The Palestinian Strategic Report 2012 – 2013

Edited By

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Chapter Seven

Demographic, Economic and Educational Indicators

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Demographic, Economic and Educational Indicators

Introduction

Doubtless demographic, economic and educational statistics are important indicators regarding the situation of the Palestinian people and its possible future trends. Yet, while examining these figures, it is important to consider the fact that the Palestinian people face exceptional conditions. This is because a part of the Palestinian people is living under the brutal Israeli occupation with all its tools of destruction, suppression, and exploitation, while the other part lives in the Diaspora and exile, suffering the bitterness of homelessness, refuge and denial. Here lies the problem of statistical studies: they do not pinpoint this exceptional situation and the role of the occupation in foiling the productive and creative ability of the Palestinian people, or in disabling institutional structures of the Palestinian state and its institutions. Moreover, some statistics, especially on the demographic level, are only rough figures due to the presence of a large number of Palestinians living abroad in different countries and under diversified political regimes.

This chapter seeks to present, comprehensively and objectively, the Palestinian demographic situation at home and abroad. However, in its study of economic and educational aspects, the chapter focuses on the WB and GS as statistics provided by concerned PA institutions tend to be more accurate than those from other governments.

First: Demographic Indicators

1. The Palestinian Population Worldwide

Palestinians worldwide were estimated at 11.807 million in 2013 compared to around 11.553 million in 2012 and 11.225 million in 2011.[1]

Based on place of residence, Palestinians are categorized into Palestinians living in historic Palestine, which includes the territories occupied in 1948 and 1967, and those in the Diaspora. On one hand, Palestinians in historic Palestine are estimated at 5.916 million forming half the Palestinians worldwide. 4.485 million Palestinians, amounting to 38% of Palestinians worldwide, live in territories occupied in 1967, while 1.43 million Palestinians live in territories occupied in 1948 (Israel), forming around 12.1% of Palestinians worldwide (see table 1/7).

On the other hand, Palestinians in the Diaspora are estimated to number 5.891 million, amounting to half the Palestinians worldwide. These Palestinians are mostly concentrated in neighboring Arab countries, especially Jordan, which was home to around 3.535 million Palestinians at the end of 2013, 29.9% of Palestinians worldwide. Palestinians in other Arab countries are estimated at 1.691 million, thus forming 14.3% of Palestinians worldwide, and they are mostly present in neighboring Arab countries including Lebanon, Syria, Egypt and the Gulf countries. Palestinians in foreign countries total an estimated 665 thousands, 5.6% of Palestinians worldwide (see table 1/7).

At the end of 2012, Palestinians worldwide were estimated to number 11.553 million, of whom 4.357 million were living in the WB and GS, in addition to around 1.398 million Palestinians in territories occupied in 1948, 3.459 million in Jordan and 1.683 million in other Arab countries. Their number in foreign countries was estimated to be 656 thousands (see table 1/7).

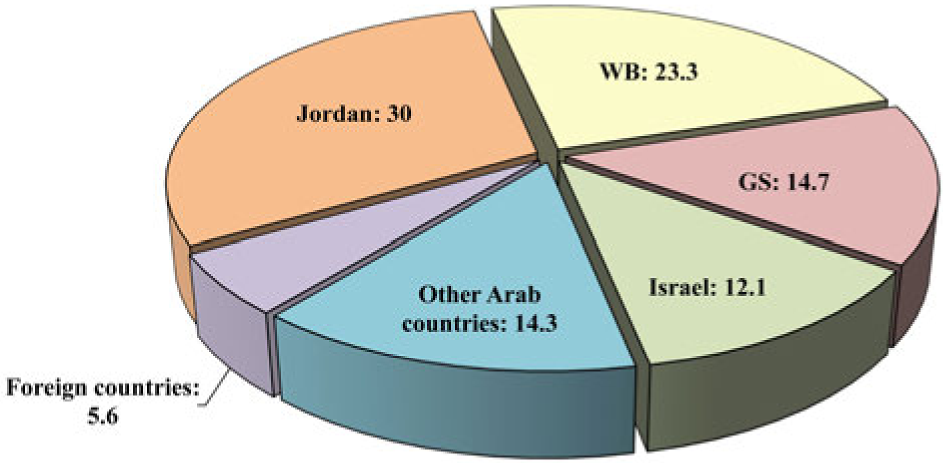
Table 1/7: Palestinian Population Worldwide Estimate According to Place of Residence at the End of 2012 and 2013 (thousands)[2]

Place of residence		2012		2013	
		Population estimate	Percentage (%)	Population estimate	Percentage (%)
Palestinian territories occupied in 1967	WB	2,684.1	23.2	2,754.7	23.3
	GS	1,672.9	14.5	1,730.7	14.7
Palestinian territories occupied in 1948 (Israel)*		1,398.3	12.1	1,430.2	12.1
Jordan**		3,459.1	29.9	3,535.2	30
Other Arab countries		1,682.9	14.6	1,690.6	14.3
Foreign countries		655.5	5.7	665.3	5.6
Total		**11,552.8**	**100**	**11,806.7**	**100**

* For the Palestinian population in the 1948 occupied territories; the number does neither include the Palestinians in the 1967 occupied territories, including Jerusalem, nor does it include Arab Syrians, Lebanese or non-Arab Christians or those classified as "Others." In contrast, Israeli statistics have published figures different from those of the PCBS, as the Israeli CBS estimated the number of Arab Palestinians in 1948 occupied territories at around 1.683 million in 2013. If we deduct the number of citizens in East Jerusalem, that is 308 thousands (based on 2012 statistics) and the number of citizens in the Golan Heights which is about 25 thousands, then the number of 1948 Palestinians totals 1.35 million.

** The number of Palestinians in Jordan was estimated at the end of 2009 to be 3,240,473, based on the 2.2% annual growth rates issued by the Jordanian Department of Statistics (DoS).

Palestinian Population Worldwide Estimate According to Place of Residence at the End of 2013 (%)



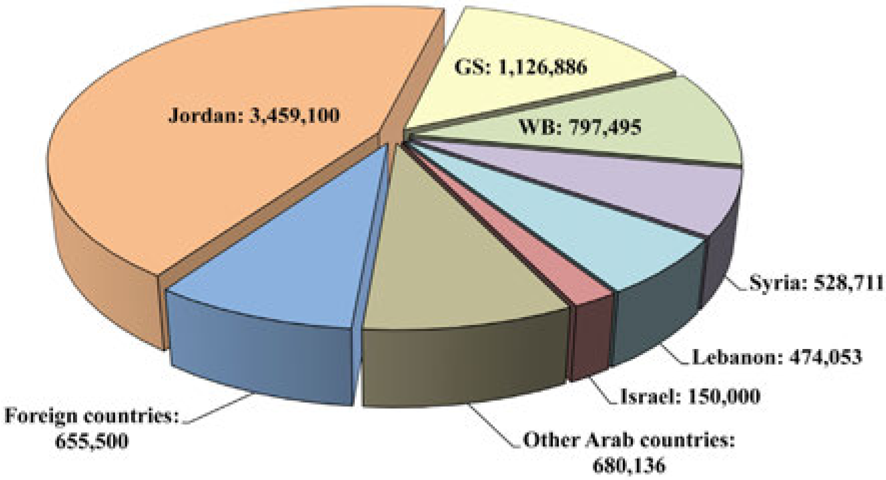
Palestinian refugees are not only those living outside Palestine, but they also include around 1.924 million refugees in Palestinian territories occupied in 1967, in addition to 150 thousand refugees expelled from their lands but still living in the territories occupied in 1948 (Israel). According to 2012 estimates, the number of Palestinian refugees is 7.872 million amounting to 68.1% of the total Palestinian population. There is a lack of reliability in calculating some figures due to changes of country of residence or citizenship, but this will be of marginal impact due to the large overall number of Palestinian refugees.

Table 2/7: Palestinian Refugees Worldwide; Population Estimates in 2012[3]

Country	WB	GS	Palestinian territories occupied in 1948 (Israel)*	Jordan	Lebanon	Syria	Other Arab countries	Foreign countries	Total
Population estimate	797,495	1,126,886	150,000	3,459,100	474,053	528,711	680,136	655,500	**7,871,881**

* Estimated number.

Palestinian Refugees Worldwide; Population Estimates in 2012



2. The Demographic Characteristics of Palestinians

a. The WB and GS

The number of Palestinians in the WB and GS at the end of 2013 was estimated at 4.485 million of whom 2.755 million lived in the WB (61.4%) and 1.731 million in the GS (38.6%).

Estimates for 2013 show that 44.2% of Palestinians in the WB and GS are refugees descending from the territories occupied in 1948 and estimated to total 1.984 million refugees. Around 818 thousand refugees were found to be living in the WB, thus constituting 29.7% of total WB Palestinians, while in GS their number reached 1.166 million refugees, 67.4% of the total Gazan population.

Table 3/7: Palestinian Total and Refugee Population in the WB and GS 2012–2013[4]

Year	Place of residence	Total population		Refugee population	
		Estimate	Percentage (%)	Estimate	Percentage (%)
2012	WB	2,684,066	61.6	797,495	29.7
	GS	1,672,865	38.4	1,126,886	67.4
	WB & GS	**4,356,931**	**100**	**1,924,381**	**44.2**
2013	WB	2,754,722	61.4	818,489	29.7
	GS	1,730,737	38.6	1,165,870	67.4
	WB & GS	**4,485,459**	**100**	**1,984,359**	**44.2**

The Palestinian community in the WB and GS is considered to be young with those aged under 15 years were estimated at 39.9% of the population by the end of 2013. However, there is stark difference between the WB and GS, as 37.7% of the population in the former is aged under 15 years compared to 43.3% in the latter. Conversely, the elderly (65 years and over) constitute only a small percentage of the total population, estimated at 2.9%, with 3.2% in the WB and 2.4% in the GS (see table 5/7).

Males in the WB and GS were estimated at 2.279 million at the end of 2013 compared to 2.207 million females, with a sex ratio 103.2 males per 100 females. In the WB, there were around 1.399 million males compared to 1.355 million females with a sex ratio 103.3. In the GS, males amounted to 879 thousands compared to 852 thousand females, with a sex ratio of 103.2.[5]

Data show that the dependency rate (number of dependent persons per 100 individuals at work age, 15–64 years) in the WB and GS decreased from 101.3 in 1997 to 74.8 in 2013. However, dependency rate in the WB is lower than that in the GS and it decreased in the former from 94.7 in 1997 to 69.5 in 2013, whereas in the latter it decreased from 114.5 in 1997 to 84.1 in 2013.[6]

Data also show a slight increase in median age (age that divides the population into two numerically equal groups, i.e., half the population is below that age and half above it) in the WB and GS during 1997–2013, where it ranged between 16.4 years in 1997 and 19.3 years in 2013. Comparing WB and GS figures during the same period shows a difference in median age, which increased in the WB from 17.4 years in 1997 to 20.3 years in 2013 and in the GS from 14.8 years in 1997 to 17.9 years in 2013.[7]

Demographic estimates also show that the Crude Birth Rate (CBR) in the WB and GS will decrease from 32.6 births per thousand population in 2013 to 31.9 births in 2015. In 2013, CBR in the WB was estimated at 29.7 births compared to 37.1 in the GS.[8]

Available data shows that the Crude Death Rate (CDR) in the WB and GS is relatively low when compared to the rates in other Arab countries. CDR is also expected to decrease in the WB and GS from 3.8 deaths per thousand population in 2013 to 3.6 deaths in 2015. In addition, a slight difference is noticed when comparing CDR in the WB and GS. Thus, while CDR is expected to decrease from 4 deaths per thousand population in 2013 to 3.8 deaths in 2015 in the WB, it is expected to decrease from 3.7 deaths per thousand population in 2013 to 3.5 deaths in 2015 in the GS. This shows an improvement in the quality of life and access to medical care in addition to improved health awareness and development of health services.[9]

The natural population growth rate (the difference between the birth and death rates) in the WB and GS amounted to 2.9% in 2013 with 2.6% in the WB and 3.4% in the GS. Growth rates are expected to maintain the same level for the coming four years (2014–2017). This is so because the continued improvement in health levels, the decrease in the mortality rate, and the high fertility rates will lead to an increase in the natural population growth rate, which would necessitate suitable economic and social policies to accommodate the expected increase. Fertility in the WB and GS is considered high compared to fertility rates in other countries given early marriage, especially for females, and the desire to have children as part of the customs and traditions prevailing in Palestinian society.[10]

There are indicators that the fertility rate of Palestinian women has decreased, especially since the 1990s. Based on the results of the Palestinian household survey in 2010, there has been a decrease in the total fertility rate in the WB and GS where there were 4.4 births per woman over 2008–2009 compared to 6 in 1997. Comparing WB with GS shows an increased fertility rate in the GS compared to the WB during 1997–2009; where in the WB there were 4 births per woman over 2008–2009 compared to 5.6 births in 1997, while in GS there were 5.2 births per woman over 2008–2009 compared to 6.9 in 1997.[11]

Total fertility rate is noted to be high in the WB and GS, where it amounted to 4.2 births per woman in 2010 (3.8 births in the WB and 4.9 births in the GS) compared to Arab countries. In 2012, the fertility rate in Jordan for example reached 3.5 births per woman compared to 3 births in Egypt and 2.2 births in Tunisia; thus, the WB and GS are considered to have high fertility rate.[12]

Due to the decreased mortality rate in the WB and GS, life expectancy has increased reaching 72.9 years in 2013 (71.5 years for males and 74.4 years for females). However, there was a difference between WB and GS figures where life expectancy in the WB reached 73.3 years in 2013 (71.9 years for males and 74.8 years for females) compared to 72.3 years in the GS (71 years for males and 73.8 years for females). The increase in life expectancy is due in part to improved health level and gradual decrease in mortality rates among infants and children.[13]

Available data for 2012 showed a decline in average household size in the WB and GS compared to 1997 where it decreased from 6.4 persons in 1997 to 5.3 in 2012. In the WB, average household size decreased to 5.1 persons in 2012 compared to 6.1 in 1997 while in the GS it decreased to 6 persons in 2012 compared to 6.9 in 1997.[14]

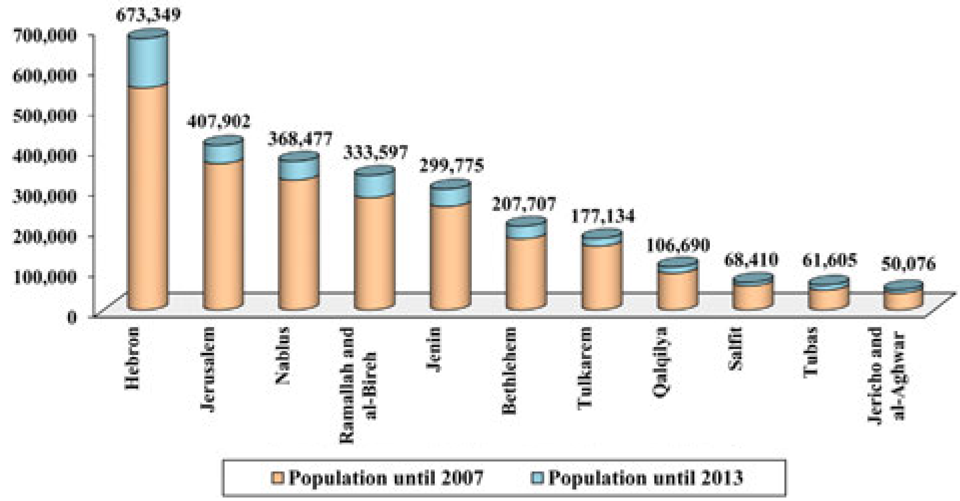
It is noticed that the annual growth rate (2007–2013) is high in all GS governorates compared to the WB. The highest is in North Gaza governorate, then in Rafah followed by Deir al-Balah whereas the highest annual growth rate in the WB is in Tubas and Hebron governorates.

