

Executive Summary
of
**The Palestinian
Strategic Report
2009**



Edited by
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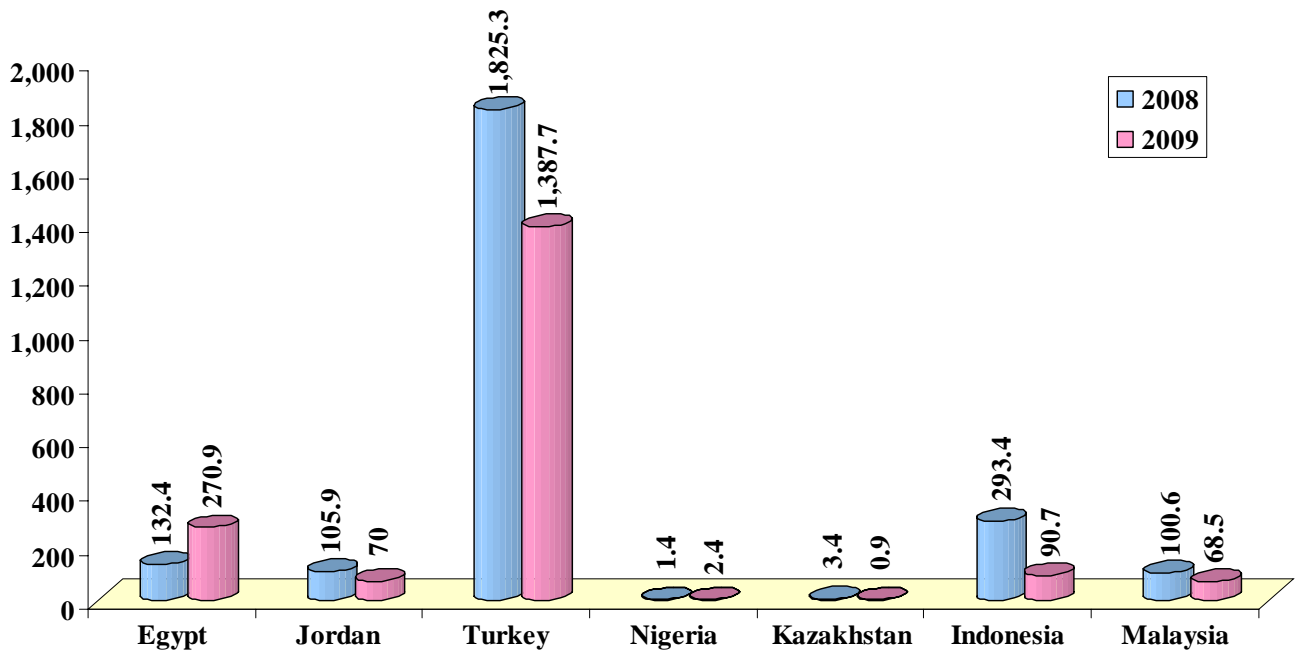
Al-Zaytouna Centre For Studies & Consultations



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Israeli Imports from Some Arab and Islamic Countries 2008-2009 (\$million)



8. No substantial changes in the Arab position towards the Palestinian issue are expected during the course of 2010. For the problems and predicaments that the Arab regime has been exposed to, are expected to continue in 2010, which makes its role far less than its potentials. The special agendas and the local preoccupations of each state are expected to dominate at the expense of the joint Arab effort to serve the Palestinian cause.

Fourth: The Palestinian Issue and the Muslim World

1. The Muslim World had increasingly sympathized and interacted with the Palestinian cause, particularly after the Israeli aggression on GS. The public sectors played a major role in this respect. They organized media and political campaigns in support of the Palestinian rights, and launched an active drive to collect donations for the Palestinians, especially in Turkey, Indonesia, Pakistan and Malaysia, which indicates the centrality of the Palestinian issue in the hearts and minds of the Muslim masses. However, the Palestinian schism has negatively affected the overall Muslim interactions with the cause.

2. The Organization of Islamic Conference (OIC) had not taken any viable action in support of the Palestinian cause. It kept issuing declarations of condemnations of the Israeli aggressions on the Land and the holy sites, and demanding the lift of the siege. Being composed of about 56 states that have different, sometimes contradictory, ideological, political and economic orientations, the OIC is unlikely to find a common ground for a unified action in support of any issue, including the Palestinian cause.
3. The Palestinian Strategic Report 2009 studies the stances of two Muslim countries on the Palestinian issue, namely Turkey and Iran. There has been a profound positive development in the position of Turkey, both at the official and public levels, in the support of the Palestinians, and in the gradual disengagement from Israel. Turkish politicians, particularly Premier Recep Tayyip Erdoğan and President Abdullah Gül, had bitterly criticized the Israeli grave and inhuman atrocities in the Gaza war and their strangling siege of the Palestinian people. Their positions were widely supported by the Turkish masses, particularly that of Erdoğan during The World Economic Forum in Davos, when he ridiculed on 29/1/2009 the Israeli President Shimon Peres and the administration of the forum, and defiantly walked out of the forum venue. The Israeli arm-twisting and impudence back lashed, and the Turks considered such behavior an affront to their national dignity and the secular-oriented military establishment was compelled to criticize the Israeli behavior, and to cancel in protest the scheduled joint military maneuvers with the Israel. With the official blessing of the government, the Turkish public organized extensive campaigns to support the Palestinian cause financially, politically and via the media, which, inter alia, strained the historical relations between Turkey and Israel.

