to the Palestinian Authority after 27 years of Israeli occupation.

The establishment of the Palestinian Authority (PA) as the governing body of Gaza and Jericho gave the Palestinian people the opportunity to develop their own governing institutions for the first time. In 1996, elections were held for the Palestinian Legislative Council (PLC) as well as for President of the PA. The PLC was given the authority to draft legislation, including the Basic Law, which provides for a system based on free-market principles, the right to private ownership of property, independent dispute resolution and the rule of law.

With the help of the United Nations, international donors and non-governmental organizations, the PA has established government ministries for health, education, economy and trade, culture, environment, finance, social affairs, and other institutional elements of a State. Unfortunately, the physical separation of the West Bank and Gaza has necessitated the establishment of duplicate capacities in the respective territories.

Despite the complicated political environment, considerable efforts and resources have been spent on the economic and social development process in the occupied Palestinian territory, including:

- \* Legal and institutional development;
- \* Capacity-building;
- \* Infrastructural development;
- \* Creation of an enabling environment for the growth and development of the private economy;
- \* Development of the rural economy and municipalities;
- \* The signing of trade agreements;
- \* The construction of the Gaza Airport;
- \* The development of international trade;
- \* Skills training for the workforce.

Citing security threats from the West Bank and Gaza Strip, Israel has repeatedly closed the border crossings from Gaza and

the West Bank into Israel. One impact of this measure is to impede the flow of Palestinian workers to their jobs in Israel, with negative ramifications for the Palestinian economy.

### **Social and economic achievements of the Palestinian people resulting from the peace process**

The transformation from the Israeli Civil Administration to the Palestinian National Authority has had an enormous impact on Palestinian society in the West Bank and Gaza. The period since mid-1994 has seen the establishment of the PA, with the creation of governmental ministries concerned with all political, economic and social aspects of Palestinian life.

### **The role of the United Nations in social and economic development since the start of the peace process**

In June 1994, Secretary-General Kofi Annan appointed Terje Roed-Larsen of Norway as his Special Coordinator in the occupied territories to serve as a focal point for all United Nations economic, social and other assistance. Ambassador Roed-Larsen was appointed to provide overall guidance to and facilitate coordination among the United Nations programmes and agencies to ensure an integrated and unified approach to economic and social development, which has included:

#### **Infrastructure and natural resource management**

The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the United Nations Development Programme (UNDP) and the World Health Organization (WHO) have all been involved in projects designed to improve sewage, drainage and water supply systems, guaranteeing a clean water supply to thousands of residents. UNRWA also continued its peace implementation programme, an initiative launched in 1993, which as of July 2001 included 243 current or future projects oriented toward infrastructure and improvement of employment and socio-economic conditions.

UNDP completed several major infrastructure projects, including the rehabilitation of 70 clinics and primary health care centres in remote areas throughout the West Bank and the restoration of water supply distribution networks to Jericho and Hebron. UNDP worked closely with the donor community and the Ministry of Justice in order to finalize the designs for a new courthouse in Nablus. In addition, UNDP launched a project for the construction of the south wing of the Gaza International Airport.

The International Maritime Organization (IMO) is implementing a project of technical assistance to the PA for the establishment of a maritime administration. IMO is also assisting the PA in securing the funds necessary for the construction of the Gaza seaport. A children's library is currently being established in Bethlehem by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

### **Institutional capacity-building**

The Office of the United Nations High Commissioner for Human Rights (UNHCHR) provided a range of training courses, documentation and materials for Palestinian Police Force commanders, officers and trainers, as well as for NGOs.

The United Nations Population Fund (UNFPA) facilitated technical assistance and funding, for the purpose of a census, to the Palestinian Central Bureau of Statistics.

UNESCO developed phase II of its project entitled "Capacity-building and training on environmental planning and management".

UNDP is supporting the Palestinian gateway project, implemented by the World Bank, which will improve access of the public and private sectors to information and communication technologies.

The International Atomic Energy Agency (IAEA) provided assistance to the PA in the form of expert services, training and equipment.

The International Labour Organization (ILO) assisted the Ministry of Labour and employers' and workers' organizations in capacity-building and establishing a national strategy for the protection of workers from occupational hazards.

The United Nations Environment Programme (UNEP) provided support to representatives of the PA allowing them to participate in meetings covering environment and natural resource management.

The United Nations Children's Fund (UNICEF) provided considerable training for the carrying out of a health survey in 2000.

### **Human resources and social development**

**Education:** UNRWA was the largest United Nations contributor in the education sector. In addition to regular in-service training programme for education staff, the educational sciences faculty at the Ramallah training centres offered pre-service training leading to a first university degree for 600 trainees. UNICEF was active through the implementation of its basic education programme. UNESCO provided a range of technical assistance to the Ministry of Education. The "Palestinian school-net project", supported by UNDP, will connect thousands of students to the vast educational resources available on the Internet.