The Palestinian population is distributed into 16 governorates, 5 of which in GS and 11 in the WB. Figures for 2013 show that Hebron is the largest governorate in terms of population, estimated at 15% of total population in the WB and GS, followed by Gaza governorate with 13.3% and Jerusalem governorate with 9.1%. Figures also show that Jericho and al-Aghwar is the least populated governorate with 1.1% of the total population in the WB and GS. The following table shows estimated population count in the WB and GS governorates based on PCBS figures.

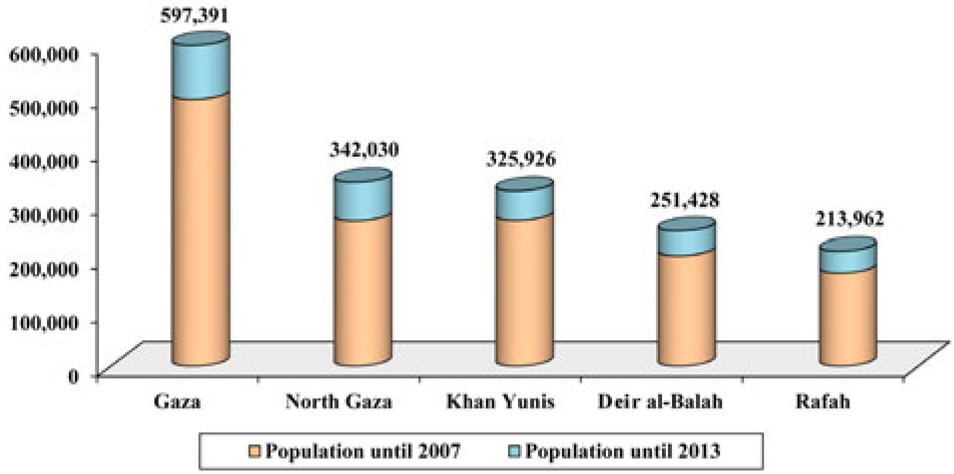
Table 4/7: Estimated Population Count by Governorate, 2007 and 2013[15]

Governorate	2007	2013	Annual growth rate 2007–2013
WB	**2,345,107**	**2,754,722**	**2.7**
Jenin	256,212	299,775	2.7
Tubas	48,771	61,605	4
Tulkarem	158,213	177,134	1.9
Nablus	321,493	368,477	2.3
Qalqilya	91,046	106,690	2.7
Salfit	59,464	68,410	2.4
Ramallah and al–Bireh	278,018	333,597	3.1
Jericho and al–Aghwar	41,724	50,076	3.1
Jerusalem	362,521	407,902	2
Bethlehem	176,515	207,707	2.7
Hebron	551,130	673,349	3.4
GS	**1,416,539**	**1,730,737**	**3.4**
North Gaza	270,245	342,030	4
Gaza	496,410	597,391	3.1
Deir al–Balah	205,534	251,428	3.4
Khan Yunis	270,979	325,926	3.1
Rafah	173,371	213,962	3.6
Total (WB & GS)	**3,761,646**	**4,485,459**	**2.9**

Estimated Population Count in WB Governorates 2013



Estimated Population Count in GS Governorates 2013



b. The Palestinian Territories Occupied in 1948 (Israel)

There were an estimated 1.43 million Palestinians in Israel at the end of 2013 compared to around 1.398 million in 2012, i.e., an increase of 2.3%. Available data regarding Palestinians residing in Israel in 2012 shows that those aged under 15 years totaled 36.1%, while those aged 65 years and over amounted to 4.1%.[16]

Available estimates for 2012 show the total fertility rate for Palestinians residing in Israel at 3.3 births per woman, which is high as compared to the general fertility rate in Israel of 3 births per woman. Available data also show that the average

Palestinian household size in Israel reached 4.8 persons in 2012. Moreover, CBR and CDR were estimated at 24.8 births and 2.8 deaths per thousand respectively, while the infant mortality rate was 6.6 deaths per thousand live births, taking into account that the sex ratio reached 102.2 males per 100 females. However, these figures do not include Arab citizens in the Syrian Golan Heights or citizens in J1 of Jerusalem governorate. They also exclude Lebanese Arabs who moved to live temporarily in Israel. The Israeli authorities consider all these categories within its population and within the Arab population as a whole.[17]

c. Jordan

Palestinians living in Jordan were estimated at 3.535 million at the end of 2013 compared to 3.459 million at the end of 2012 (see table 1/7).

According to data available for 2010, the Palestinian average household size in Jordan was 4.8 persons, while the annual growth rate reached 2.2%. The total fertility rate among Palestinian women in Jordan was 3.3 births per woman, and CBR was 29.2 births per thousand people. The infant mortality rate in Palestinian refugee camps in Jordan was 22.6 deaths per thousand live births, while mortality rate among children aged under 5 years was 25.7 deaths per thousand live births for the same year.[18]

Based on UNRWA figures, the total Registered Persons (RPs) in Jordan was 2,110,114 as of 1/1/2013 compared to 2,047,367 as of 1/1/2012, with a 3.1% annual growth rate. The RPs in Refugee Camps (RPCs) as a percentage of the total RPs was around 18% as of 1/1/2013. It should be noted that according to UNRWA figures, the total RPs in Jordan was 2,133,756 as of 1/7/2013.[19]

d. Syria

According to UNRWA figures, the total RPs in Syria was 528,711 as of 1/1/2013 compared to 510,444 as of 1/1/2012, with 3.6% annual growth rate. The RPCs as a percentage of the total RPs was around 30% as of 1/1/2013. Worthy of mention is that these figures do not include the Palestinians who were displaced to Syria in 1967 and 1970, since most of them are not registered with UNRWA. It should be noted that according to UNRWA figures, the total RPs in Syria was 546,646 on 1/7/2013.[20]

The suffering of Palestinian refugees in Syria has increased as a result of the ongoing crisis there. Although Palestinian refugees and factions generally hold on to a policy of noninterference in internal Syrian issues, their camps haven been turned into arenas for clashes and destruction. Of 540 thousand refugees, around 440 thousand were in urgent need of continuous aid as of early 2014, while around 270 thousand Palestinian refugees had to move to more secure areas within Syria. Around 80 thousand refugees had to leave the country, including to Lebanon, which took around 53 thousand; Jordan, 14 thousand; Egypt, 6 thousand and GS, 860. Other refugees moved to Turkey, Libya and Malaysia among others.[21]

Around 52 thousand Palestinian refugee houses in Syria have been damaged or destroyed. In addition, UNRWA's basic education system has been severely affected, with 18 school buildings transformed into refuge centers, and another 68 were damaged or rendered inaccessible. Moreover, out of 66 thousand Palestinian students, only 47 thousands were enrolled during the academic year. Besides, 13 out of 23 UNRWA primary health centers were shut down. As refugees' conditions deteriorated, UNRWA launched a humanitarian appeal to raise $417 million to meet the basic needs of Palestinian refugees in 2014.[22]

According to the most recent available data regarding Palestinian refugees in Syria, those aged under 15 years amounted to 33.1% of the total, while those aged 65 years and over amounted to 4.4% in 2009. Data shows that in 2010 the Palestinian average household size in Syria was 4.1 persons, while the annual growth rate was 1.6%. The total fertility rate among Palestinian women in Syria reached 2.5 births per woman in 2010, whereas CBR was 29.2 births per thousand population. The infant mortality rate for Palestinians in Syria was 28.2 deaths per thousand live births, while the mortality rate among children aged under 5 years reached 31.5 deaths per thousand live births in 2010.[23]

e. Lebanon

According to UNRWA figures, the total RPs residing in Lebanon was 474,053 as of 1/1/2013 compared to 465,798 as of 1/1/2012, with 1.8% annual growth rate. The RPCs as a percentage of the total RPs was around 50% as of 1/1/2013. It should be noted that according to UNRWA figures, the total RPs in Lebanon was 478,740 as of 1/7/2013.[24]

Available data regarding Palestinians in Lebanon in 2011 show that 31.1% of refugees are under 15 years of age while 6.1% are 65 years and over. The sex ratio was estimated at 98.2 males per 100 females. Data also estimates that unmarried Palestinian females in Lebanon (12 years and over) at 43.7% of the Palestinian population, those married at 52.2%, divorced at 2.3% and widowed at 1.7%.[25]

According to PCBS figures, the average household size was 4.4 persons in 2011, while the fertility rate among Palestinian women in Lebanon reached 2.8 births per woman. Infant mortality rate for Palestinians in Lebanon was 15 deaths per thousand live births, while mortality rate among children aged under 5 years was 17 deaths per thousand live births for the same year.[26]

f. General Comparisons Among Palestinians

Comparing some of the major demographic indicators summarized in table 5/7, the following can be discerned:

- The percentage of Palestinians aged under 15 years is highest in GS and lowest in Lebanon.
- The dependency rate in GS is highest, followed by that of the Palestinian population in Jordan, then Israel and then the WB. Syria and Lebanon see the lowest dependency rate.
- The percentage of Palestinians aged 65 years and over is highest in Lebanon, then Jordan and lowest in GS.
- CBRs are highest in GS and WB, and lowest in Lebanon and Israel, which leads to demographic pressure in the GS in particular.
- CDRs remained high in the WB and GS where it reached 3.8 deaths per thousand in 2013. This is due to the Israeli occupation and its racist policies pursued over decades, especailly killing the Palestinians.
- The natural population growth rate remained the same in the PA territories, yet it remained high in the GS as compared to the WB.

Table 5/7: Selected Demographic Indicators of Palestinians by Residence[27]

Indicator	WB 2013	GS 2013	WB & GS 2013	Israel 2012	Jordan 2010	Syria 2010	Lebanon 2011
% of individuals under 15 years	37.7	43.3	39.9	36.1	35.9 (2007)	33.1 (2009)	31.1
% of individuals 65 years and over	3.2	2.4	2.9	4.1	5.2 (2007)	4.4 (2009)	6.1
Dependency rate (per 100 individuals 15–64 years)	69.5	84.1	74.8	77.9 (2007)	84 (2007)	59.7 (2007)	62.1 (2007)
Sex ratio (males per 100 females)	103.3	103.2	103.2	102.2	–	100.4 (2009)	98.2
CBR (births per 1,000 population)	29.7	37.1	32.6	24.8	29.2	29.2	25.8 (2010)
CDR (deaths per 1,000 population)	4	3.7	3.8	2.8	–	2.8 (2006)	–
Total fertility rate (births per woman)	3.8 (2010)	4.9 (2010)	4.2 (2010)	3.3	3.3	2.5	2.8
Natural population growth rate	2.6	3.4	2.9	2.5 (2010)	2.2	1.6	2.2 (2010)
Average household size (individuals per house)	5.1 (2012)	6 (2012)	5.3 (2012)	4.8	4.8	4.1	4.4

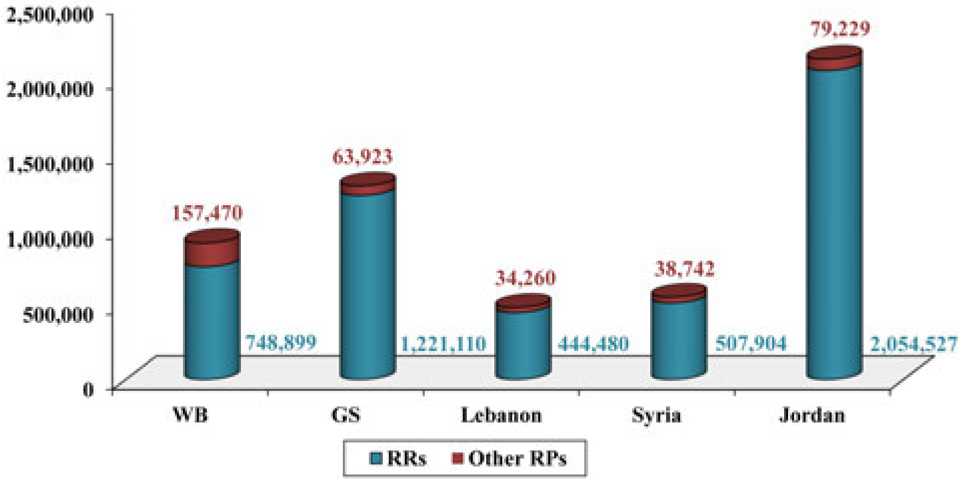
3. The Palestinian Refugees

The UNRWA has recently provided updated statistics regarding the number of refugees in the areas of its operation where recent digitization of UNRWA's registration records enables it "to present more detailed beneficiary statistics." UNRWA classified those registered with it into two categories, labeling them "Registered Refugees (RRs)" and "Other Registered Persons." The latter category includes those eligible to receive the Agency's services according to the UNRWA website. It is likely that these include beneficiaries who do not qualify for UNRWA's definition of the Palestinian refugee, which is a limited definition that does not cover all categories of refugees. The following table shows the number of RRs and the Other RPS according to UNRWA estimates as of 1/7/2013:

Table 6/7: UNRWA's Figures as of 1/7/2013[28]

Region	RRs	Other RPs	Total RPs
WB	748,899	157,470	**906,369**
GS	1,221,110	63,923	**1,285,033**
Lebanon	444,480	34,260	**478,740**
Syria	507,904	38,742	**546,646**
Jordan	2,054,527	79,229	**2,133,756**
Total	**4,976,920**	**373,624**	**5,350,544**

UNRWA's Figures as of 1/7/2013



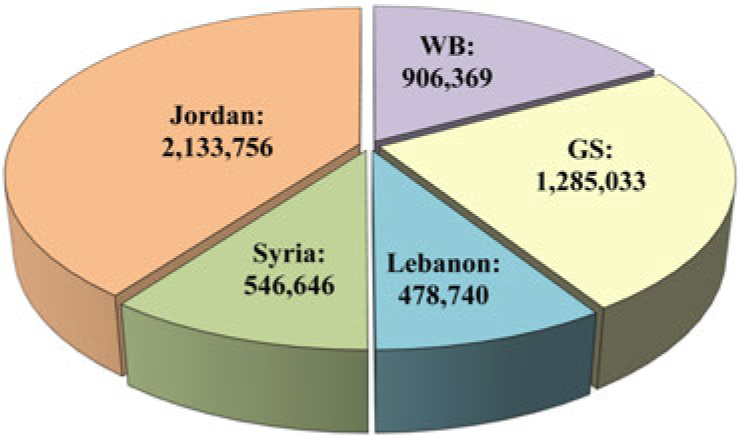
The total RPs in UNRWA's five regions of operation are estimated at 5.351 million as of 1/7/2013, 39.9% of whom live in Jordan, 41% in the Palestinian territories occupied in 1967 (24% in GS and 16.9% in WB) and the other 19.1% in Syria and Lebanon (see table 6/7). The RPCs as a percentage of the total RPs amounted to 29% as of 1/7/2013. It is also noted that the percentage of RPCs in Lebanon and the GS is the highest of all the regions.

