



The Executive Summary of the Palestinian Strategic Report 2008

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Introduction

The Palestinian Strategic Report is issued annually by al-Zaytouna Centre for Studies and Consultations in Beirut, which is an independent think tank that deals with strategic and futuristic studies, with a special focus on Palestinian affairs. The Centre has an advisory body composed of some prominent researchers and consultants.

Edited by Dr. Mohsen Mohammad Saleh, an Associate Professor of Palestinian Studies and the Founding Director of the Centre, the report meticulously enumerates, and analyses the internal and external Palestinian affairs during the year 2008. It studies the internal Palestinian affairs, population and economic indicators, the land and the holy sanctuaries, Palestinian-Arab, -Islamic and -international relations, as well as the internal Israeli scenario, resistance operations and the peace process. The 336-pages-report is an essential academic reference that is based on wide range documents and extensive statistics presented besides text in clear tables and charts.

This report was the outcome of a collective effort, and of the contribution of a group of experts in the Palestinian issue, namely Dr. Ahmad Sa'id Nawfal, Mr. Khalil al-Tafakaji, Mr. AbdulHameed al-Kayyali, Dr. Abdullah al-Ahsan, Dr. Abdullah Najjar, Dr. Imad Jad, Dr. Talal 'Atrisi, Dr. Mohsen Saleh, Dr. Nur al-Dein, and Dr. Walid 'Abd al-Hai. The report was then revised by Dr. Anis al-Sayegh, Mr. Ahmad Khalifeh, Mr. Munir Shafiq, Dr. Basheer Musa Nafi' and Mr. Waleed Muhammad 'Ali.

The Internal Palestinian Scene: Missing Legitimacy and a Lost Compass

The major feature of the internal Palestinian scenario during the year 2008 was the unrelenting and intensifying rift between Hamas and Fatah and accordingly between the government of Gaza and that of West Bank. This split is not merely over power, it reflects a profound political dispute and a divergence on national plans. Noticeably, the Palestinian rivals have not agreed yet on essential issues related to resistance and permanent settlement, and to the recognition of the Israeli state and its right of existence on the 1948 borders. It may take long before the Palestinian factions come to an agreement or one of them decisively succeeds the other.

In the meantime, the caretaker government headed by Salam Fayyad is pursuing authority of the West Bank as ordered by Abbas and safeguarded (probably unwillingly) by Fatah, taking advantage of the Arab and international recognition. Fayyad's government has constantly been complying with Oslo agreements and the Road Map, and it reverted to the security coordination with the Israelis, allowing General Keith Dayton to perform his plan of "constructing and reforming" the Palestinian Authority (PA) Security Agencies in accordance with the Road Map, and with the set requirements of security for establishing a self-governed rule; in an attempt to disable the Palestinians, thus to eliminate resistance; while on the other hand it didn't succeed in



attaining any concession from the Israelis such as in stopping the settlements, land expatriation, Judaization, detentions and assassinations.

In the Gaza Strip, Haniyya's government was facing two bitter options: dying slowly due to the imposed strict siege, or being marginalized and probably eventually paralyzed in case the Oslo agreements and the Road Map were to be carried out and dictate the policy of the strip. During the year 2008, Hamas government was simultaneously preparing militarily to face the expected Israeli offensive and assuming its responsibilities toward the Palestinian people. Hamas does not consider giving away the control of Gaza Strip merely a political procedure; in fact the movement believes that the economic and political siege imposed on the strip is a means to crush the will of the resistance and enforce the Israeli and American conditions on the Palestinians. Hence, by only surviving these harsh circumstances at the time, Hamas government will have succeeded. This predicament of siege and destruction was at the expense of around one and a half millions of Palestinians who live in the strip. Meanwhile, the constant rearmament of Hamas and its relentless determination of fighting the occupation is an evidence of Hamas's persistence and its clutch to the course of resistance it has always adopted.