Under the leadership of the Justice and Development Party, Turkey had evidently and increasingly pursued independent policy from that of America and the West, and to seek for itself a greater role in the Arab and Islamic region. The Turkish leadership no longer felt to be in much need for Israel, particularly so after it organized its regional relationship, especially with Syria and Iran. But this disengagement is bound to be gradual because of the deeply rooted military and commercial ties between the two sides, Turkey and Israel. The Israeli exports to Turkey in 2009 had notably decreased to one third of that in 2008, from \$1,610 million to \$1.073 million. Similarly, the Israeli



imports from Turkey decreased during the same period from \$1,825 million to \$1,388 million, i.e., by 24%.

4. Iran continued its usual support, and by various means, to Hamas and the Palestinian resistance. It persistently demanded the lift of the siege on GS and extended financial support to help the needy and pay the salaries of the employees especially in GS. The re-election of Ahmadinejad to the Iranian presidency emphasized and strengthened this trend. However, the internal confusion resulting from the election crisis had triggered some Iranian reformist quarters to focus on the internal affairs, and to water down support to the controversial and heated issues of Palestine and others. Nonetheless, the Iranian support to Hamas and the resistance factions is expected to continue in the short run, though this will ultimately be affected by Iran's economic conditions, or by the extent of its preoccupation with the internal affairs, in addition, of course, to the actual developments in Palestine itself.

Fifth: The Palestinian Issue and the International Situation

1. International diplomacy was unable to achieve in 2009 a breakthrough on the Palestinian issue and the peace track. Similarly, the international community failed to ease the strangling siege imposed on GS, and to meet its undertakings to reconstruct the GS that had been destroyed by the Israeli aggression of late 2008 and early 2009.
2. President Obama took office as the aggression on GS was ending. Right from the beginning, the Middle East was one of his prime concerns, whereby he appointed, only two days after assuming office, George Mitchell as his Special Envoy for Middle East Peace, and issued successive statements on the importance of the Israeli settlement freeze in the WB and the establishment of a Palestinian state. However, since the Americans felt that the Palestinians are more lenient than the Israelis, the new American administration focused its efforts on pressuring the Palestinian side to resume the negotiations with Israel without any prior conditions, except for Netanyahu's announcement of a partial and temporary freeze for ten months that does not include the settlements in East Jerusalem.



The United States has for sometime been in a state of unprecedented weakness compared to previous decades. Nonetheless, it is worth noting that the Palestinian side in particular and the Arab regime in general had “failed” to take advantage of this American weakness to achieve a breakthrough in the Palestinians issue.

3. On the whole, the European stand during the year was inclined to be compatible with that of the USA. Hence were the continuous declarations that demanded the stoppage of the settlement activity and the establishment of a Palestinian state, while European powers stance on Hamas and on the siege of GS has remained unchanged. However, there were discrepancies in the stand of the European countries towards the aggression on GS, and on the decision of the HRC decided to dispatch an urgent independent international fact-finding mission to investigate all violations of international human rights law and international humanitarian law by Israel. Though the European Union (EU) had supported the Security Council resolution 1860 on the cease fire, some European countries took hasty measures to tighten the siege on GS. A week after the declaration of the cease fire, the French frigate *Germinal* started conducting surveillance in international waters off GS, while seven European countries—Germany, France, Italy, United Kingdom (UK), Netherland, Norway and Denmark—were involved with the USA and Canada in the Gaza Counter-Arms Smuggling Initiative (GCASI).
4. As for the Quartet, it maintained its previous positions with regard to the establishment of the Palestinian state, stoppage of the settlement, and the call upon the Arab states to normalize their relations with Israel. Moreover, the Quartet insisted that the legitimacy of any Palestinian movement is dependent on its recognition of Israel and refusal to engage in any dialogue with Hamas.
5. The Chinese, Russian and Japanese position vis-à-vis the Palestinian issue has increasingly become governed by the policies of self-interest, pragmatism and mercantilism. The underlying factors for the Russian and Chinese contacts with Hamas were not very different from those of the Western states, particularly the EU, namely to persuade Hamas movement to join the train of a peaceful settlement.
6. The most prominent activities of the United Nations (UN) during 2009 were the 1860 resolution on the cease fire in GS, and in the consent of the HRC decision to dispatch an urgent independent international fact-finding mission to GS. The report of this



mission—Goldstone Report—accused Israel of violating the international law, and pointed to its committal of “war crimes,” besides lodging, in one way or another, similar accusations against Hamas.