It is also noted that the average family size in all areas with a Palestinian presence is slightly decreasing over time; the general average decreased from 4.6 persons per family in 2006 to 4.4 persons in 2010.

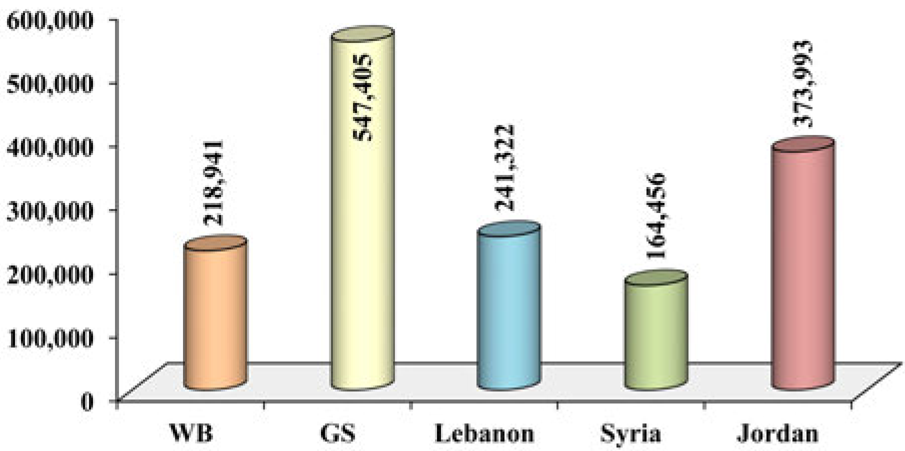
Table 7/7: UNRWA-RPs, Their Births and Families by Region[29]

Region	RPs 1/7/2013	CBR 2010	Average family size 2010	Families 2010	Refugee camps	RPCs 1/7/2013	RPCs as % of RPs 1/7/2013
WB	906,369	29.4	4	44,502	19	218,941	24
GS	1,285,033	31.4	4.5	106,009	8	547,405	43
Lebanon	478,740	25.8	3.9	55,926	12	241,322	50
Syria	546,646	29.2	4.1	35,016	9	164,456	30
Jordan	2,133,756	29.2	4.8	73,025	10	373,993	18
Total	**5,350,544**	**–**	**4.4**	**314,478**	**58**	**1,546,117**	**29**

UNRWA-RPs by Region as of 1/7/2013



UNRWA-RPCs by Region as of 1/7/2013



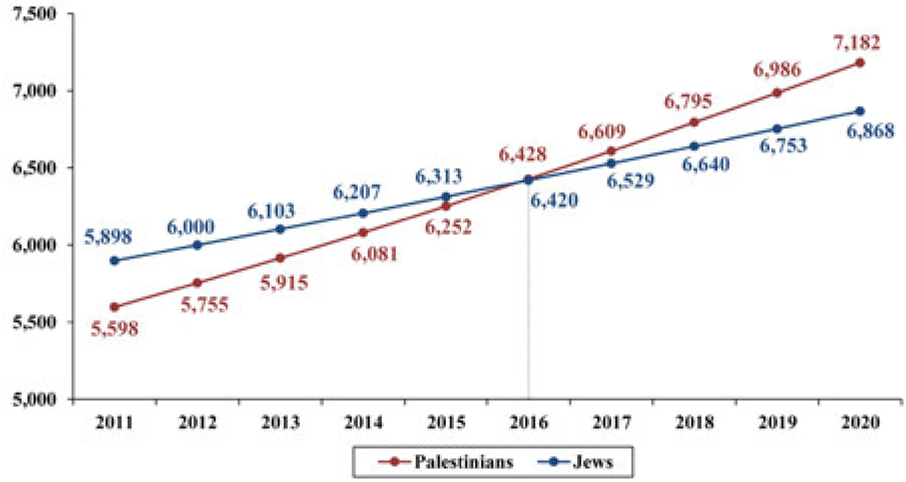
4. Demographic Growth Trends

Despite the relative decrease in the natural growth rate among the Palestinian population, this rate remains high as compared to other populations including the Israelis. Based on PCBS estimates, Palestinians in historic Palestine amounted to around 5.9 million at the end of 2013, while Jews reached 6.1 million according to Israel's CBS estimates. Based on annual growth rates which amount to 2.9% for Palestinians in the WB and GS, 2.5% for Palestinians in territories occupied in 1948 (Israel), and 1.7% for Jews, the number of Palestinians and Jews in historic Palestine will be equal in 2016; where each will count around 6.42 million should growth rates remain unchanged. Jews living in Palestine will comprise 48.9% of the population in 2020, where they will amount to 6.87 million compared to 7.18 million Palestinians.

Table 8/7: Estimated Population Count of Palestinians and Jews in Historic Palestine 2011–2020 (thousands)[30]

Year	Palestinians			Jews
	WB & GS	Palestinian territories occupied in 1948 (Israel)	Historic Palestine	
2011	4,231	1,367	5,598	5,898
2012	4,357	1,398	5,755	6,000
2013	4,485	1,430	5,915	6,103
2014	4,615	1,466	6,081	6,207
2015	4,749	1,503	6,252	6,313
2016	4,887	1,541	6,428	6,420
2017	5,029	1,580	6,609	6,529
2018	5,175	1,620	6,795	6,640
2019	5,325	1,661	6,986	6,753
2020	5,479	1,703	7,182	6,868

Estimated Population Count of Palestinians and Jews in Historic Palestine 2011–2020 (thousands)



Second: Economic Indicators in the WB and GS

Palestinian economic developments in 2012 and 2013 witnessed a sharp transformation in economic development, which decreased in 2012 and then deteriorated more sharply in 2013. Such a deterioration heralded a new stage characterized by slow growth or stagnation that could last for years to come. 2014 growth expectations tend to be mysteriously split among different tracks ranging between optimistic and pessimistic expectations. These trends are based on reasonable assumptions, which make it difficult to predict a specific track in light of shaky conditions regarding Israeli-Palestinian talks, in addition to the suffering in GS as a result of the blockade, the closure and destruction of border tunnels and the crumbling infrastructure. Other factors that make it difficult to predict a definite track include the ongoing process of Judaization in WB, settlement building, the Separation Wall and security checkpoints which restrict the movement of individuals and trade, in addition to stumbled attempts to end inter-Palestinian division.

1. Gross Domestic Product (GDP) in PA Territories (WB and GS)

GDP is considered one of the most important widespread economic indicators, and it reflects the progress of economic growth and development generated by different activities in the society.

a. Average GDP Growth

Based on PCBS data, GDP has increased from $6,797.3 million in 2012 to $6,896.7 million* in 2013, with an annual growth rate of 5.9% and 1.5% for the two years respectively, i.e., an average 3.7%. It should be noted that these figures are calculated at constant prices, where 2004 is the base year. This growth rate is considered low compared to 2011 and the preceding years, except 2006, which witnessed a decrease of 5.2% (see table 9/7).

This level of growth is consistent with the International Monetary Fund (IMF) assessment of economic activity in the WB and GS for 2013, which noted that growth remained weaker than was expected in light of continued public financial stimuli.[31] This economic environment is enhanced by restrictive Israeli measures obstructing productive activities and enterprises, and it remains one of the most important factors for economic deterioration over the two years analyzed.

Growth expectations for the period 2014–2016 are reflected in the general trend line for simple regression analysis, which shows an expected annual growth at 5.4% with sequential gradual decline based on probable future scenarios.

Table 9/7: GDP in PA Territories 2004–2013 at Constant Prices ($ million)[32]

Year	2004	2005	2006	2007	2008
GDP	4,198.4	4,559.5	4,322.3	4,554.1	4,878.3
Average annual growth or deterioration (%)	+12	+8.6	–5.2	+5.4	+7.1

Year	2009	2010	2011	2012*	2013**
GDP	5,239.3	5,724.5	6,421.4	6,797.3	6,896.7
Average annual growth or deterioration (%)	+7.4	+9.3	+12.2	+5.9	+1.5

Note: The data excludes those parts of Jerusalem which were annexed by Israel in 1967. The base year is 2004. This will be applied to all the following tables in this chapter.

* Preliminary estimates.

** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

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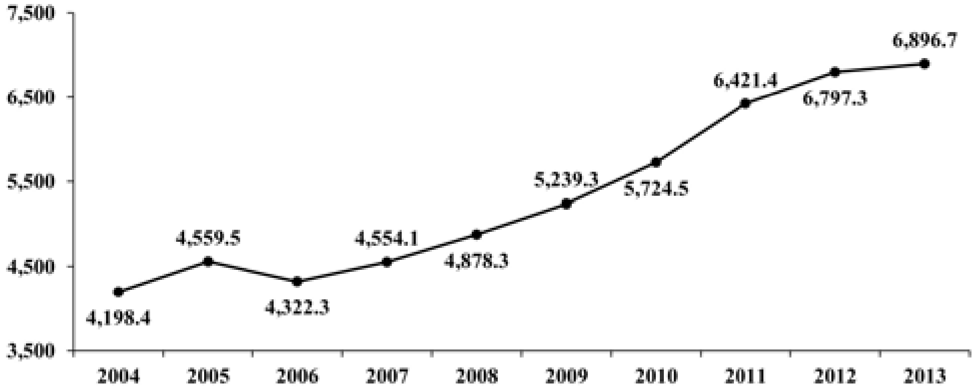
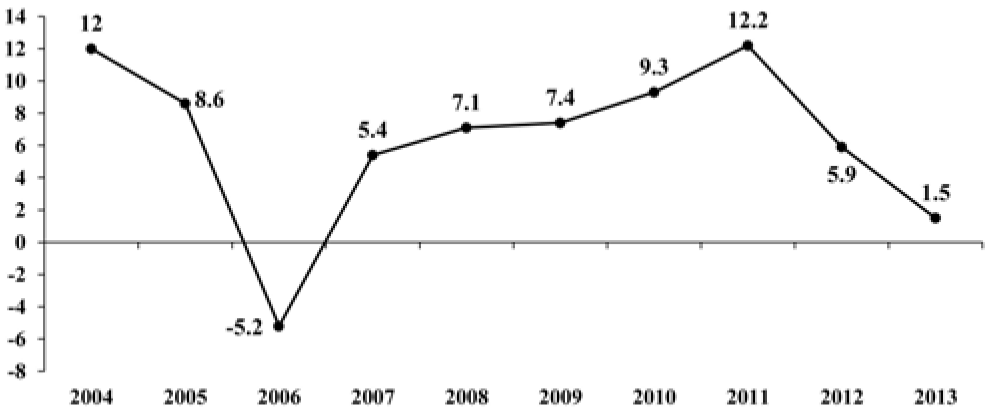
* PCBS preliminary estimates, at constant prices, show that the GDP in PA territories in 2013 was $11,906.9 million, where 2010 is the base year; see PCBS, *Press Report, Preliminary Estimates of Quarterly National Accounts (Fourth Quarter 2013)* (Ramallah: PCBS, March 2014), http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_QNAQ42013E.pdf

GDP in PA Territories 2004–2013 at Constant Prices ($ million)



Average Annual Growth or Deterioration of the GDP in PA Territories 2004–2013 at Constant Prices (%)



b. GDP Growth in the WB and GS

There was significant difference in GDP growth between the WB and GS in 2012 and 2013. In the WB, GDP decreased by 0.4%, while in GS it witnessed an increase of 6.9%, and the end result was a decline in growth average, as mentioned above (see table 11/7).

As for share in GDP by region, the WB share was high with an inclination towards decline while the GS share was low with an inclination towards increase (see table 10/7), taking into consideration that the WB population comprised

61.4% of the total, combined WB and GS population in 2013.[33] This factor, coupled with the large area of the WB compared to the GS and the Israeli's tightening siege on the Strip, explains why the WB's share of GDP is higher than that of the GS.

Table 10/7: GDP in the WB and GS 2008–2013 at Constant Prices ($ million)[34]

Year	WB		GS		WB & GS	
	GDP	Percentage (%)	GDP	Percentage (%)	GDP	Percentage (%)
2008	3,716.7	76.2	1,161.6	23.8	**4,878.3**	**100**
2009	3,979.6	76	1,259.7	24	**5,239.3**	**100**
2010	4,315.4	75.4	1,409.1	24.6	**5,724.5**	**100**
2011	4,764.7	74.2	1,656.7	25.8	**6,421.4**	**100**
2012*	5,030.5	74	1,766.8	26	**6,797.3**	**100**
2013**	5,008.4	72.6	1,888.3	27.4	**6,896.7**	**100**

* Preliminary estimates.

** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

GDP in the WB and GS 2008–2013 at Constant Prices ($ million)

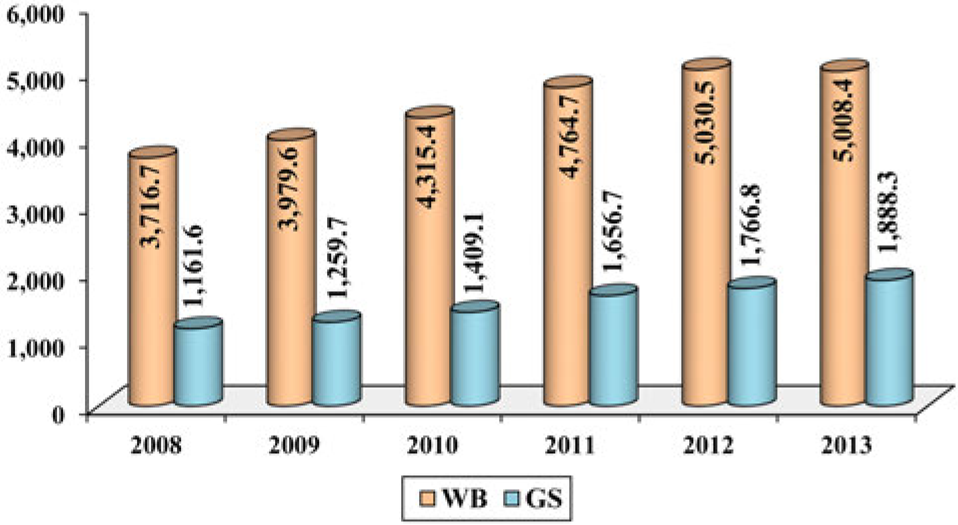


Table 11/7: GDP Growth in the WB and GS 2008–2013 at Constant Prices ($ million)[35]

Year		2008	2009	2010	2011	2012*	2013**
WB	GDP	3,716.7	3,979.6	4,315.4	4,764.7	5,030.5	5,008.4
	Average annual growth or deterioration (%)	+12	+7.1	+8.4	+10.4	+5.6	–0.4
GS	GDP	1,161.6	1,259.7	1,409.1	1,656.7	1,766.8	1,888.3
	Average annual growth or deterioration (%)	–6.1	+8.4	+11.6	+17.6	+6.6	+6.9

* Preliminary estimates.

** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

Despite discrepancy in GDP growth over the past years, Palestinian domestic absorption (domestic demand or total domestic consumption) remained high and constituted 144.2% of GDP in 2012, while the net export of goods and services was negative and it constituted 44.2% of GDP. This reflects the expansion of consumer culture and a lack of a rationalization policy, especially as most citizens are on low incomes and can barely afford to meet their essential needs as well as the danger of transforming the economy of an occupied people to consumer rather than productive economy.[36]

Despite the above, there are promising chances for independence in order to achieve a prominent leap in economic development, especially given that a major part of the Palestinians' economic resources are still either not invested or not under Palestinian control. According to The World Bank report on the future of the Palestinian economy, the total potential value added (direct and indirect) as a result of the alleviation of restrictions on access to, and activity and production in, Area C is likely to have amounted to 35% of Palestinian GDP in 2011, which would contribute to economic independence. Area C is controlled by Israel on the security and administrative levels and it constitutes around 61% of the WB. In other words, the core of the problem of Palestinian economy lies in the Israeli occupation and its subsequent negative implications.[37]

c. GDP in PA Territories and Israel

Israel has great production energy through its goods and services activities. Its laborers enjoy high levels of production. Consequently, Israeli GDP increased, at current prices, from $213.227 billion in 2008 to $291.819 billion in 2013, at a growth estimated at $78.592 billion and a rate of 36.9%. This growth is related to the diversity of civil and military products, and it is reflected on the size and spread of exports. Palestinian GDP was humble compared to that of Israel and it increased, at current prices, from $6.247 billion to around $11.297 billion over the same period; thus representing a limited percentage compared to Israeli GDP. Palestinian GDP covers a limited part of the local market need due to Israeli impediments which have disrupted the process of productive enterprises and hindered exports. In 2013, Israeli GDP was 26 fold (2,583%) more than its Palestinian counterpart. Should internal and external conditions remain intact, future growth expectations predict a continuing growth gap between the two sides, and a relative, limited improvement of the Palestinian economy.

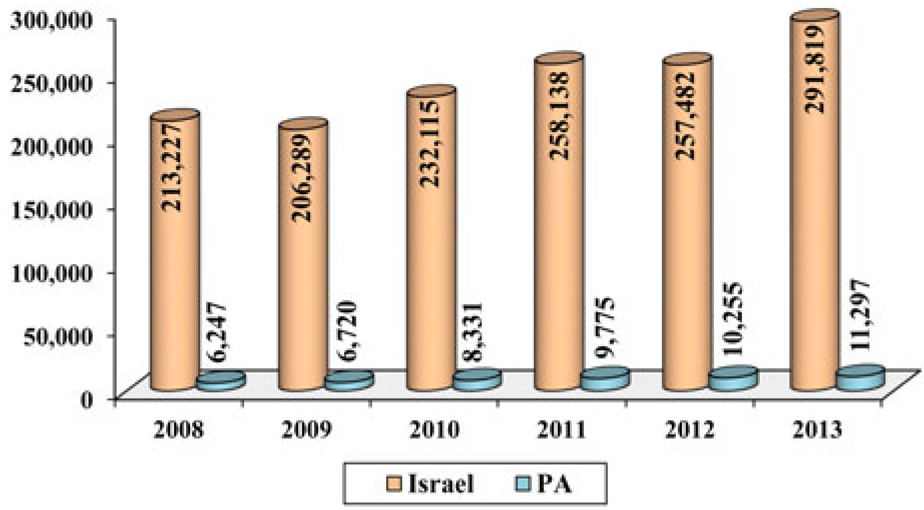
Table 12/7: GDP in PA Territories and Israel 2008–2013 at Current Prices ($ million)[38]

Year	PA	Israel
2008	6,247	213,227
2009	6,720	206,289
2010	8,331	232,115
2011	9,775	258,138
2012	10,255*	257,482
2013	11,297**	291,819

* Preliminary estimates.

** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

GDP in PA Territories and Israel 2008–2013 at Current Prices



2. GDP per Capita in PA Territories

This indicator is important as it can measure the ability of individuals to meet their need for goods and services from one time to another, especially when calculated at constant prices, and then preserve the purchasing power of used currency. The level of this indicator depends on growth rate of real GDP and the rate of population growth.

a. Average Growth of GDP per Capita

Based on PCBS data, GDP per capita amounted to $1,679.3 and $1,660** for 2012 and 2013 respectively, with a growth rate of 2.7% for 2012 and a decrease of 1.1% in 2013, i.e., an average 0.8%. It should be noted that these figures are calculated at constant prices, where 2004 is the base year (see table 13/7).

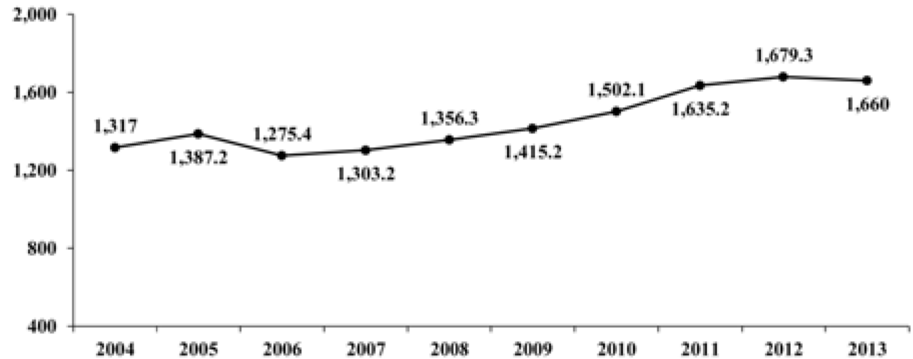
Table 13/7: GDP per Capita in PA Territories 2004–2013 at Constant Prices ($)[39]

Year	2004	2005	2006	2007	2008
GDP per capita	1,317	1,387.2	1,275.4	1,303.2	1,356.3
Average annual growth or deterioration (%)	+7.3	+5.3	–8.1	+2.2	+4.1

Year	2009	2010	2011	2012*	2013**
GDP per capita	1,415.2	1,502.1	1,635.2	1,679.3	1,660
Average annual growth or deterioration (%)	+4.3	+6.1	+8.9	+2.7	–1.1

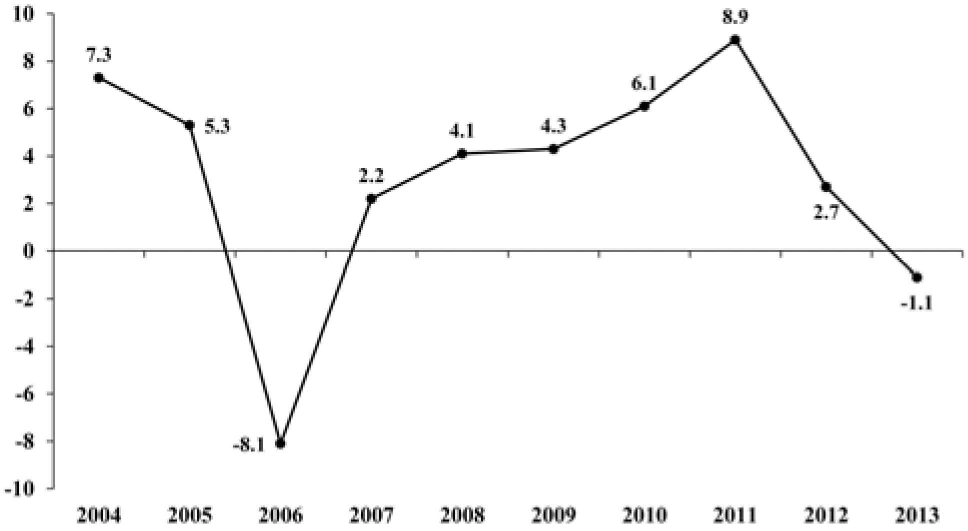
* Preliminary estimates.
** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

GDP per Capita in PA Territories 2004–2013 at Constant Prices ($)



** PCBS preliminary estimates, at constant prices, show that the GDP per capita in PA territories in 2013 was $2,855.1, where 2010 is the base year; see PCBS, *Press Report, Preliminary Estimates of Quarterly National Accounts (Fourth Quarter 2013)*.

Average Annual Growth or Deterioration of the GDP per Capita in PA Territories 2004–2013 at Constant Prices (%)



b. GDP per Capita in the WB and GS

There is a difference in growth of GDP per capita in the WB and GS for 2012 and 2013 as it deteriorated by a two-year average of 0.05% in the WB and 3.35% in the GS. Growth expectations until 2016 show a continued slow growth with more deterioration in the WB than in the GS.

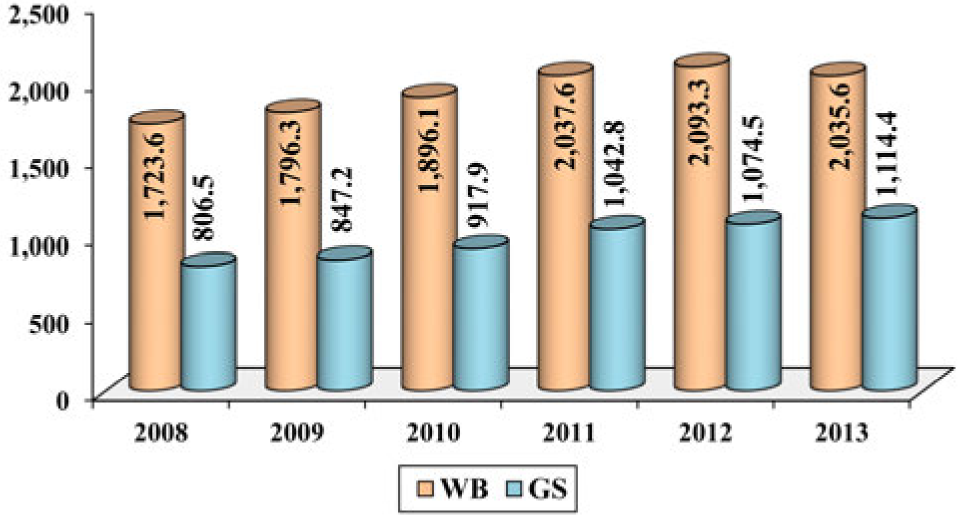
Table 14/7: GDP per Capita in the WB and GS 2008–2013 at Constant Prices ($)[40]

Year		2008	2009	2010	2011	2012*	2013**
WB	GDP per capita	1,723.6	1,796.3	1,896.1	2,037.6	2,093.3	2,035.6
	Average annual growth or deterioration (%)	+9.1	+4.2	+5.6	+7.5	+2.7	–2.8
GS	GDP per capita	806.5	847.2	917.9	1,042.8	1,074.5	1,114.4
	Average annual growth or deterioration (%)	–9	+5	+8.3	+13.6	+3	+3.7

* Preliminary estimates.

** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

GDP per Capita in the WB and GS 2008–2013 at Constant Prices ($)



c. GDP per Capita in PA Territories and Israel

The GDP per capita in PA territories continued to be low compared to its Israeli counterpart, the latter was around 13 folds more than the former in 2012 and 2013. This gap is primarily due to the Israeli occupation and its arbitrary policies which prevent the natural growth of Palestinian economy, leading to a deterioration in the Palestinian GDP level at a time when Palestinians witness higher population rates than the Israeli side, and endure a more difficult work environment under the occupation, which negatively affects wages as well as living standards and saving levels. Ultimately, there is a big gap between the Palestinian and Israeli sides which allows the Israeli individual to enjoy better living conditions than his Palestinian counterpart where living standards remain low.

Palestinian GDP per capita, at current prices, in PA territories reached $2,719 in 2013 compared to $2,534 in 2012 and $2,489 in 2011. Conversely, Israeli GDP per capita, at current prices, amounted to $36,227 in 2013 compared to $32,569 in 2012 and $33,252 in 2011.