Despite the destruction and loss resulting from the Israeli war on the Gaza Strip (27/12/2008-18/1/2009), Hamas, its government and the resistance as a whole were bestowed a public and political lift by: the resistance with its perseverance and courage, the support and confidence given to the movement by the public not only inside Palestine and the Arab and Islamic world, but also throughout the whole world, and the failure of the Israeli offensive on Gaza which signifies the conquest of the battle of breaking the will of the Palestinians. This has further created a state of despair among the rivals of Hamas and a feeling of hopelessness towards the possibility of bringing down the movement, and pushed towards inter-Palestinian dialogue for the sake of re-arranging the internal Palestinian scene. However, the dialogue is still faced with several hurdles that don't seem to be resolved in the foreseen future unless the Palestinians primarily show stiff persistence and bear responsibilities of the daily lives and interests of the Palestinian peoples prior to any external pressure or personal or party interest.

On the other hand, the PA "legitimate" bodies were defective and lacking legitimacy with respect to each other, and with respect to external parties; primarily the two governments of Fayyad and Haniyya. By the end of 2008, even the legitimacy of the presidency of Abbas became a quandary; as Hamas considered that his term as a president ended on 8/1/2009. This situation exacerbated the internal Palestinian scene, although Hamas sought to avoid a new stage of intensive clashes in light of the circumstances of the Israeli war on the Gaza Strip, and the consequent breezes of possible national Palestinian reconciliation. Not to mention the Palestinian Liberation Organization (PLO) and its executive and legislative institutions, including the

executive committee, national council, and central council, whose legal terms have ended since around ten years ago. These bodies no more represent or even relate to the current Palestinian on-ground situation and forces. This crisis of legitimacy is a clear indicator of the urgent need to rearrange the internal Palestinian order and set this on top of the Palestinian national priorities.

The lack of a “Palestinian compass” with a unified orientation on behalf of the Palestinian national leaders, and the conflict in the agendas and priorities between the authority in Gaza and that in Ramallah, has been detrimental to the Palestinian project, deeming it to revolve uselessly in a nil circle, namely around the Palestinian-Palestinian divisions. Moreover, the astray internal Palestinian scene that continued through 2008 has reflected on the dialogue between Fatah and Hamas. On the operational level, Israeli and American preconditions pre-imposed a ceiling to any Palestinian dialogue that doesn’t bind Hamas to recognize the agreements signed by the PLO and accept the legitimacies that the PLO accepted. Thus it was also an implicit prerequisite to the formation of a national government that would end the imposed siege off the Gaza Strip. Equivalently, the Israelis and Americans became parts of the Palestinian decision making process, even if they were not actually present in the Palestinian dialogue sessions. The core of the problem is associated with how much ready are the Palestinians to stand up and endure the heavy price of their freedom and determination to struggle for their historical and legal rights; Or, if they would alternatively fall to the pressures and give concessions on the basis of a “realistic” reading of the *de facto* situation and balance of power on the ground, trying to save what could be saved.

Therefore, the year 2009 might include additional dialogue sessions, but these will still lack the requirements of success as long as there is no conformity on the core issues of the Palestinian national project, on Palestinian priorities and tracks, and on a unified Palestinian umbrella able to contain together all the factions, and constitutes a reference for them all– this is supposedly the PLO after being reformed and having its institutions reconstructed.

On another hand, Fatah has failed in holding its sixth conference after 19 years of waiting, despite its serious attempts to. The movement is still struggling its internal crisis that it carried on to the next year (2009) and that will persist throughout 2009 due to constant prompting and hurdling factors; unless a “magic wand” blows on earlier considerations and satisfies simultaneously the aspirations of major players and the leading figures in Fatah.