7. Notwithstanding the public support of the international community to the Palestinian cause, it is not expected to be translated in the short run into any effective action. The likelihood is that 2010 will be an extension to previous years, whereby the international effort will focus on “convincing” Israel through dialogue to accept freezing the settlement, partition of Jerusalem and the establishment of a Palestinian state, without, however, implementing practical measures to effectively pressure Israel. Hence, the Israeli side is not expected to change in 2010 its intransigent position and uncompromising strategy.

In return, the international community will continue its attempts to trigger the Arab states towards further normalization with Israel, and to direct their efforts towards other issues such as Iran or the so-called “terrorist” organizations, besides guaranteeing the Arab silence on a possible new Israeli aggression on Lebanon or GS.

We have sufficient evidence to forecast that, for several internal and external factors, the Arab side will be inclined to yield to international pressure, specifically to continue restrictions on the Arab refusal front, including the Palestinian resistance. Thus, the international siege on GS is likely to continue during 2010, unless and until Hamas drastically changes its strategic orientations, even if it signs the Egyptian reconciliation document. Moreover, international and regional pressure will continue on the PA to guarantee its return to the negotiation table with the Israeli side.

Sixth: The Land and the Holy Sites

1. During 2009 the Israeli authorities had actively accelerated their strife of Judaization of Jerusalem and to control *al-Aqsa* Mosque. Within this drive, Jerusalem District Planning and Construction Committee agreed on 7/3/2009 that a new Israeli police station be established near the entrance of the Western Wall tunnels and north of *al-Buraq* Yard (Wailing Yard), which is the fourth of its kind in *al-Aqsa* Mosque and its surroundings. Of late, there were real concerns that the occupation has been harboring plans to divide

al-Aqsa Mosque between the Muslims and the Jews. The occupation forces stormed the mosque eight times, of which two were experimental maneuvers to close the mosque yards with worshipers inside for long hours, and to quickly interfere in case the Muslims close its gates.

An opinion poll conducted in 30/7/2009 by the Jewish newspaper *Yedioth Ahronoth* suggested that 64% of the Israeli public supports the construction of “Solomon's Temple.” Moreover, Jewish extremists, official personalities and the Israeli security forces have increased their storming *al-Aqsa* Mosque, which totaled 43 during the period 21/8/2008–21/8/2009, almost double those of the previous two years, i.e., 21 stormings per year.

During 2009 the Jewish excavations beneath *al-Aqsa* Mosque had also sharply increased to reach 25 sites by August 2009, of which 13 were completed and 12 are in progress.

2. In pursuit of the policy of demolition of houses to expel the Jerusalemites, 82 houses were demolished during 2009; making their total during the last decade (2000-2009) about 662. It should also be noted that, within a plan to expel 1,500 Jerusalemites to provide space to build the ancient “City of David,” eight thousand other houses in Jerusalem were marked for demolition, including hundreds in *al-Bustan* neighborhood of the Jerusalem.
3. The pace of building Jewish settlements in Jerusalem had particularly accelerated since the ultra-rightist Netanyahu assumed the premiership in March 2009. For he approved the construction of more than 19,100 housing units, of which 81% are in Jerusalem's settlements and the rest in the settlements of the WB. In 7/9/2009, Israel held a ceremony inaugurating a new residential neighborhood in E1, east of Jerusalem, and shortly afterwards it actually started the building, despite the objection of the US and the international community to this project during the last decade. The project includes 3,900 new housing units are to be constructed on 12,500 donums of lands that belong to the villages of Tur, 'Isawiya, 'Anata and 'Eizariya to accommodate over 15 thousand Jewish settlers.

The Israeli settlements in the WB totaled 199, including 34 in East Jerusalem, in addition to 232 unauthorized settlement outposts in different parts of the WB. It must be noted that the area of the settlements had sharply increased since the launching of the peace



process in 1993 and until 2009, from 69 km² in 1993 to 1891 km² in 2009, i.e., 1.2% and 3.3% respectively of the total area of the WB.

4. Besides those demolished in Jerusalem, the Israeli occupation forces destroyed 48 Palestinian houses in the West Bank during 2009. Those forces and the settlers had also uprooted, bulldozed and burned 14 thousand productive trees.

In their war on Gaza late 2008 and early 2009, the occupation forces destroyed 5,356 Palestinian buildings and inflicted serious damage on 16 thousand others. This led to the expulsion of tens of thousands of Palestinians from their residences, and the destruction of nearly 57 thousand km² of agricultural lands, which constituted 29% of the total agricultural lands in the GS.

4. Though the occupation army had declared, in 16/9/2009, that it started to remove 100 staffed checkpoints, but those, in fact, had actually remained on the ground. All the Israelis did was re-classifying them into temporary checkpoints. The Israeli barriers of all kinds totaled 617, of which 78 were main checkpoints, 17 temporary checkpoints, 71 observation tower, 113 barrier gates, 155 roadblocks and road gates and 183 earthmounds.