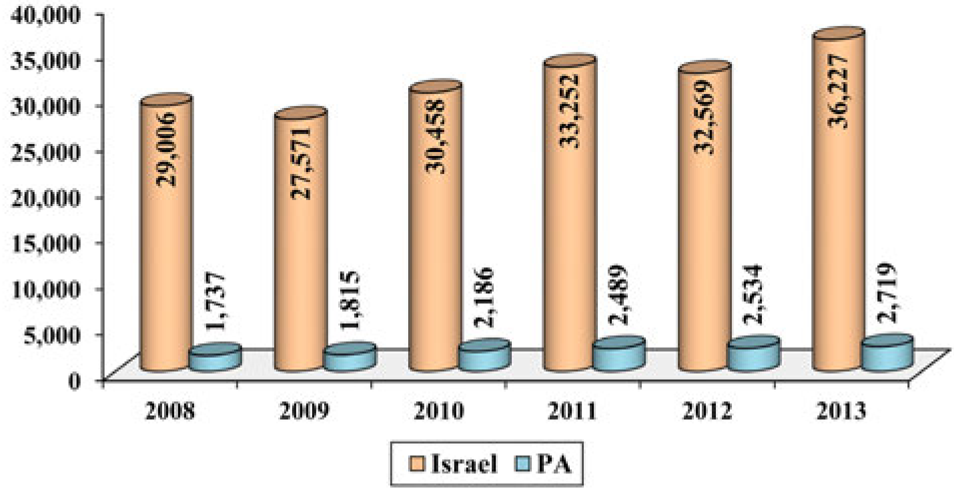
Table 15/7: GDP per Capita in PA Territories and Israel 2008–2013 at Current Prices ($)[41]

Year	PA	Israel
2008	1,737	29,006
2009	1,815	27,571
2010	2,186	30,458
2011	2,489	33,252
2012	2,534*	32,569
2013	2,719**	36,227

* Preliminary estimates.

** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

GDP per Capita in PA Territories and Israel 2008–2013 at Current Prices ($)



3. Public Debt

Public debt is an obligation on the debtor to pay premiums and financial obligations, and it represents a heavy burden on those countries that fail to repay it when it is due. Tracing the size of Palestinian public debt with its domestic (internal) and foreign (external) sources shows that it has increased from $1,557 million in 2008 to $2,376 million in 2013, i.e., an increase over the said period amounting to $819 million and of 52.6% (see table 16/7).

Debt evolution for 2012 and 2013 shows a high growth at 12.2% for the first year then a decrease of 4.3% in the following year, an average of 4%, while debt has remained high from early 2014 and till now (see table 16/7).

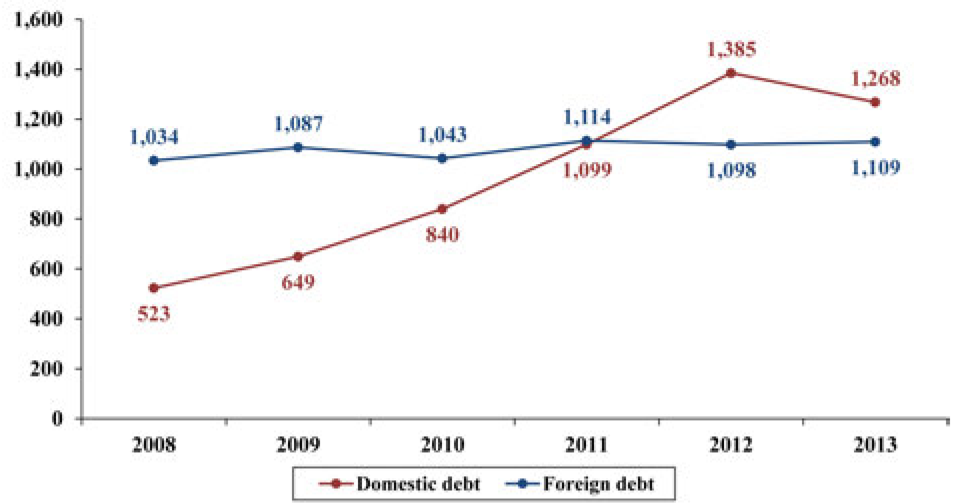
External debts constituted around 66.4% of public debt in 2008 and declined to 46.7% in 2013, while internal debts increased from 33.6% to 53.4% over the same period. This means that the PA has relied more on domestic resources, such as banks and the Energy Authority, due to facilitations and easier loans.[42]

However, internal debt has its dangers on the banking system where credit granted to the government exceeded the ownership equity of all banks, which urged caution when dealing with this phenomenon.[43] It is expected that the public debt for 2015 and 2016 will continue to increase achieving relatively high growth, in addition to the increase of the per capita public debt.

Table 16/7: Public Debt in PA Territories 2008–2013 ($ million)[44]

Year	2008	2009	2010	2011	2012	2013
Domestic debt	523	649	840	1,099	1,385	1,268
Foreign debt	1,034	1,087	1,043	1,114	1,098	1,109
Public debt	**1,557**	**1,736**	**1,883**	**2,213**	**2,483**	**2,376**
Per capita public debt ($)	407	441	465	531	578	530

Public Debt in PA Territories 2008–2013 ($ million)



4. The PA's General Budget (Ramallah)

The PA general budget has triggered controversy due to the continued fiscal deficit, large dependence on donors, and expanded borrowing, in addition to criticism regarding financial excesses and structural imbalance of the general budget, especially inflation of wages and salaries compared to total expenditures.[45] Tracing the PA budget for 2012 and 2013 shows that current and development expenditures have increased at 0.03% and 4.9% respectively, and at an average 2.5% (see table 17/7).

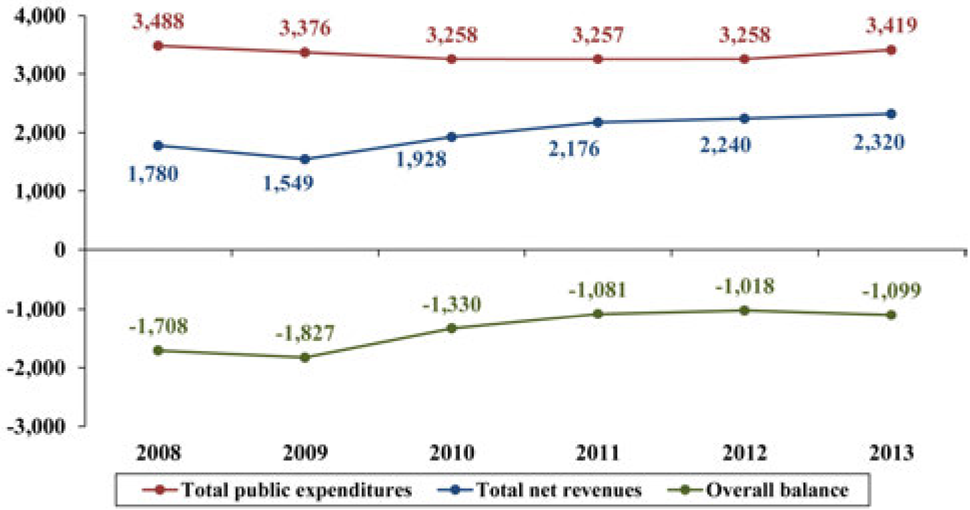
Total net revenues, which include tax and non-tax domestic revenues besides clearance revenues and tax refunds, have achieved different growth estimated at 2.9% and 3.6% for 2012 and 2013 respectively, i.e., an average of 3.3%. This reflects a noticeable improvement in collecting revenues in addition to the fiscal policy, which supports reducing the general budget deficit by increasing revenue. Ultimately, the overall balance decreased at a rate 5.8% and 8% for 2012 and 2013 respectively thus forming relative success for the deficit reduction policy (see table 17/7).

This is consistent with the Palestinian government's pursuit of a fiscal policy according to a stable strategy based on improving tax performance and expanding it, and on the efficiency of debt management.[46]

Table 17/7: Fiscal Operations of the PA (Cash Basis) 2008–2014 ($ million)[47]

Year	2008	2009	2010	2011	2012	2013	2014 Budget
Current expenditures and net lending	3,273	3,190	2,983	2,961	3,047	3,251	3,865
Development expenditures	215	186	275	296	211	168	350
Total public expenditures	**3,488**	**3,376**	**3,258**	**3,257**	**3,258**	**3,419**	**4,215**
Total net revenues	**1,780**	**1,549**	**1,928**	**2,176**	**2,240**	**2,320**	**2,586**
Overall balance (including development expenditures)	**–1,708**	**–1,827**	**–1,330**	**–1,081**	**–1,018**	**–1,099**	**–1,629**

Fiscal Operations of the PA (Cash Basis) 2008–2013 ($ million)



Preparation for the 2014 general budget took place under difficult and complicated conditions in which the treasury suffered a harsh financial crisis regarding the government's ability to meet its entitlements.[48] Thus, the budget depended on a policy of maximizing self-resources aimed at immunizing political decision and enhancing its independence while meeting citizens' needs.[49] The 2014 budget envisages modest further progress in fiscal consolidation but still leaves a sizable financing gap. Wage expenditure is budgeted to rise by nearly 5%. The budget envisages laudable reductions of untargeted fuel subsidies and rationalization of allowances, limits the rise in operating expenditures and transfers, and targets a reduction in net lending.[50]

This budget was presented along with a revenue system strategy for 2013–2016, which included decreasing debts to limit the financing gap. It should be noted here that the newly formed government in Ramallah, which assumed office in June 2013, was able to decrease debts from $4.8 billion to $4.4 billion.[51]

5. General Budget of the GS Caretaker Government

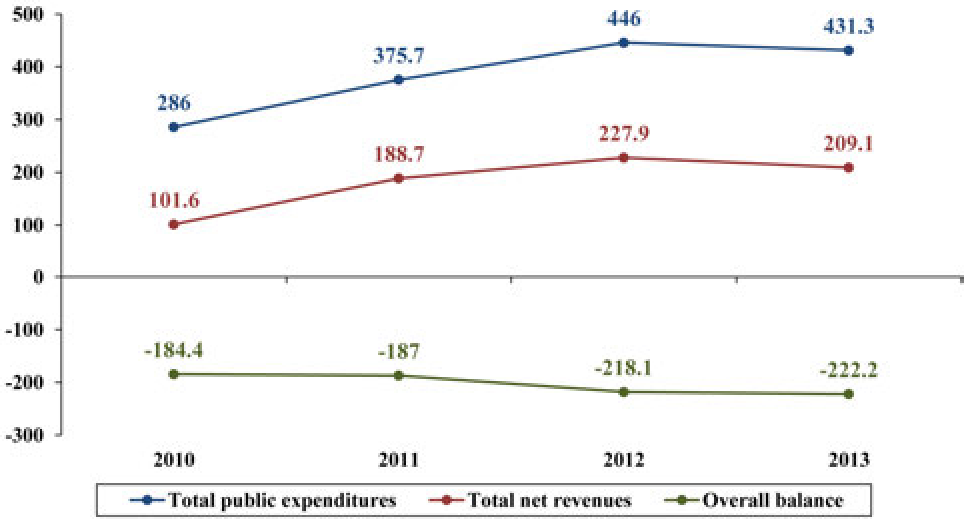
The government in GS pursued certain financial measures following the incidents of June 2007, including the preparation of annual budgets to allow the government to perform its responsibilities and obligations ensuing from the inter-Palestinian division. Thus, the increase in public expenditure was normal in order to meet the government's new obligations.

Tracing the financial situation of the government in GS throughout 2010–2013 shows that public expenditures have assumed an increasing trend with limited deterioration in 2013 due to the developments of the GS blockade. Total net revenues also increased remarkably during 2010–2012, but decreased in 2013 due to Egypt's tightened border restrictions and closure of most tunnels, which are considered the main lifeline for the economy of besieged GS.

Table 18/7: Fiscal Operations of the GS Caretaker Government 2010–2014 ($ million)[52]

Year	2010	2011	2012	2013	2014 Budget
Current expenditures	284.1	366.4	440.4	423.5	698
Capital and development expenditures	1.9	9.3	5.6	7.8	85
Total public expenditures	**286**	**375.7**	**446**	**431.3**	**783**
Tax revenues	43.4	121	148.7	153.1	130
Non–tax revenues	58.2	67.7	79.2	56	65
Total net revenues	**101.6**	**188.7**	**227.9**	**209.1**	**195**
Overall balance	**–184.4**	**–187**	**–218.1**	**–222.2**	**–588**

Fiscal Operations of the GS Caretaker Government 2010–2013 ($ million)



The 2013 budget has focused on the quality of public services in addition to orienting development expenditures towards development projects which stimulate investment and contribute to economic growth, without ignoring aid and relief work to mitigate the harsh conditions of the blockade.[53]

The 2014 budget bill estimated total public expenditures at $894 million,[54] which was then reduced to $783 million,[55] i.e., around 12.4% compared to previous estimates due to the tightened blockade. Conversely, the size of total net revenues was estimated at $195 million, i.e., a big deficit amounting to $588 million (75.1% of the $783 million), which explains the major dependence on foreign sources to cover the deficit. Further, the 2014 budget bill stressed the importance of fiscal policy, which supports public services, including security and public order, given their importance and strategic vitality.[56]

Financial expectations for 2015 and 2016 point to a continued growth in expenditures and revenues, with continued financial deficit, which is connected to fluctuating foreign aid.

6. Work and Unemployment

The labor force is an important economic human resource. It includes those who are actually working in addition to those unemployed and seeking to work. The level of employment is considered an important indicator that shows how much human resources are exploited, by measuring the level of adult participation. On the Palestinian level in the WB and GS, the labor force participation rate increased from 43% in 2011 to 43.6% in 2013,[57] thus reflecting the improved investment in manpower as a productive power. Other human resources not participating in the production process include adult students at different educational levels, non-working housewives, patients and the disabled, among others.

The total Palestinian labor force in the WB and GS reached 1.114 million by the end of 2012. Those actually employed accounted for 858 thousands, 77% of the total Palestinian labor force; while those unemployed amounted to 256 thousands accounting for 23% of total Palestinian labor force. This meant that a major part of the labor force was unemployed and deprived of a source of income necessary to meet their essential needs, which threatened social security and enormous efforts are required to face high and chronic unemployment. Doubtless, Israeli practices have played a major role in creating this situation, especially after *al-Aqsa Intifadah* in September 2000 (see table 19/7).