The Israeli-Palestinian Scene

The internal Israeli scene went through major changes during 2008 related to the political hierarchy, after uncovering the financial corruption that pushed Kadima leader



and prime minister Ehud Olmert to resign. The former foreign minister Tsibi Livni was elected to the new vacant position. But the failure of Livni in forming a new coalition government exhorted early legislative elections in early 2009. These elections showed the rise of the right Israeli party (Likud) in conformity with the opinion polls done earlier in 2008. This indicates further stumbling in the peace process, because of the subsequent increase in land settlement projects, Judaizing activities, and pressure exerted on Palestinians.

On the demographic level, official Israeli population statistics indicated that by the end of 2008, the Israeli population had increased to 7 million and 370 thousands, of whom 75.5% (5 millions and 570 thousands) are Jews, and 20.2% (1 million and 490 thousand) are Arabs including the populations of east Jerusalem and Golan heights; 320 thousands (4.3%), did not specify their religion. The total count of Jewish settlers in West Bank was then 500 thousands, including the east of Jerusalem where around 190 thousand Israeli settlers reside.

The Jewish immigration continued to decline, whereas only around 14 thousand immigrated to Israel in 2008, a 30.5% drop from 2007 when the toll of immigrants counted up to 20 thousands. Apparently, the immigration wave will continue to declining in 2009, and the number of emigrants from Israel might exceed that of immigrants to it, especially with the exhaustion of Jewish migration sources abroad, and the increase of economic and security problems in Israel.

On the economic level, the Israeli economy witnessed a 6.3% growth in 2008, with a gross domestic product of 199.5 billion dollars, and a rise in the per capita annual income to reach 27,300 dollars in 2008, after it was 22,800 dollars in 2007. So far, the US remained the top Israeli trading partner, and the Israeli exports to the US increased in 2008 to 20 billion dollars (33% of the total Israeli exports). By the end of 2008, the impact of the worldwide economic crisis was clear in the Israeli economy, namely through the severe decline in the level of exports and tax revenues, as well as the decrease in private consumption levels. The global economic crisis also ended the earlier increase in employment rates, and caused a decline in salaries and an increase in unemployment rates.

On the military level, the Israeli military establishment still struggled through 2008 with the shortcomings of its Lebanon war in 2006. The Winograd committee presented its final commission report in early 2008. The military establishment sought to extract lessons from Lebanon's second war, and subjected its military theoretical views and operational techniques to revision and rehabilitation. Meanwhile, the Israeli army continued the implementation of the "Tefen 2012" five year plan. The Israeli military budget was estimated by 14 billion dollars in 2008; in addition to the groundwork in preparation to possible future wars with Hezbollah, Hamas, or Syria, and its probable involvement in striking the Iranian nuclear project.

The year 2008 was closed with a major Israeli military offensive on Gaza strip, in the operation called “Cast Lead”. The goal of this military operation was to retain part of the deterring potential the Israeli army used to enjoy prior to Lebanon’s 2006 summer war. The “Cast Lead” operation lasted 22 days, killed 1334 Palestinians, of whom 417 are children, 108 women, 120 elderly, and 14 medical staff; and injured 5450 Palestinians, half of them were children. The Palestinian resistance’s heroic ability to survive the Israeli assault, made the last a failure and exposed new breaches within the Israeli military and its performance. This will make the Israelis reconsider heavily any new decision to re-attack the Gaza Strip, and diminish the possibility of observing a similar offensive in 2009, if no given changes in the situation.

Israel has long took advantage of the Palestinian schism in upholding its violations against the Palestinian people. Whereas the Palestinian military operations, mainly carried out by the resistance, have often been defensive in 2008 and the year before, focusing mainly on launching rockets with improved precision and range. But the Gaza Strip witnessed a six-month truce in mid 2008 between Palestinian resistance factions and Israel; but Israel brokered the cease-fire many times, concluding these infringements with its major offensive on the Strip by the end of 2008. And besides the strict besiegement and attacks on the Gaza Strip, the Israeli forces maintained its occupation of the West Bank while reinforcing “security coordination” with the PA in 2008.