Seventh: The Palestinian Demographic Indicators

1. The Palestinian Central Bureau of Statistics estimated the total number of Palestinians, at the end of 2009, to be around 10.9 million Palestinians; of whom more than half i.e., 5.63 million (51.8%) live in the Diaspora, and the rest (48.2%) are in historical Palestine. The latter are distributed as follows: about 1.25 million in the territories occupied in 1948, about 3.99 million in the territories occupied in 1967, of whom 2.48 million (62.1%) are in the WB and 1.51 million (37.9%) in GS.

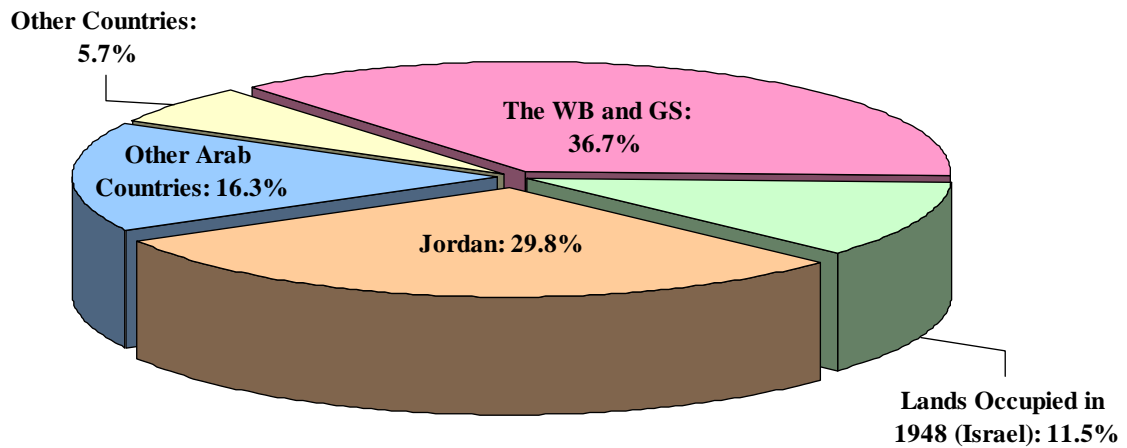
By the end of 2009 the Palestinians in Jordan were estimated to be 3.24 million, i.e., about 29.8% of the total Palestinian population, and 57.4% of the Palestinians in Diaspora, of whom the overwhelming majority carry the Jordanian nationality. The Palestinians in the rest of the Arab countries were estimated to be 1.78 million, i.e., 16.3% of the total Palestinians in the world, who are mainly concentrated in neighboring Arab countries, i.e., Lebanon, Syria, Egypt and the Gulf States. As for the Palestinians in

foreign countries, their number was estimated to be about 618 thousand (about 5.7% of the Palestinians in the world), most of whom live in the USA, Latin America, Canada, UK, and other EU countries.

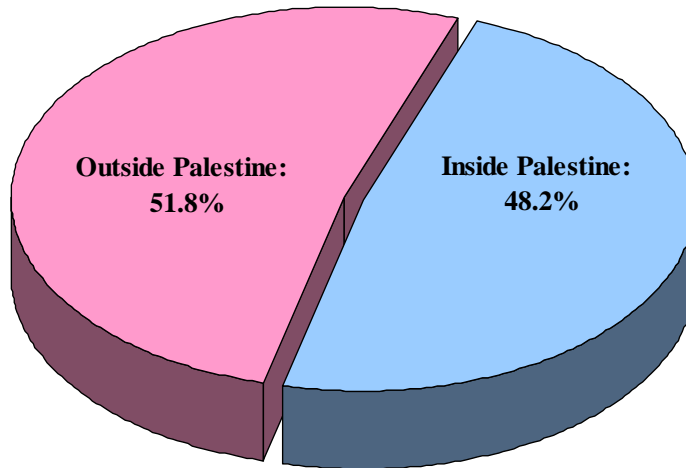
**Palestinian Population Estimate According
to their Place of Residence at the End of the Year 2009**

Place of Residence	Population Estimate (thousands)	% of Palestinian Population
The WB and GS	3,992	36.7
Palestinian Territories Occupied in 1948 (Israel)	1,247	11.5
Jordan	3,240	29.8
Other Arab Countries	1,776	16.3
Other Countries	618	5.7
Total	10,873	100

Palestinian Population Distribution in Percentages According to Their Place of Residence at the End of the Year 2009