**Health:** The 238-bed European Gaza Hospital, a joint project between UNRWA, the European Union and the PA, became fully operational in October 2000 and was handed over to the Palestinian Ministry of Health. In cooperation with the Ministry of Social Affairs, UNICEF provided training to nursery teachers in 12 districts in psychosocial health, first aid and evacuation. A significant development in the UNICEF health and nutrition project was the first local production of iodized salt. This was achieved in cooperation with the Ministries of Health, Supplies, Trade and Industry.

**Social welfare:** The World Food Programme (WFP) concentrated its development activities on poverty alleviation and social relief interventions, including the “Protracted relief and recovery operation”, which began in June 2000, for the alleviation of the effects of the economic crisis in the occupied Palestinian territory on the most vulnerable groups of the Palestinian non-refugee population, covering more than 100,000 people. UNDP’s ongoing efforts to alleviate poverty were marked in 2000 by the initiation of the “Palestinian participatory poverty assessment”, which will provide the methodological instruments necessary for the Ministry of Planning and International Cooperation to implement the poverty alleviation programme, also supported by UNDP.

**Human rights:** UNICEF supported the Ministry of Education in introducing parallel education as a preventative strategy against child labour. Several training workshops on the Convention on the Rights of the Child were held for teachers and social workers. UNICEF also provided technical and financial assistance for the drafting of the first Palestinian child rights charter. The United Nations Development Fund for Women (UNIFEM), through its women’s human rights programme, provided support to initiatives from Palestinian NGOs on violence against women.

**Women:** The United Nations Development Fund for Women (UNIFEM) continued to implement projects aimed at building the capacity of the interministerial commission for the advancement of women, the General Union of Palestinian Women and the NGO network to implement their mandate according to the Beijing Platform for Action. UNRWA promotes credit to women through its solidarity group lending programme, which provides loans solely to women-owned microenterprises.

**Productive sectors:** The productive sectors include industry, tourism, agriculture and income-generating activi-

ties, to a large extent involving the private sector. UNDP is involved in activities supporting rural and economic development, environmental protection and agricultural production. UNESCO has been involved in several initiatives designed to safeguard cultural heritage, including the second phase of a project for the conservation of the Qasr Hisham Palace and its mosaics and the provision of equipment for protecting the archaeological site of Jericho. The United Nations Industrial Development Organization (UNIDO) continues its integrated support programme for Palestinian industry, including creating and training a team of experts from the Ministry of Industry and the Palestinian Federation of Industries in the identification, assessment and selection of pilot enterprises for industrial upgrading. An agreement was reached with the PA for establishing an industrial investment promotion unit within the Ministry of Industry.

### **Social progress under the PA**

**Women:** The social effects of the peace process have had a particularly significant impact on the lives of women and the activities of women’s organizations. One of the first significant questions was the release of Palestinian female prisoners in 1995.

Palestinian women, who played an active role during the first intifada, have remained involved since the establishment of the PA. Women’s organizations and human rights groups drafted a bill of women’s rights following the release of the Palestinian Draft Basic Law and focused on procedural and administrative law important for its implementation. Women activists undertook a legal analysis of existing laws from a gender perspective and a review of their implementation, which was included in a handbook for legal literacy training.

Palestinian women discussed which models or mechanisms for addressing women’s issues would be most appropriate in the future government. They debated whether the recently created Women’s Affairs Bureau should be an integrated part of the PA

or a separate body. The Women's Affairs Technical Committee, set up by the PA, became a forum for the concerns expressed by women's NGOs and dealt with the mainstreaming of gender issues in development policies. A Gender Mainstreaming Department was established within the Ministry of Planning.

For the Palestinian elections on 20 January 1996, women's organizations undertook their own preparations. According to the Central Election Commission, 49 per cent of the registered voters were women. Among the 676 candidates for the 88-seat legislative council, there were only 28 women (4 per cent). The sole opponent to PLO Chairman Arafat in the election for President of the Executive Authority of the Palestinian Council was a woman, Ms. Samiha Khalil of Ramallah. Five women, representing 5.6 per cent, were elected to the Palestinian Council.

**Education:** All of the measures employed by the Palestinian Central Bureau of Statistics (PCBS) indicate a steady increase in the number of students, teachers and schools since the start of the PA regime. However, with the continuing political crisis, that progress has been placed in serious jeopardy. The combination of domestically collected revenues, donor assistance and extensions of credit has been critical in ensuring that the PA can continue to provide education and pay the salaries of public employees. Even with such generous assistance, however, the Authority has been forced to operate on a shoestring, given the overall decline in tax revenues due to the crisis and the continued lack of tax revenues that have been collected by Israel but not transferred to the Authority. Also, many Palestinian children and youth have seen their schooling disrupted by systematic restrictions on movement imposed by Israel and are now unable to reach their schools on a regular basis.