The death toll of Palestinians who were killed by the Israeli army’s fire in 2008 amounted to 910 Palestinians, 844 of whom were in the Gaza Strip and 66 in the West Bank and Jerusalem. On the other hand, 31 Israelis were killed in various operations executed by Palestinians, in addition to 13 others during the offensive on the Strip as announced by the Israeli officials until the end of 2008. Noteworthy is that 10 out of the latter 13 were soldiers.

Regarding the Israeli position from the internal Palestinian scene, no changes were essentially observed in the general policies in 2008 from those of 2007. This goes back to the persistence of the circumstances that directed the Israeli policy earlier, most significantly: the resuming and intensifying Palestinian rift, the continued rule of Hamas government in the Gaza Strip, and the stalemate state reached by the negotiation process with the PA, specifically on the issues of final settlement (Jerusalem, refugees, settlements...)

Despite recurring talks on the political settlement in 2008 and the controversy raised on the possibility of George W. Bush achieving his announced vision of declaring a Palestinian state before the end of his second presidency term, the year ended without any new on the settlement track; add to this the rise of the Israeli right-wing parties that are generally against the two state solution.



The Palestinian Issue & the Arab World

The year 2008 was characterized with continued impaired Arab official performance and Arab passiveness in the Palestinian issue on the ground, starting from the inability to break the siege and reopening the crossings of the Gaza Strip; and getting to the inability to pressure Israel to agree on the Arab peace initiative, or halt building settlements; the inability to declare an independent Palestinian state before the end of 2008, as promised by the American president George Bush; and the inability to intervene effectively to end in the internal Palestinian rift. It is without doubt that the inter-Arab relations were affected and effected the internal Palestinian disparity, reflecting on both Arab camps so called the “moderate” and the “rejectionist” camps.

The conclusion of the year 2008 with the Israeli offensive on Gaza strip, exposed the feebleness of the Arab world with its divisions, and its failure in confronting the Israeli military and defending the Palestinians; knowing that some Arab countries minded the American and Israeli interests prior to Arab national security and responsibilities towards Palestine. However, the Arab public has supported resistance, after the later proved its ability to confront with determination and efficiency despite being disadvantaged compared to the Israeli military resources and equipments.

Egypt was the chief actor in the Palestinian issue during 2008 and early 2009. It acted upon dealing with Hamas, Gaza siege and the closing of Rafah and its implications, mediating between Fatah and Hamas, following-up on the peace process track of the PA, as well as the cease fire between Hamas and Israel, and finally with the last Israeli offensive on Gaza. This indicates how concerned Egypt is with the “trouble” of Hamas being its neighboring authority; and consequently leading to Egypt portrayed as a biased player to the side of the PA and Fatah against Hamas. This, in turn, influenced Egypt’s role as a mediator on both fronts: first, between Palestinian factions, especially between Hamas in Gaza and the PA in Ramallah, and second, between Hamas and Israel, in order to reach a truce and a prisoner-exchange deal.

Turning to Jordan, a significant change took place in 2008 when Jordan restored talks with Hamas after nine years of disconnection. Moreover, the year 2008 was closed in harmony between the public and official criticism of the Israeli offensive on Gaza; demonstrations were allowed in Jordan, and support to the Palestinian resistance in the strip was called out loud. At the same time, Jordan managed to continue its support for a political settlement and behave in accordance with the policies of the “moderate” Arab camp towards the Palestinian issue. It criticized the Israeli practices in the West Bank and the Gaza Strip, and the Israeli calls for “the Jordanian option” on both official and public levels.

Syria on the other hand has been the leader of the “rejectionist” camp supporting the resistance, versus the “moderate” camp among the Arab states. This surfaced during the

last Arab summit that was held in Damascus and was boycotted by some Arab states opposing the Syrian position. To this end, Syria has had good relations with Hamas, whose headquarters are in Damascus. Although it considers Hamas closer to its stand than Fatah and the PA, Syria seeks to appear at the same distance from both Fatah and Hamas, especially when it comes to working on ending the rift between the two Palestinian rivals.