**Palestinian Population Distribution in Percentages Inside and Outside Palestine
at the End of the Year 2009**

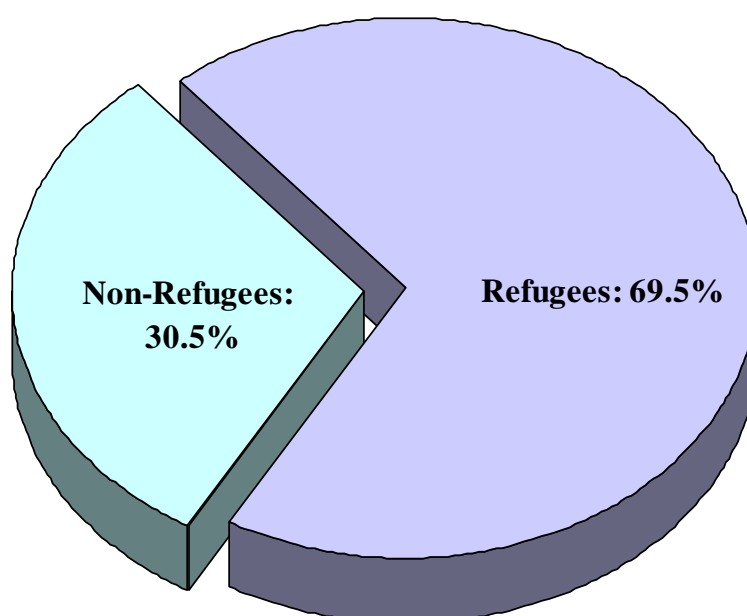


2. The issue of the Palestinian refugees still represents one of the most tragic catastrophes of refuge in modern history. In addition to about 5.63 million Palestinians living in the Diaspora, about 1.78 million Palestinians of the 1948 occupied lands live in the WB and GS, and approximately 140 thousand additional Palestinian refugees living inside Israel, who all in all represents 70% of the Palestinian people. The number of the Palestinian refugees registered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) was by 30/9/2009 estimated by 4.74 million Palestinian refugees. However, many others did not register with this Agency, either because they do not need its services, or because they are not residing in places where it operates, such as the Gulf States, EU and the USA.
3. As for the Palestinian demographic indicators in the WB and the GS, statistics indicate that at the end of 2009, 41.5% of the population is less than 15 years of age; this was not the same in both territories, where in the WB it is 39.7% and in GS 44.6%. The elderly (above 65 years of age) are estimated to be 3% of the WB and GS population; 3.4% of the WB population and 2.4% of the GS population.
The average natural population growth in the WB and GS has decreased from 3% in 2007 to 2.9% in 2009. Similarly, there is a decrease in the total fertility rate from 6 births per woman in 1997 to 4.6 births in 2007. Despite all mentioned, these numbers are still considered high if compared with other countries.

Estimates of Palestinian Refugees and Non-Refugees 2009

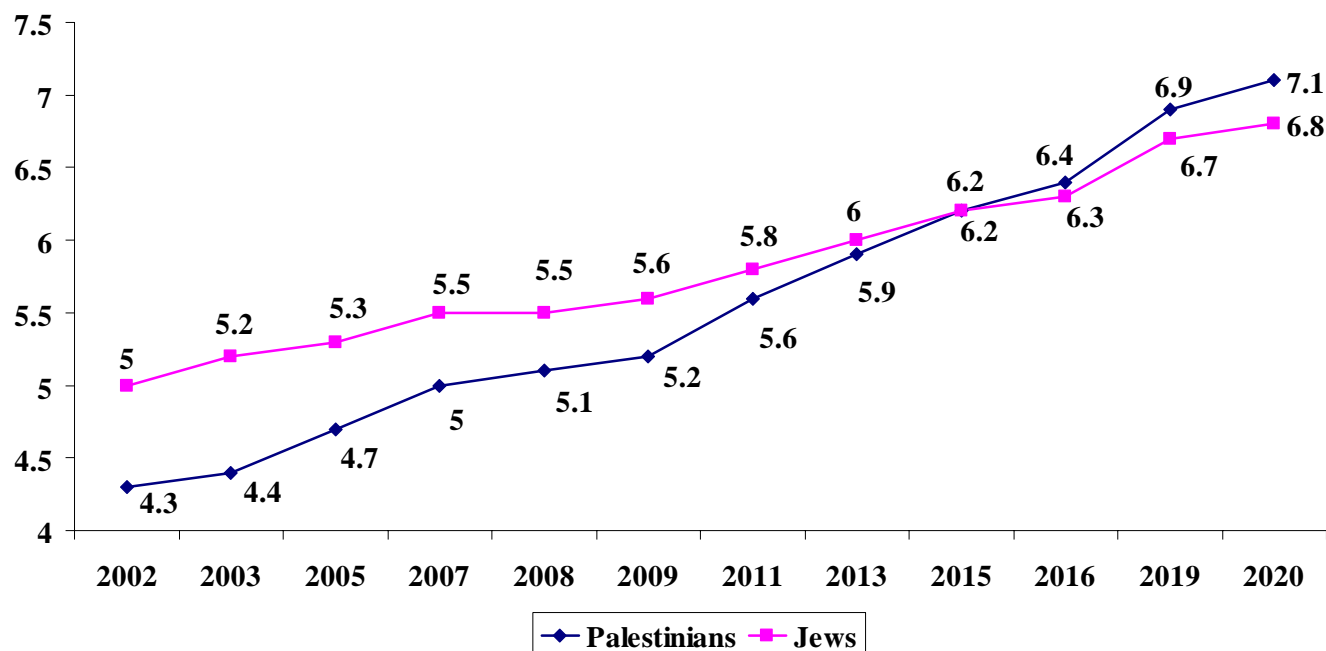
	No. of (millions)	% percentage
Refugees	7.550	69.5
Non-Refugees	3.32	30.5
Total Palestinian Population	10.87	100

Estimates of Palestinian Refugees and Non-Refugees 2009



4. If the present rate of population growth is maintained, the numbers of Palestinians and Jews in historical Palestine will be the same by the end of 2015; each group will be approximately 6.2 millions. By 2020, the percentage of the Jews in Palestine is expected to be 48.8% only, about 6.8 million Jews, compared to the forecasted 7.1 million Palestinians.