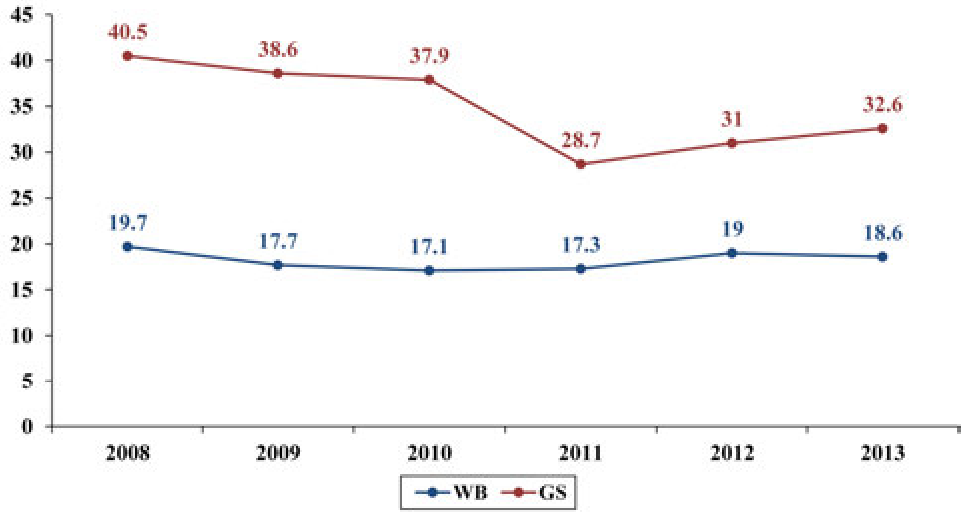
The unemployment rate is lower in the WB than in the GS, 19% in the former compared to 31% in the latter in 2012 (see table 19/7). The difference further increased between age and sex groups, as unemployment tends to be very high among youths, especially fresh graduates, and even higher among females where GS women suffer increased marginalization in the labor market. It is noted that female youths suffer more than other groups despite their high level of education.[58]

Development of the labor force in 2013 produced limited fluctuation in the employment level and continued escalation of unemployment accompanied by the disappointment of those unemployed. The total Palestinian labor force reached 1.155 million including 759 thousands in the WB and 396 thousands in the GS, and with higher participation in the WB amounting to 45% compared to 41.2% in the GS. The unemployment rate in the WB and GS amounted to 23.4% with a stark difference between the WB and GS, which meant a high average of dependency rates among those employed.[59]

Table 19/7: Distribution of Palestinians Aged 15 Years and Above in the WB and GS by Labor Force and Unemployment 2008–2013 (thousands)[60]

Year		2008	2009	2010	2011	2012	2013
WB	Labor force	609	643	665	718	743	759
	Unemployment	120	114	114	124	141	141
	% of unemployment	19.7	17.7	17.1	17.3	19	18.6
GS	Labor force	299	308	311	341	371	396
	Unemployment	121	119	118	98	115	129
	% of unemployment	40.5	38.6	37.9	28.7	31	32.6
WB & GS	Labor force	908	951	976	1,059	1,114	1,155
	Unemployment	241	233	232	222	256	270
	% of unemployment	26.5	24.5	23.8	21	23	23.4

Percentage of Unemployed Palestinians Aged 15 Years and Above in the WB and GS 2008–2013 (%)



Palestinian employment in the Palestinian territories occupied in 1948 (Israel) and East Jerusalem besides WB settlements reached 105 thousand workers at the end of 2013, representing 13.5% of total labor force in the WB. Around 34,300 Palestinians work without Israeli permits while 18,700 Palestinians hold Israeli identity or a foreign passport. This means that around 32.7% of WB laborers working in these territories are threatened with security prosecution and are vulnerable to extortion by employers. As for the GS workers, they are still prevented from working within Israel.[61]

7. Development of Industrial Activity

Industrial activity covers different categories including: mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply, sewerage, waste management and remediation activities. Manufacturing has represented the highest share of industrial activity in 2013 as it constituted 81%, followed by electricity, gas, steam and air conditioning supply at 11.9% then mining and quarrying at 5.8% and at last water supply, sewerage, waste management and remediation activities at 1.2%. Supply of electricity, gas, steam and air conditioning contributed with high percentage in growth in 2013 estimated at 12.7%, which enhanced industrial activity due to steady increase in the demand for electricity supply at the level of consumption and production (see table 20/7).

Tracing the development of industrial activity in 2012 and 2013 shows that industrial GDP amounted to $810.5 million in 2012 constituting 11.9% of total GDP at constant prices, and at a growth rate of 4.8% compared to 2011. It also increased in 2013 to $889.6 million constituting 12.9% of total GDP at constant prices, and at 9.8% growth rate compared to 2012, i.e., at an annual average of 7.3% for the two years; thus achieving stark development after its deterioration in 2009 and 2010.

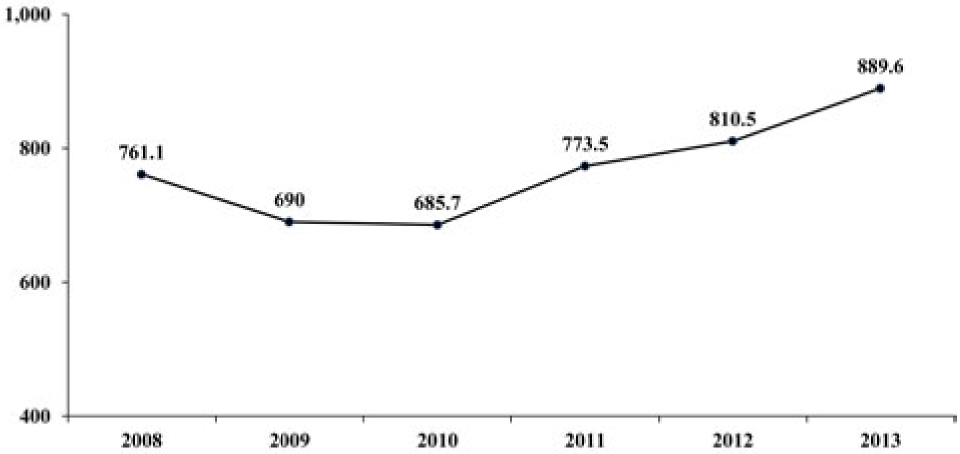
Table 20/7: Industrial GDP in PA Territories 2008–2013 at Constant Prices ($ million)[62]

Year	2008	2009	2010	2011	2012*	2013**
Mining and quarrying	21.5	22.6	24.3	49.1	49.2	51.6
Manufacturing	539.3	540.6	544.6	625.4	657.6	720.8
Electricity, gas, steam and air conditioning supply	165.4	104.7	91.3	90	94.3	106.3
Water supply, sewerage, waste management and remediation activities	34.9	22.1	25.5	9	9.4	10.9
Total	**761.1**	**690**	**685.7**	**773.5**	**810.5**	**889.6**
Average annual growth or deterioration (%)	+9.4	–9.3	–0.6	+12.8	+4.8	+9.8

* Preliminary estimates.

** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

Industrial GDP in PA Territories 2008–2013 at Constant Prices ($ million)



8. Development of Agricultural Activity

Agriculture is an important traditional activity based on production of food crops necessary for domestic and foreign markets. Tracking the development of this activity in 2012 and 2013 shows that agricultural GDP amounted to $332.6 million in 2012, with a 12.6% decrease compared to 2011, and constituting only 4.9% of GDP at constant prices. Agricultural GDP also deteriorated to $286.4 million in 2013 at 13.9% decrease compared to 2012, and with average deficit for the two years of 13.3%. Thus, the share of agricultural activity of the GDP at constant prices deteriorated to 4.2% in 2013 (see table 21/7).

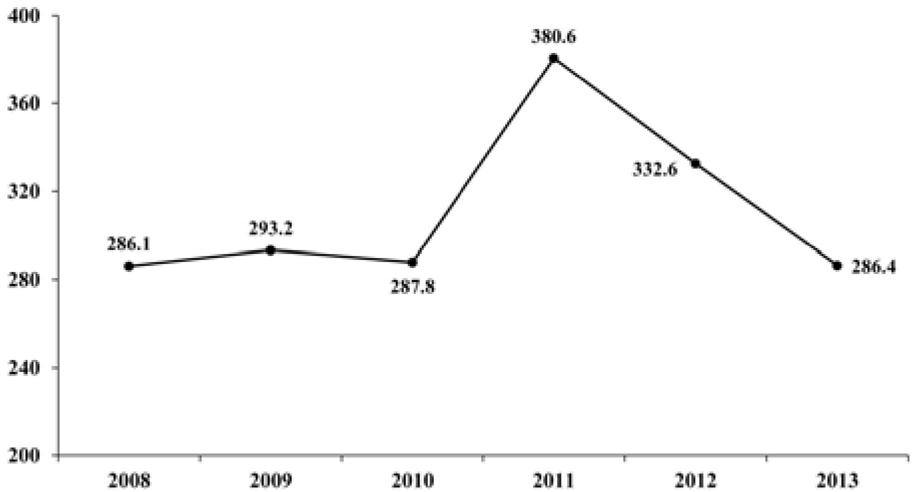
Table 21/7: Agricultural GDP in PA Territories 2008–2013 at Constant Prices ($ million)[63]

Year	2008	2009	2010	2011	2012*	2013**
Agricultural GDP	286.1	293.2	287.8	380.6	332.6	286.4
Average annual growth or deterioration (%)	+13.4	+2.5	–1.8	+32.2	–12.6	–13.9

* Preliminary estimates.

** The 2013 data was calculated according to the actual value of the first three quarters of the same year.

Agricultural GDP in PA Territories 2008–2013 at Constant Prices ($ million)



This deterioration is due in part to the decline in agricultural GDP in the WB where it sharply decreased from $240.4 million in 2012 to $187.9 million in 2013, a 21.8% decrease. The deterioration in agricultural activity is exacerbated by the fact that the Israeli occupation prevents Palestinians from exploiting agricultural lands in Area C, which is controlled by Israel on the administrative and security levels. Such Israeli measures have had a negative influence on the Palestinian side but its impact was mitigated by the tangible increase in GS agricultural GDP, which amounted to 7%. It increased from $92.2 million in 2012 to $98.7 million in 2013 despite Israel's arbitrary measures in GS including preventing Gazans from exploiting their border line.[64]

9. Trade

Foreign trade is one aspect of international economic relations and transactions which allow the export of surplus product and import of products not available on the local market to meet the needs of consumers.

PA-controlled territories are mostly dependent on import with few Israeli restrictions that become stricter on capital goods which promote the economy of the country. Conversely, export opportunities remain limited because of Israeli obstacles, which means an aggregate trade deficit, as a result of the difference between imports and exports.

Tracing the evolution of trade between the PA and foreign sides throughout 2012 shows that total imports amounted to $4,697.4 million at 7.4% increase compared to 2011, while exports amounted to $782.4 million at 4.9% increase. Thus, trade deficit for 2012 increased at 7.9% compared to the previous year and it amounted to $3,915 million thus representing 83.3% of total imports (see table 22/7).

In 2013, exports improved and increased to around $839.4 million, i.e., $57 million more than 2012 and at 7.3% growth rate. Conversely, imports decreased to around $4,579.8 million, i.e., $117.6 million less than 2012, a 2.5% decrease. Accordingly, the deficit reached $3,740.4 million, which was $174.6 million less than 2012 and at a 4.5% decrease. Ultimately, the deficit decreased compared to total imports and amounted to 81.7% in 2013 compared to 83.3% in 2012, which is a positive trend that reduces the trade deficit as absolute value and as a percentage (see table 22/7).

Table 22/7: Commodity Trade Balance in PA Territories 2008–2013 ($ thousand)[65]

Year	Trade volume	Exports	Imports	Deficit
2008	4,024,614	558,446	3,466,168	–2,907,722
2009	4,119,140	518,355	3,600,785	–3,082,430
2010	4,534,025	575,513	3,958,512	–3,382,999
2011	5,119,308	745,661	4,373,647	–3,627,986
2012	5,479,725	782,369	4,697,356	–3,914,987
2013*	5,419,200	839,400	4,579,800	–3,740,400

* Preliminary data.

Regarding foreign trade expectations for 2014–2016, the general trend points to an increase in the size of exchange with continued increase in the deficit gap due to Israeli policy, which allows expansion of consumer imports while hindering exports. It is important to reduce the trade deficit to the lowest possible level while taking into account reducing or limiting imports. This can be done by determining necessities, luxuries, consumer and capital goods, and whether they could be produced locally. The 2011 imports list is topped by fuel oil (diesel), gasoline and natural gas at around $912.4 million, i.e., around 21.6% of total imports, then portland cement at 2.7%, which means these commodities accounted for around 25% of total imports.[66] In line with this, there is need for the development and diversification of exports and enhancing their growth while reaching out to more countries to reduce the trade deficit noticeably within deliberate trade policies.

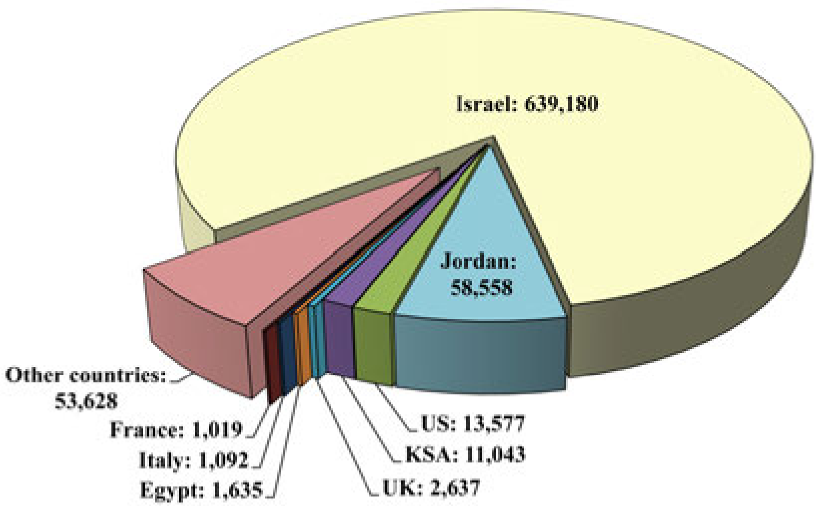
According to PCBS, PA trade with Israel was high at the level of imports and exports. Thus, Palestinian exports to Israel reached around $639.18 million, which is 81.7% of total Palestinian exports in 2012, while Palestinian imports from Israel amounted to around $3,351.8 million, constituting around 71.3% of total Palestinian imports, which confirms the commercial dependency on Israel (see table 23/7).