In Lebanon, the suffering of Palestinian refugees persists as they are still deprived from many of their civil rights. The issue of permanent settlement is always present in the Lebanese political discussions as a fear that reflects on the Lebanese politicians' way of dealing with the Palestinian refugees issues. The security-dominated perspective when dealing with these issues including the camps and the reconstruction of Naher al-Bared, has negatively influenced the humanitarian conditions of the Palestinian refugees. Although the UNRWA has finished preparing the reconstruction plans, and the donating sides promised to fund, the political decision is still vague and not moving forward. This worries the Palestinians because it indicates that some renown Lebanese parties within the political decision making process, are still forcing to pressure the Palestinians and weaken their presence in Lebanon.

The kingdom of Saudi Arabia has tried to be a neutral player in the Palestinian-Palestinian divisions, and has called for the urgency of reconciliation between Hamas and the PA. Yet, Saudi Arabia continued to be a member of the "moderate" Arab camp, thus it participated with a low-level representation in the Damascus Arab summit, and did not participate at all in the meeting that was held in Doha to support the Gaza Strip. On the other hand, Saudi Arabia has forewarned Israel that refusing or modifying the Arab peace initiative would compel the Arab states to revisit their stances.

As for the issue of normalization between Israel and the Arab states, this issue is still limited to the minimum of the countries that signed peace treaties with Israel like Egypt and Jordan, and other Arab countries that have signed limited trade relations like Mauritania.

It is clear that the Arab system with its current problems is not likely to achieve serious changes with regards to the Palestinian issue during 2009.

The Palestinian Issue and the Muslim World

Generally speaking, the Muslim world positions towards the Palestinian issue in 2008 didn't change from the previous years. Except for stances and statements sympathizing with the Palestinians and criticizing or rejecting the Israeli violations, the reactions towards the Palestinian developments were far less than the expected or needed on both the political and economic level. These states have once again failed in obtaining

effective pressure tools to end the Israeli offensive on the Gaza Strip, the imposed siege, or the internal Palestinian rift.

The Organization of Islamic Conference (OIC) also failed to achieve any significant change in 2008, especially towards lifting the siege or open the Rafah crossing, despite its constant statements sympathizing with the harsh human conditions in the Gaza strip and condemning the Israeli practices. The activity of the Organization of Islamic Conference was too bound, for it is a unity of 56 Muslim countries worldwide with political and economic and ideological differences. Its ability for coherent activity as a united body was notably diminutive.

Turkey has maintained its official and public supporting position. Furthermore, this support has intensified after the Israeli offensive on Gaza Strip by the end of 2008, leading to subsequent tensions in the Israeli-Turkish relations, along with very angry Turkish stances from the Israeli practices. Nonetheless, the Israeli-Turkish relations are still relatively in-shape given the common security, economic and political interests of both. Turkey has continued to be the largest Muslim Israeli trade partner, with Turkish exports and imports to Israel amounting 1.83 and 1.62 billion dollars respectively in 2008; although the policies of the current ruling party in Turkey (AKP – Party of Justice and Development) are moving towards more autonomy, less reliance on Israeli relations, and improved relations with the Arab and Muslim world.

Iran continued its support to Hamas and other resistance factions, with emphasis on the legitimacy of resistance and fighting the occupation, calls to lift the siege imposed on Gaza Strip, and criticism to Egyptian government on the continuous closure of Rafah crossing; that restored the state of extreme tension in the relations between Iran and Egypt. Iranian criticism also reached some other Arab states for “participating” in the siege of Gaza, or for turning a blind eye to the strict siege; the tone of condemnations increased by the end of 2008 when Israel launched its offensive on the strip.

As for Pakistan, no significant developments were observed in 2008 regarding its positions from the Palestinian issue. Pakistan was preoccupied with its troubled domestics, the most significant of which was the resignation of president Musharraf that was viewed by some Israeli columnists as the loss of a real friend of Israel in the Muslim world.