**Estimates of Palestinians and Jews in Historical Palestine—Selected Years
(in millions)**



Eighth: The Economic Situation in the WB and GS

1. The Palestinian economy in the WB and GS still suffers from the cruel policies and practices of the Israeli occupation, through which it strives to place this economy under its direct grip in order to continue enjoying various privileges and gains that result from these practices. This well planned exploitation has been attained through the almost total isolation of the Palestinian economy from the outside world, both at the Arab and international levels, except, however, for some extremely limited transactions. Hence, the one and only one option left for the Palestinian economy was to be directly and slavishly dependent on the Israeli economy. During the last years, for example, about 80% of the PA's imports came from Israel, while two thirds of its exports were sent to the Israel.

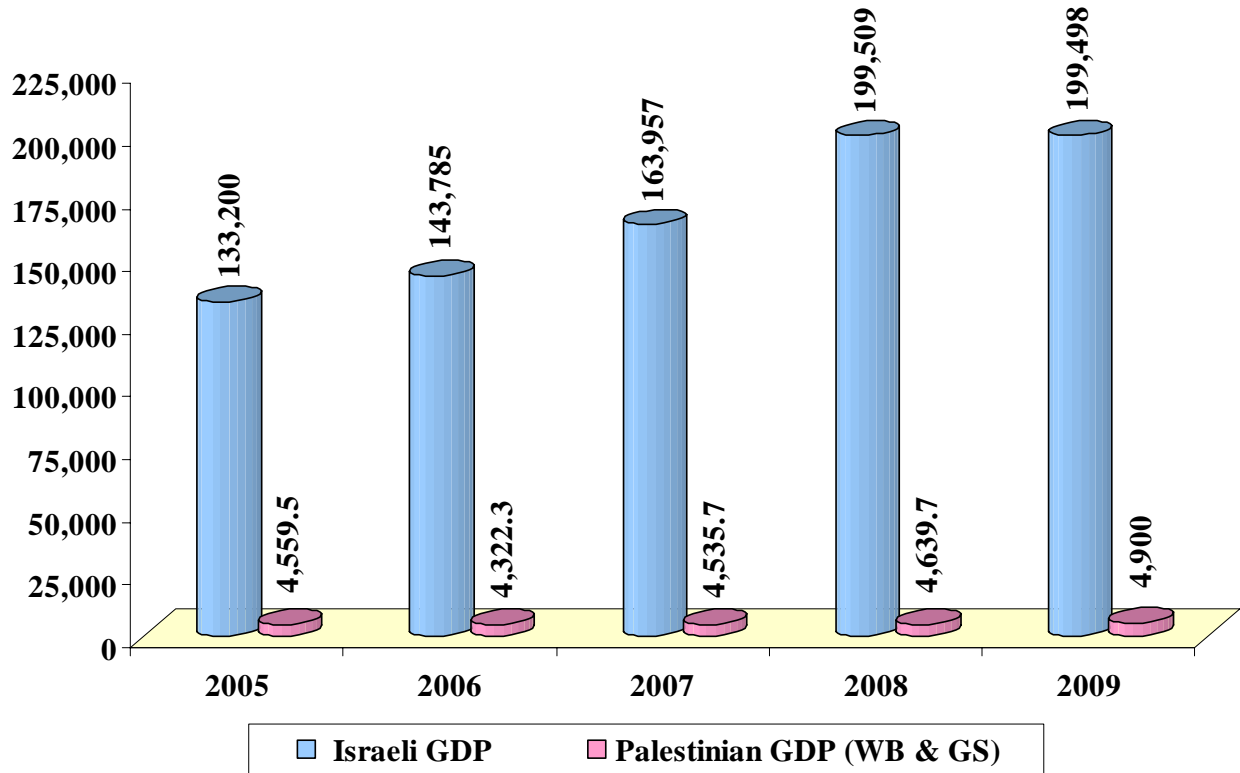
Moreover, the Palestinian economy continues to suffer from the closure of the crossings, the siege imposed on GS for more than two years, and from the socio-political and economic separation of the GS from the WB on one hand, and GS from the outside world

on the other hand. This led to gigantic negative economic impacts, amongst which was contraction of trade, deterioration of living standards, inflation, poverty and rise in the unemployment rate.