It should be noted that Israel's CBS provides relatively different figures regarding trade with the PA for 2012. According to these figures, Palestinian imports from Israel reached around $3,833 million, which is more than Palestinian official figures by around $482 million; while Palestinian exports to Israel accounted for around $538 million, which is less than Palestinian official figures by around $101 million.[67]

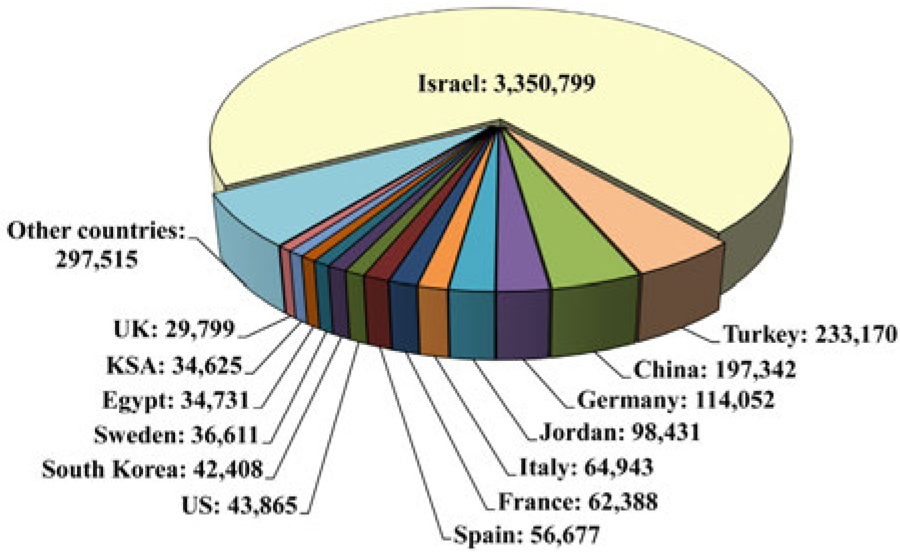
Table 23/7: Volume of Palestinian Trade, Exports and Imports in Goods in PA Territories to/ from Selected Countries 2011–2012 ($ thousand)[68]

Country	Trade volume		Palestinian exports to:		Palestinian imports from:	
	2012	2011	2012	2011	2012	2011
Israel	3,989,979	3,734,875	639,180	643,853	3,350,799	3,091,022
Turkey	234,024	215,148	854	418	233,170	214,730
China	197,342	194,127	–	–	197,342	194,127
Jordan	156,989	128,909	58,558	38,927	98,431	89,982
Germany	114,819	101,481	767	1,135	114,052	100,346
Italy	66,035	63,195	1,092	1,378	64,943	61,817
France	63,407	49,571	1,019	1,353	62,388	48,218
US	57,442	48,604	13,577	8,702	43,865	39,902
Spain	56,677	56,141	–	1	56,677	56,140
KSA	45,668	32,699	11,043	9,654	34,625	23,045
South Korea	42,639	47,600	231	697	42,408	46,903
Sweden	36,670	33,582	59	397	36,611	33,185
Egypt	36,366	35,031	1,635	998	34,731	34,033
UK	32,436	31,318	2,637	1,794	29,799	29,524
Other countries	349,232	347,027	51,717	36,354	297,515	310,673
Total	**5,479,725**	**5,119,308**	**782,369**	**745,661**	**4,697,356**	**4,373,647**

Palestinian Exports in Goods in PA Territories to Selected Countries 2012 ($ thousand)



Palestinian Imports in Goods in PA Territories from Selected Countries 2012 ($ thousand)



10. PA's External Financing

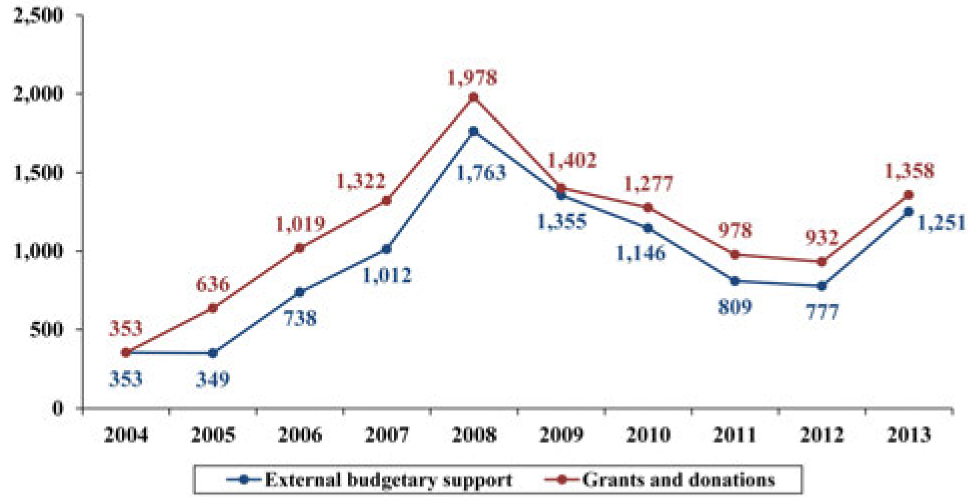
The PA budget has been dependent on donor support to finance development projects and programs. This was so since the Declaration of Principles on Interim Self-Government Arrangements in September 1993 between the PLO and Israel, where arrangements took place to hold a donors conference in Washington in October 1993, which was later followed by forming an advisory committee to decide on aid to Palestinians. This was followed by a series of attempts at economic and social development starting with the emergency aid program (1994–1995) and the subsequent plans associated with donor aid.[69] Although aid was essentially targeted at development plans and programs, it was soon changed to target the public budget yet without coverage of deficit, whether totally or in a continuous way.

It should be noted that there are slight differences between figures provided by Palestinian Ministry of Finance and Palestine Monetary Authority (PMA) regarding total aid provided to the PA in 2012 and 2013. The following table reveals the evolution of foreign aid based on PMA figures during the period 2004–2014:

Table 24/7: PA External Budgetary Support and Development Financing 2004–2014 ($ million)[70]

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014 Budget
External budgetary support	353	349	738	1,012	1,763	1,355	1,146	809	777	1,251	1,329
External financing for development expenditures	0	287	281	310	215	47	131	169	155	107	300
Grants and donations	**353**	**636**	**1,019**	**1,322**	**1,978**	**1,402**	**1,277**	**978**	**932**	**1,358**	**1,629**
Average annual growth or deterioration (%)	–43.1	+80.2	+60.2	+29.7	+49.6	–29.1	–8.9	–23.4	–4.7	+45.7	+20

PA External Budgetary Support and Development Financing 2004–2013 ($ million)



The above shows that the PA received continuous aid from donors in 2004–2013 amounting to $11,255 million and at annual average of $1,125.5 million. However, this aid oscillated between $353 million and $1,978 million for 2004 and 2008 respectively. The share of development programs was low and fluctuating and there was no consistent policy for aid in terms of stability and regularity. In addition, aid has undergone several stages where it increased between 2004 and 2008, then deteriorated from 2009 to 2012 heading again to decline in line with policies aimed at reducing public budget deficit successively.

The third stage was 2013–2014 where aid increased again in 2013 accompanied by an increase in general expenditures, with expectations for continued aid in 2014, which means deterioration of previously adopted policies to reduce dependence on foreign aid. Apparently, this trend was connected to American pressures to accept the resumption of the peace process accompanied with an increase in foreign aid.

Despite the importance of aid to overcome financial problems, there were no efforts to achieve independent Palestinian economic decision-making. In addition, aid encouraged the PA to expand expenditure and borrowing whenever needed.

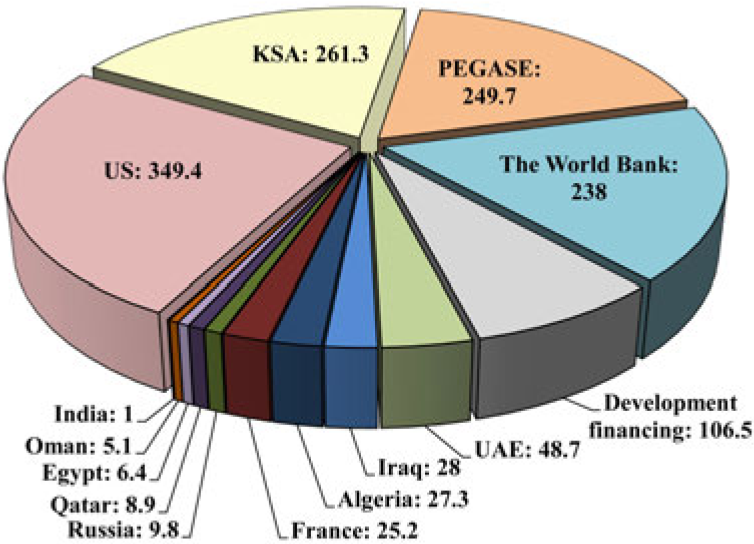
Donors in 2013 were spearheaded by the US with $349.4 million, KSA with $261.3 million, then Mécanisme Palestino-Européen de Gestion et d'Aide Socio-Economique (PEGASE), which means the Palestinian-European Mechanism for Management of Socio-Economic Aid, with $249.7 million, followed by The World Bank with $238 million. It is noted that Arab aid to PA increased at 67.1% in 2013 as compared to 2010. KSA spearheaded the Arab donors, for its annual share of total Arab aid ranged from 38.1% to 67.7%, from 2010–2013. Despite this apparent increase, Arab aid remained less than foreign aid as it represented 25.3% only of international aid in 2010 ($230.8 million out of $912.7 million) and it reached 54.2% in 2012 ($272.7 million out of $502.7 million). Although Arab aid in 2013 increased at 41.4% compared to 2012, its percentage compared to international aid decreased in the same year to 44.2% ($385.7 million out of $873.1 million).

Table 25/7: Sources of External Financing for the PA 2010–2013 ($ million)[71]

Donor	2010	2011	2012	2013
Arab donors	**230.8**	**288.2**	**272.7**	**385.7**
KSA	143.7	181.7	103.8	261.3
UAE	42.9	42.5	84.3	48.7
Algeria	26.3	52.3	25.9	27.3
Qatar	9.8	–	29.5	8.9
Egypt	8.1	1.6	3.2	6.4
Oman	–	10.1	–	5.1
Iraq	–	–	26	28
International donors	**912.7**	**526.1**	**502.7**	**873.1**
PEGASE	374.6	287.7	212.3	249.7
The World Bank	279.5	172.1	266.1	238
US	222.9	51.7	–	349.4
France	15.9	14.6	24.3	25.2
Russia	9.9	–	–	9.8
India	9.9	–	–	1
Development financing	**129.8***	**168.9***	**156.2**	**106.5**
Total	**1,273.3**	**983.2**	**931.6**	**1,365.3**

* Development financing includes old grants for line ministries, co-financing for the projects of Ministry of Education, grants to build the capacities of different Palestinian institutions and others.

Sources of External Financing for the PA 2013 ($ million)



11. Economic Expectations for the PA on the Short and Medium Run

To foresee the Palestinian economic situation in 2014, there were several expectations for the economic growth. Ranging from optimism to pessimism, there are three possible scenarios:[72]

a. **Optimistic Scenario:** Encouraging factors regarding peace talks and political conditions may emerge, which would motivate donors to increase aid. These factors would be accompanied with improving infrastructure, executing projects, and mitigating restraints that hinder economic development, where GDP will range between 7.4% and 10.9%. These rates are plausible, since in 2008–2011 similar rates were reached.

b. **Pessimistic Scenario:** The peace process might fail, political conditions deteriorate, aid could shrink, with tightened Israeli hindrances, and a decrease in tax collection and increased tax evasion, besides procrastination in tax clearance transfers. These conditions would have negative economic implications: mainly a negative decline in GDP ranging between 0.5% and 8.9%, coupled with increase in unemployment rates and poverty level, and deterioration of saving rates in addition to displacement of investments.

c. **Base Scenario:** It assumes that present conditions will continue without any core changes, coupled with a flow of aid at current levels, in addition to continuing the financial procedures that are capable of decreasing the deficit of public budget. Accordingly, GDP expectations range between 3.2% and 3.8%, without remarkably exceeding demographic growth, which means a limited growth in GDP per capita.

IMF forecasts have estimated growth at around 2.5%, with sub-par performance in the medium term, leading to an increase in unemployment rates based on the unknown outcomes of the peace process. The IMF has summarized those tracks on the short and medium term where initiatives by major donors are expected to be launched upon a breakthrough in the peace talks, especially the Economic Initiative for Palestine, which could boost average annual real GDP growth to about 6.5% during the period 2014–2019. The failure of peace negotiations, however, would lead to a severe political and security crisis that would lead to economic contraction coupled with aid reduction.[73]

This base scenario is the likeliest to crystallize given the ability of Palestinian economy to adapt with various developments, in light of keenness to avoid the deterioration of current conditions.

Thus, there is urgent need for in-depth reading of these expectations, and to present conclusions that benefit decision makers, especially as Palestinian demographic growth has dangerous implications on chronic problems. Indeed, the number of Palestinians is expected to increase to around 7.2 million in 2020,[74] only to be faced with complicated living conditions and destroyed infrastructure as highlighted in international reports warning against crises that might emerge if current problems remain unresolved.[75]

Third: Educational Indicators in the WB and GS

Despite the suffering of the Palestinian people under occupation, education remains one of its concerns where it is pursued as one of the tools of steadfastness and expression of national identity in a creative and positive way. This section of the chapter casts light on the most important Palestinian education indicators in the WB and GS in 2012 and 2013.