Malaysia and Indonesia continued expressing their support to the Palestinians, but with no observation of a distinguished tangible development in this sense.

Generally speaking, Israel did not succeed in achieving any breakthroughs in the Muslim world during 2008. The Israeli offensive on the Gaza strip has showed the levels of interaction between the Muslim public and the Palestinian issue, through the various organized activities, demonstrations and donation campaigns, that all indicated

the levels of support and centrality of the Palestinian issue in the Muslim world. It also hinted at the potential resources of support that is not yet taken advantage of by the Palestinians to attain their just plight and rights; possibly also because of the Palestinian rift.

The Palestinian Issue & the International Setting

Several factors have pushed the Palestinian issue to lie relatively latent off the international -especially the American- agenda during 2008. The United States was busy with presidential elections and electoral campaigns, in addition to the financial crisis and its implications on the American and global economy; Most of the American foreign efforts were consumed in attempts to save the deteriorating situations of Afghanistan and Iraq. But regardless of these preoccupations, the Bush administration was relatively active in the Palestinian issue in 2008 compared to previous years, trying to achieve a breakthrough in the settlement process, predicting that such an achievement would increase the Republicans' chances of winning the presidential elections. Thus, visits of the former secretary of state, Condoleezza Rice, were more often as it visited the region 8 times in 2008.

The American and international efforts however were diminished by the divided Palestinian scene and the inability of President Abbas and the PA government in Ramallah to respond convincingly on their legitimate or sufficient representation of the Palestinian peoples, or to reach practical agreements that would be convened by all the Palestinians. This made the major international powers reluctant to working with the PA or to push the peace process forward. Moreover, Hamas government in Gaza Strip was able to maintain the cease-fire for six months despite the tight siege imposed on the strip. This decreased the international tension surrounding the Palestinian issue but discouraged the international players, who alternatively gave priority to other affairs while postponing the Palestinian files in hope that Hamas' rule will weaken or end soon.

In contrast, many other factors contributed to restoring the Palestinian issue as a primary international concern, such as when the Palestinians breached Rafah crossing, the prisoner-exchange deal between Israel and Hezbollah, Judaization activities, land seizures and house demolitions, that raised some European criticism from Switzerland; and the major Israeli offensive on the Gaza Strip at the end of 2008, that agitated the whole world.

Obama's victory in the American presidential elections provided an additional indicator on the failure of George W. Bush's Middle East policy. However, it is not apparent that any serious change would take place in the American policy, given the complicated policy-making process in the US, Obama's performance during his first months of presidency, and the specificities of the team he has formed for the Middle East and



Palestinian issue. It doesn't seem that enough pressure will be exerted on Israel for giving the minimum basic demands of Palestinians, although the American discourse sounds more optimistic and understanding in tone, to the Arab and Islamic concerns.

Land & Sanctuaries

The Israeli authorities continued its policy to judaize the city of Jerusalem, but accelerating its practices in 2008, especially in the old city. In this context, the Planning and Building Council of the municipality of Jerusalem has approved a plan for expanding the pray-yard of Jewish women in the Al-Buraq area near Bab Al-Maghariba, and announced several coming projects of building thousands of new Israeli residential settlements in or around the municipal area in Jerusalem. Also announced was another plan aiming at reinforcing the Israeli occupation in East Jerusalem, especially the old city, al-Aqsa mosque, and the holy Islamic and Christian places, putting the latter under an Israeli authority and administration. Yet further, the municipality of Jerusalem spokesman has declared that the municipality will construct 31990 settlement units in Jerusalem, an unprecedented act since 1967, in the context of changing the city demographics to the Jewish advantage.