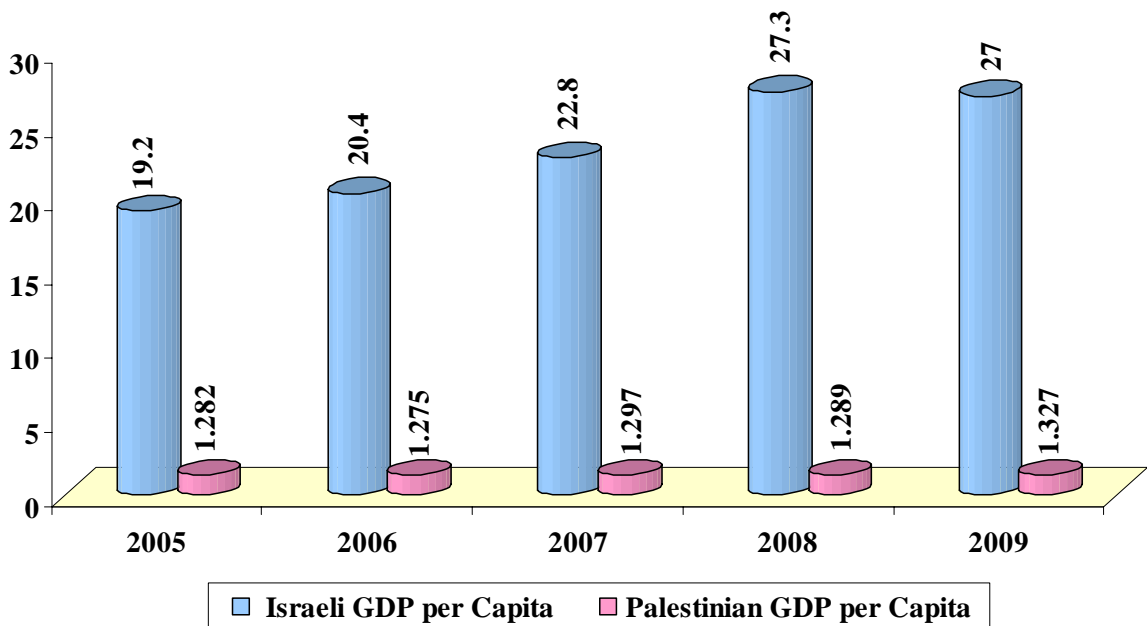
2. The national PA experienced a strangling economic crisis in 2009, due to the failure of the donors to transfer their pledged financial aids which constitutes the PA's most important source of revenue, and on which it depends to run its affairs, including payment of the salaries of government personnel. This deliberate failure was largely because of the alarming developments on the Palestinian scene, and the tendency of the state donors to use these funds as a means of pressure on the Palestinian factions to reach a national reconciliation.
3. The GDP of the WB and the GS grew from approximately \$4.64 billion in 2008 to about \$4.9 billion in 2009, i.e., an increase of 5%. The GDP per capita in 2009 was about \$1,327, compared to \$1,290 in 2008, achieving a growth of 2.9%. Though generally a positive symptom, its association with the continuation of the external funding and high unemployment rates, 26% in 2008 and 24.5% in 2009, does not necessarily indicate a meaningful growth. Notably, the unemployment rate in GS, 42.3%, was more than twice its counterpart in the WB, 17.8%. The two below diagrams on the GDP and GDP per capita reveal the injustice and exploitation that an ordinary Palestinian person suffers under occupation, notwithstanding his exceptional potentials.



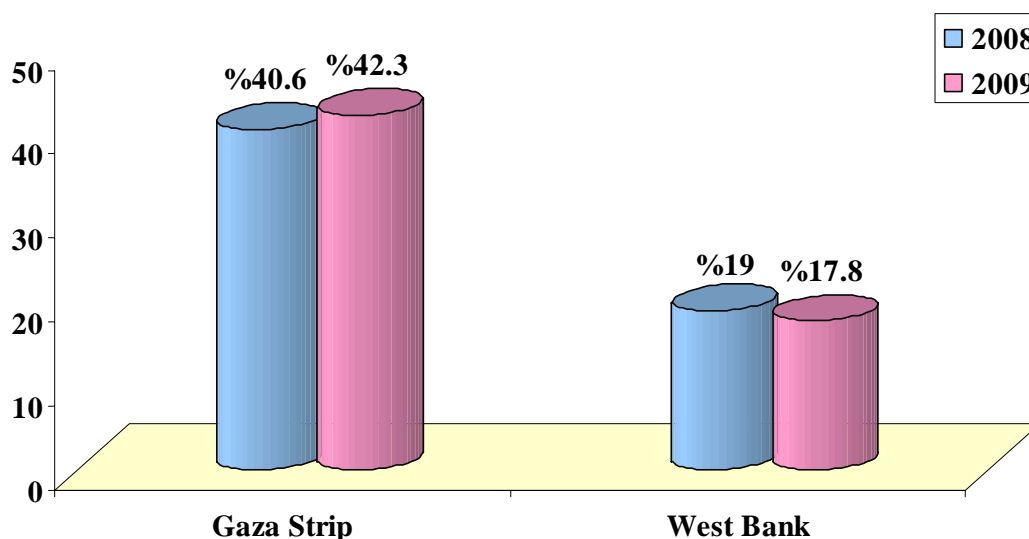
The Israeli GDP vs. the Palestinian GDP 2005-2009 (\$million)