### **Economic progress under the PA**

Since 1994, many of the pieces in the economic and social development mosaic have been created by the PA in cooperation with the United Nations, the World Bank and other international

bodies. In particular, the presentation of the first three-year Palestine Development Plan in 1998 marked a major milestone in the development of the PA. The parties in the development process have also made significant contributions to private sector development in the form of credit, industrial zone development, research, technical assistance and vocational training. However, as UNSCO's 1998 *Special Report on the West Bank and Gaza Strip Private Economy* noted, greater political stability would relieve the pressure on the PA's budget and allow more resources to be allocated to public investment rather than public consumption to mitigate the social consequences of closures.

As a small, open economy with limited natural resources, long-term development depends on significant export activity and reliance on its human resources. Thus the development of a trade infrastructure and freer access to regional markets via border crossings are needed. This would allow the West Bank and Gaza to activate and benefit from the free trade agreements with the European Union, the United States and neighbouring countries and to improve employment prospects. Greater export activity would stimulate growth in economic activities not directly involved in export, such as construction and many services. Political stability, and freer movement, would also permit the better utilization of cultural assets through tourism.

The research of the Palestinian Central Bureau of Statistics indicated that since the start of the peace process, there had been a steady increase in labour-force participation and a decrease in total unemployment rate, until the last quarter of 2000, when due to the heightened political crisis and increased border closures, both of those trends were dramatically reversed.

While the crisis had obviously eroded the benefits reaped from development efforts since 1994, less apparent was how the economy would recover and how long that would take. The crisis had diverted the donor community's attention away from development projects that were designed to improve the economy's supply capacity for emergency job creation and budgetary

support, noted the 4 October 2001 United Nations Conference on Trade and Development (UNCTAD) report on the Palestinian economy. The PA budget deficit was expected to reach \$524 million in 2001, or around 25 per cent of the year's emergency budget, and its debt obligations had also risen notably.

Earlier in the year, the United Nations Special Coordinator, Terje Roed-Larsen, had already announced the key findings of an updated report on the social and economic impact of the continuing conflict and closure policy. His report estimated that the Palestinian economy had suffered GDP losses of over \$900 million since the onset of the crisis. In addition, there had been labour income losses of over \$240 million. The total loss is estimated at \$1,150 million: 20 per cent of the projected GDP for the year 2000. Also, infrastructure damage, the cost of caring for over 11,000 injured Palestinians, fiscal losses and other effects of the closures caused losses of additional hundreds of millions of dollars.

Finally, it is important to note in relation to previous periods of crisis and recovery, that the depth and longevity of the present crisis is unprecedented. In September 2000, the Palestinian economy had finally turned the corner from the previous episode of crisis-induced economic downturn after three years of recovery. Even if political resolution arrived swiftly and brought with it a full lifting of movement restrictions and resumption of "normal" economic life, genuine economic recovery would take considerable time, substantial resources and sustained policy attention from all stakeholders in Palestinian economic and social development.

### **Human rights under the PA**

The Palestinian Authority had declared its commitment to the protection of human rights throughout its area of control. However, in both his 1997 and 1999 reports, the Special Rapporteur of the United Nations High Commission on Human Rights on Extrajudicial, Summary or Arbitrary Executions,

Bacre Waly Ndiaye, said that it had been brought to his attention that in certain detention centres in Gaza and the West Bank systematic torture and ill-treatment were alleged to be taking place. Despite the fact that investigations were said to have been conducted in some of these cases, the findings and conclusions of the investigations were never published. Members of the Palestinian Preventive Security Service and the naval police, as well as members of the intelligence service, appeared to have been involved in the reported cases of deaths in custody. In addition, the Special Rapporteur reported that in some cases, even when those responsible for the deaths had been brought to justice, information regarding the circumstances of the persons' deaths had not been made public. He further noted that the PA was reported to have imposed death sentences after proceedings in which the defendants did not fully benefit from the rights and guarantees for a fair trial contained in the pertinent international instruments.

On the other hand, in his survey on the rule of law development in the territories under PA control in 1999, Chinmaya R. Gharekhan, United Nations Special Coordinator in the Occupied Territories, reported that during the past five years, the international effort to provide developmental support to the West Bank and the Gaza Strip had increasingly focused on strengthening the Palestinian legal sector and justice system.

Attention to this sector had come amidst a growing recognition on the part of the international community, as well as Palestinian legal institutions and civil society, of the importance that the rule of law plays in ensuring the sustainability of many other forms of developmental assistance.

Despite the enormous obstacles arrayed against economic and social progress due to the continuing political crisis, the peace process had led to impressive gains in all areas of Palestinian life. However, it would appear that without a genuine peace based on existing United Nations resolutions, future progress will inevitably be limited.