Excavation projects under al-Aqsa mosque continued as in earlier years to cause fallings and cracking in the old buildings of the city. The excavations have accelerated in 2008. Around mid February 2008, it caused the collapse of the area near the water fountain of Qaytabay, inside the courtyards of al-Aqsa mosque; and major crackings in the houses of Jerusalemites living in the same area. All the Arab ruins, sanctuaries and buildings in the area between Wadi Hilweh neighborhood, south of al-Aqsa mosque, and the western-northern neighbourhood of al-Aqsa mosque, including al-Buraq wall, is now at risk of collapsing down at any moment because of nearby ongoing excavations.

In a further step that targets the Arab presence in Jerusalem, the Israeli government carried out a demographic census and on its basis a new strategy against the Arab population, alongside with the continuous policy of home demolitions used to force the Palestinians out from Jerusalem. To this end, 72 houses were destroyed in the city of Jerusalem during 2008. Moreover, Israeli authorities have launched the biggest ethnic cleansing operation around Jerusalem, which targeted 7500 Bedouins whom the Israeli government wants to force out of the northern, eastern and western hills of Jerusalem.

The Israeli government proceeded with the construction of the apartheid separation wall, completing around 12 km of it during 2008, in addition to the 490 km that were finished earlier. Hitherto, 12.4% of farmers are isolated from their fields and agricultural lands because of the wall, that is around 300 thousand Palestinians in west bank; add to them 10.6%, i.e. 256 thousands of Palestinians, isolated from the West Bank by the western part of the wall. The total area of annexed confiscated lands of the

West Bank due to settlement projects and the apartheid wall has reached 2703 km², that make up around 46% of the West Bank.

At the same time, Israel resumed its policy of constructing settlements. The pace of settlement construction has reportedly increased between January 2008 and May 2008 by 80% compared to the same period in 2007. As well, the number of government contracts for developing settlements has increased by 550%. 3,515 settlement units were established in 2008 increasing the Israeli settlers' population count in the West Bank and East Jerusalem to half a million.

Israel also kept exploiting the water of the West Bank in developing the settlements, regardless of the fact that more than 400 thousand Palestinian are expected to suffer in the coming five years from water shortage, by 80 million cubic meters in drinking water, 20 millions in agriculture, and 30 millions in industry and tourism. This shortage is expected to exacerbate to 280 million cubic meters of water in 2010, pointing at a serious future water crisis for the Palestinians in the Gaza Strip and the West Bank.

The Palestinian Demographic Indicators

The population census conducted by the Palestinian Central Bureau of Statistics (PCBS) reported that the estimated worldwide Palestinian population amounted by the end of 2008 to 10.602 million individuals. 5.5 millions (51.9%) of these live in diasporas, whereas 5.1 millions live in historical Palestine, distributed as 3.878 millions in the West Bank and the Gaza Strip, and 1.215 millions in Israel (lands occupied in 1948).

The Palestinian population living in Jordan by the end of 2008 was estimated by 3.171 millions, i.e. around 29.9% of the Palestinian worldwide population. The majority of the Palestinians in Jordan hold the Jordanian citizenship. 1.733 million Palestinians live in the rest of the Arab world, most of whom reside in neighboring Arab countries like Lebanon, Syria, Egypt and Gulf countries. The total Palestinian population in foreign countries was estimated by 605 thousands, distributed mainly in the US, Latin America, Canada, Britain, and other European Union countries.

A closer look at Palestinian demographic indicators in the West Bank and the Gaza Strip shows that the Palestinians below-15 years of age constitute 44.1% of the total population, while the working age group represents 52.9%, and the elderly merely around 3%; thus the dependency rate is relatively high.

The overall fertility rates in the West Bank and Gaza Strip decreased in the past decade (1997-2007) from 6.04 births per women in 1997 to 4.6 in 2006. However, the rate of natural increase in population is still high, estimated by 3% in 2007.



The average family size in the West Bank and Gaza strip has declined from 6.4 individuals in 1997 to 5.8 in 2007. More specifically, the average family size in the West Bank has dropped from 6.1 in 1997 to 5.5 in 2007, while it dropped in Gaza strip from 6.9 in 1997 to 6.5 in 2007.