The Israeli GDP per Capita vs. the Palestinian GDP per Capita 2005-2009 (\$thousand)



Unemployment Rates in the WB and GS 2008-2009



4. The total revenues of the PA decreased in 2009 by 22.4% compared to that of 2008, i.e., from about \$1.38 billion in 2009 to \$1.78 billion in 2008. However, domestic revenues didn't exceeded \$417 million, of which \$264 million were tax revenues and \$153 million non-tax revenues, i.e., an alarming decrease of 45% compared to 2008, in which the total domestic revenues were \$759 million. Most of the revenues were from the clearance revenues (resulting from the Palestinian import and export transactions), which has been collected by the Israeli government. However, this source dwindled by 10.9% in 2009, i.e., from \$1.14 million in 2008 to one billion dollars in 2009.
5. The PA's total expenditure in 2009 was \$2.68 billion compared to \$3.27 billion in 2008, a decrease of 18.2%. Wages and salaries in 2009 totaled \$1.32 billion, i.e., 49.4% of the total expenditure, compared to \$1.77 billion in 2008, which represents 54.1% of the 2008 budget. Thus, wages and salaries have decreased by 25.4% from 2008 to 2009. This reveals the drive of the PA to cut down the expenses in order to contain the financial crisis.
6. After including foreign budgetary support, the budget deficit of 2009 totaled \$481 million, while there was a budget surplus of about \$270 million in 2008. A major reason for this decline is the shrinking of donations and foreign aid extended to augment the budget, from \$1.76 billion in 2008 to \$878.6 million in 2009.

Generally, the contribution of the industrial and agricultural sectors in the GDP had declined since 1999. The contribution of the industrial sector in the GDP dropped from 14.5% in 1999 to 13.7% in 2009. Interestingly, during this decade, the industrial sector grew by a small and insignificant rate of just 2.5%, while the contribution of the agricultural sector in the GDP had dropped from 10.4% to just 3.6% respectively in 1999 and 2009.

7. Since a political breakthrough is farfetched, and the Israeli practices that shrink the Palestinian economic performance are expected to continue, it is unlikely that there will be a tangible economic growth, or even a meaningful reform, of the Palestinian economy in the year 2010. This gloomy picture is particularly due to the continuation of the imposed restrictions on the free movement of commodities and individuals in all the Palestinian territories, and the ongoing brutal economic embargo on GS. Thus, at best, the Palestinian economy is likely to remain static without any core change.

Conclusions

During 2009, the tracks of the peace process, resistance, reconciliation and siege have experienced stagnation and impasse, and this status is expected to continue in 2010. Various centers of power seem to bet that time will be on their side, thus they, so to speak, continued to play the game of “mutual finger biting.” Until one of them “yells,” the year 2010 will somehow be obscure and liable for surprises. All parties are to varying degrees suffering from crises, on the Palestinian, Arab, Israeli and international levels. However, these profound obstacles are of a nature that may compel some of these political groups to try to change the equation in their favor if they felt that the sequence of events is adverse to their interests and ambitions.

The possibility of another Israeli war on GS is quite viable, and there are repeated news of an Israeli attack on Hizbullah and strikes against Syria and Iran. Israel employs war as a vehicle of political blackmailing, or as a means of deterrence. But it could gamble by launching a war, particularly on what it considers the “weak circle,” i.e., GS, if it becomes ready for this, and have prepared “the theatre of operations” or the local, regional and international environment for such an aggression. But the region may be dragged into war in case of sudden embarrassing

developments, such as a quality strike against Israel, Hamas in GS, Hizbullah in Lebanon or Iran; when nobody will be able to control the expected far-reaching reactions.

The environment is not yet conducive for a meaningful Palestinian reconciliation, particularly if it is to be governed by the dictates of the Quartet or by the undertakings given by the PLO to the Israelis and the Americans. A true reconciliation will be farfetched unless and until it is associated with three pre-requisites. First, is to put the Palestinian political system in order and to be based on a genuine national agenda; without any external interference, and according to the priorities of the national concern. Second, any resulting agreement should be comprehensive, deals with all the pending issues and be implemented along parallel lines. Third, a program of confidence building should be implemented on the ground well before the elections e.g., the release of the detainees on both sides, secure all kinds of freedom, reopen the closed institutions and to open the ministries and institutions of the PA and the PLO to all Palestinians in accordance with their qualifications and commitment to the national causes.

The most that the Israelis could offer for the sake of peace is still less than what is acceptable to the most “moderates” among the Palestinians, and there is no visible and real American desire to exercise pressure on Israel. Hence, the project of peace faces a profound and prospective deadlock, which may open the way in future for the eruption of a new resistance drive, increasing awareness that the self-governing Authority has lost its *raison d'être*, or even the demise of the notion of two states and the call for a single state with dual nationalities. Such possible developments will certainly affect the sequence of events in the coming years.