The Economic Situation in the West Bank and Gaza Strip

The Palestinian economy in the Gaza Strip and the West Bank continued suffering in 2008 because of the Israeli occupation and the latter's measures and policies aiming at keeping the Palestinian economy dependent on the Israeli economy. A major impediment facing the Palestinian economy is the Israeli control over the border crossings and trade import and export operations, added to the recurrent Israeli targeting of the Palestinian infrastructure.

In the Gaza Strip, no doubt the economic situation was further significantly worsened by the imposed Israeli siege and the major offensive at the end of 2008. The UN Office for Coordination of Humanitarian Affairs (OCHA) noted in a report about the consequences of the siege on the Gaza Strip, that unemployment rates has surged in the second quarter of the 2008 to an unprecedented 49.1% from a 32.3% in 2007. The Popular Committee Against Siege reported on 25/11/2008 that 80% of Gaza citizens live below the poverty line. In this context, the Palestinian Central Bureau of Statistics (PCBS) revealed that the direct economic losses of the Gaza Strip caused by the Israeli offensive are estimated by 1.9 billion dollars in addition to infrastructural losses estimated by 1.2 billion dollars.

Meanwhile, preliminary estimates conducted by the PCBS indicate a 2.3% increase in the fixed value of gross domestic product from 2007 to 2008. This is represented by the increase of gross domestic product from 4.536 billion dollars to 4.640 billion dollars.

The per capita income has slightly decreased by 0.6%, that is from 1,297.9 dollars in 2007 to 1,289.9 dollars in 2008. It seems that the per capita income has set back only in the Gaza strip because of the blockade while it increased in the West Bank, thus neutralizing the average total change for both areas.

The total revenues of the PA during the year 2008 were estimated by 1.57 billion US\$, compared to 1.27 billion dollars in 2007, indicating a 23.3% increase. However, the local revenues did not exceed 562 million dollars of the total value above, of which 273 million dollars were tax revenues and 234 other revenues. Most of the revenues actually come from the clearance revenues derived from Palestinian import and export operations; this value, collected by the Israeli government, has showed a 25.2% increase in 2008 reaching 1.12 billion dollars, from 896 million dollars in 2007.

The total expenditure of the year 2008 was estimated by 2.83 billion dollars, compared to 2.54 billion dollars in 2007, showing an 11.1% increase. Rents and salaries constitute 51.4% (1.45 billion dollars) of 2008 expenditures, compared to 50.5% (1.28 billion dollars) of 2007 expenditures, according to the statistics released by the ministry of finance.

As in 2007, the budget deficit was balanced by external aid to the PA that reached around 1.89 billion dollars in 2008.

In general, none of the problems of the economic situation will improve in 2009 because there is no real change in the Israeli procedures, border control, or siege lifting. Moreover, there is no Israeli will to stop imposing economic pressure as a means to crush the determination and persistence of the Palestinian people and to enforce unfair settlement conditions. Add to this, the unwillingness of the major international powers, especially the US, to exert pressure on Israel to end the Palestinian suffering.

Conclusion

The internal Palestinian divisions and the feebleness of the Arab and Muslim world have inflicted on the course of the Palestinian issue in 2008. With the given circumstances and course of action, no serious changes are expected to occur in 2009. The failure of Bush's policy in the Middle East, the dead end lock that the peace process has reached, the failure of the policies of siege and Israeli occupation in crushing the will of the Palestinians and the resistance, and the outstanding performance of the resistance movements that further mobilized the Arab and Muslim public as well as the international sympathy; all indicate that the region is yet in a state of delivery that might reflect positively on the Palestinian issue in the foreseeable future, if it was considered appropriately and well-employed by the Palestinians. This however should not cause an extreme case of optimism, because the Palestinians and Arabs have always missed many opportunities, on the contrary to their enemies and opponents who were able to employ many circumstances to serve their own interests.