1. The General Educational and Cultural Situation

Palestinians in the WB and GS represent one of the most educationally advanced groups in the Arab world, with an illiteracy rate of 4.1% and 3.7% and a literacy rate that reached 95.9% and 96.3% in 2012 and 2013 respectively. The latter is the second highest in the Arab world after Qatar.[76] The educational attendance of individuals in the age group 6–11 years from both sexes reached 98.9% in 2013.[77]

As for tools of information and communications technology at home, 2012 figures show that 95.7% of families in the WB and GS have mobile phones, 40% have telephone lines, 97.3% have TV sets, 95% have satellite dishes, 51.4% have computers while 32.1% have access to the internet. In addition, 2012 figures show that there are 2,725 mosques in the WB and GS (1,864 in the WB and 861 in the GS). Moreover, according to 2013 figures there are 656 cultural centers in the WB and GS (574 in the WB and 82 in the GS), 15 museums and 9 theaters.[78]

It is important to remember here that the Palestinians are people living under occupation and suffering the destruction of their infrastructure and the inability to develop their capacities, except within the conditions set by the occupation authorities. Based on this context, the above figures highlight the keenness of the Palestinian people to learn and achieve including through media and cultural exchange. The figures also reveal Palestinian success in the educational battle of wills within such a destructive frustrating environment.

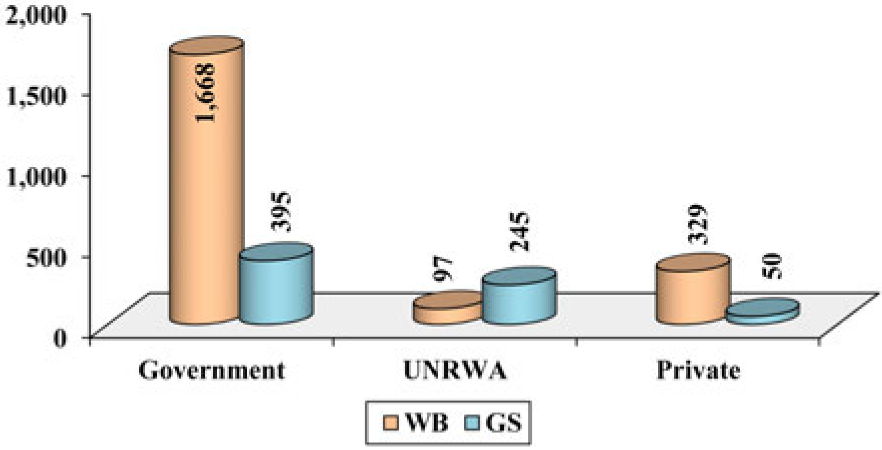
2. Basic and Secondary Education

There were 2,784 Palestinian schools covering basic (elementary and intermediate) and secondary education in the academic year 2013/2014, including 2,094 schools in the WB and 690 schools in the GS, i.e., around 75.2% of schools are in the WB and 24.8% in the GS. It is noted that most government schools are in the WB which is home to 1,668 schools comprising 80.9% of government schools compared to 395 schools in the GS comprising 19.1%. The scarcity of government schools in the GS is relatively compensated for by the presence of UNRWA-run schools that amount to 245 schools compared to 97 similar schools in the WB. Taking into consideration the fact that there are 2.755 million people in the WB, compared to 1.731 million in the GS (i.e., 61.4% in the WB compared to 38.6% in the GS), the number of schools in the WB is higher than the number of schools in GS when compared to their populations. This is probably because the population in the WB is distributed over a larger area of land and among more cities and villages, and thus needs more schools. In addition, the higher number of UNRWA schools in the GS reflects the high level of poverty suffered by most of the population in GS (see tables 1/7 and 26/7).

Table 26/7: Basic and Secondary Schools in the WB and GS by Supervising Authority 2009/2010–2013/2014[79]

Academic year	Region	Government	UNRWA	Private	Total
2009/2010	WB	1,534	97	286	**1,917**
	GS	387	228	45	**660**
	WB & GS	**1,921**	**325**	**331**	**2,577**
2010/2011	WB	1,573	98	304	**1,975**
	GS	399	238	40	**677**
	WB & GS	**1,972**	**336**	**344**	**2,652**
2011/2012	WB	1,609	99	311	**2,019**
	GS	396	244	48	**688**
	WB & GS	**2,005**	**343**	**359**	**2,707**
2012/2013	WB	1,639	99	321	**2,059**
	GS	399	245	50	**694**
	WB & GS	**2,038**	**344**	**371**	**2,753**
2013/2014	WB	1,668	97	329	**2,094**
	GS	395	245	50	**690**
	WB & GS	**2,063**	**342**	**379**	**2,784**

Basic and Secondary Schools in the WB and GS by Supervising Authority 2013/2014



Students in basic and secondary schools in the academic year 2013/2014 amounted to 1.152 million, including 571,908 males and 579,794 females, with a 1.3% increase when compared to 2012/2013. The number of teachers in these schools amounted to 63,017 in the academic year 2013/2014 compared to 62,110 in 2012/2013. Teachers included 25,756 males and 37,261 females in the academic year 2013/2014 compared to 25,675 males and 36,435 females in 2012/2013. There were an almost equal number of male and female student sections amounting to around 15 thousand sections for each in the academic year 2013/2014 whereas mixed sections for the same academic year reached 7,756 (see table 27/7).

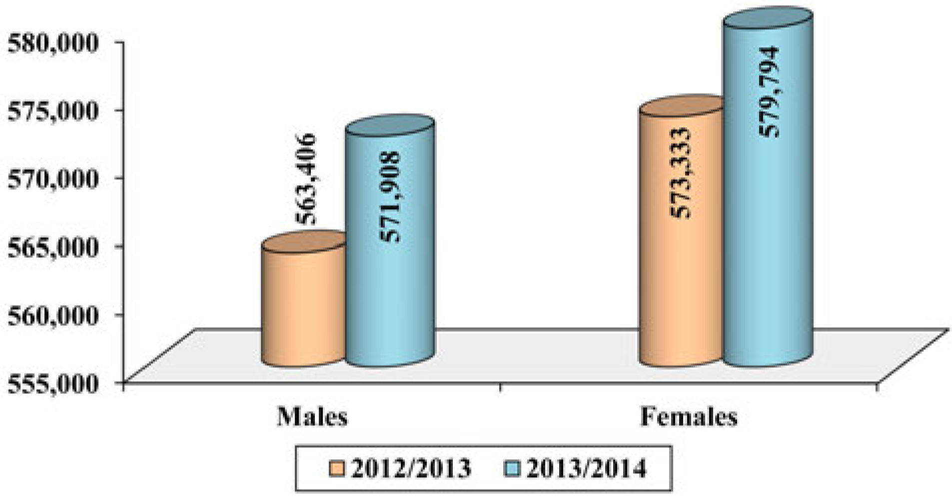
Table 27/7: Number of Schools, Students, Teachers and Sections in PA Territories by Sex 2012/2013–2013/2014[80]

Sex	Schools		Students		Teachers*		Sections	
	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014
Males	995	992	563,406	571,908	25,675	25,756	14,848	15,053
Females	923	933	573,333	579,794	36,435	37,261	15,090	15,355
Mixed**	835	859					7,587	7,756
Total	**2,753**	**2,784**	**1,136,739**	**1,151,702**	**62,110**	**63,017**	**37,525**	**38,164**

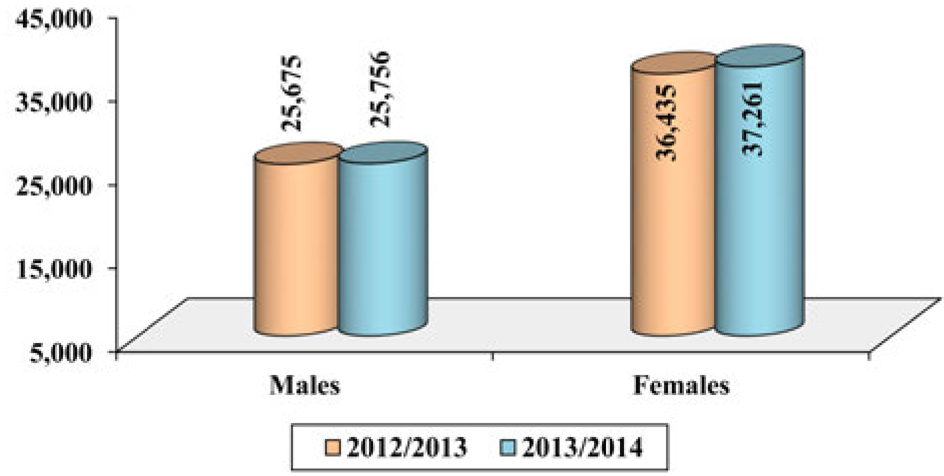
* Teachers: All teaching and non-teaching staff in school except employees and janitors.

** The number of students and teachers in mixed schools is added to the males and females numbers.

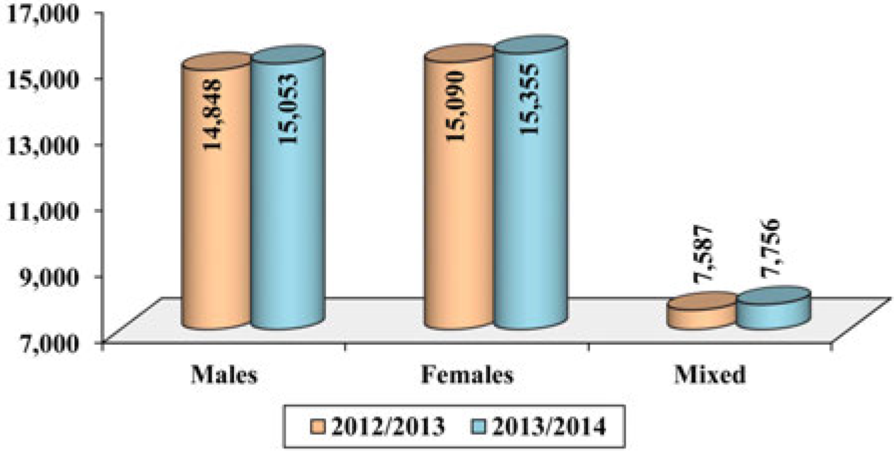
Number of Students in PA Territories by Sex 2012/2013–2013/2014



Number of Teachers in PA Territories by Sex 2012/2013–2013/2014



Number of Sections in PA Territories by Sex 2012/2013–2013/2014



Reports of academic year 2013/2014 show that government schools, which amount to 2,063, represent 74.1% of total schools in the WB and GS. Students in government schools, who amount to 764,219, represent 66.4% of total students in the WB and GS. Government schools teachers number 44,391, thus constituting 70.4% of WB and GS teachers. Sections in government schools amount to 25,933 representing 68% of total sections in the WB and GS. These indicators show that education by the government comprises more than two thirds of the educational process in basic and secondary schools. If we take into account the UNRWA-run schools, we notice that most students depend on low-costing education provided by these schools compared to limited number of students seeking private education (see tables 27/7 and 28/7).

Table 28/7: Number of Schools, Students, Teachers and Sections in Government Schools in PA Territories 2009/2010–2013/2014[81]

Academic year	Schools	Students	Teachers*	Sections
2009/2010	1,921	766,190	22,952**	–
2010/2011	1,972	766,234	42,339	25,223
2011/2012	2,005	761,691	42,961	25,323
2012/2013	2,038	762,499	43,814	25,679
2013/2014	2,063	764,219	44,391	25,933

* Teachers: All teaching and non-teaching staff in school except services employees and janitors.

** Data includes the WB only.

3. University Education

Several Palestinian universities in the WB and GS provide traditional education to their students. An-Najah National University in Nablus is the largest among these universities with 21,327 students in the academic year 2012/2013. It is followed by the Islamic University of Gaza with 19,938 students, then Al-Aqsa University in Gaza with 17,094 students. There was a total 123,484 university students in the same academic year in the WB and GS, including 68,548 students in the WB and 54,936 in the GS. This means that students in GS represent around 44.5% of total students in the WB and GS, taking into account that Gazans represent 38.6% of total population in the WB and GS (see tables 3/7 and 29/7).

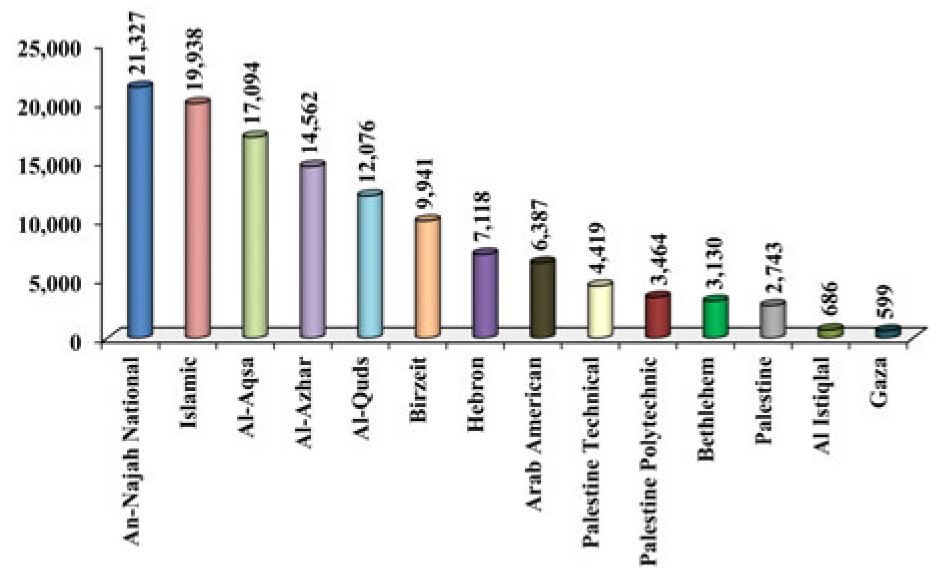
In addition, female students outnumber their male counterparts, as they reached 71,909 in universities providing traditional education compared to 51,575 male students in the academic year 2012/2013, which means that female students constituted 58.2% compared to 41.8% male students. This phenomenon is no longer deemed strange in the Arab world and, while there is no room to study it here, it shows in some of its aspects the success of the Palestinian woman in assuming her position side by side with her male peers. It also shows that Palestinian female students have better chances to finish their university education while male students generally have to leave school and join the job market to help their families with the struggle to afford the costs of living, or even leave home to pursue higher education abroad (see table 29/7).

It should be noted here that male faculty members still outnumber their female counterparts, where there were 5,309 male teachers (79.9%) compared to 1,332 females (20.1%) in the academic year 2012/2013. This means that it is still too early for the high percentage of female students in universities to be reflected in faculties, noting that the number of faculty members includes all teachers in universities and colleges other than community colleges. Ultimately, quite a large number of female university graduates do not join the labor market and work instead as housewives, which explains the high percentage of males in labor market.[82]

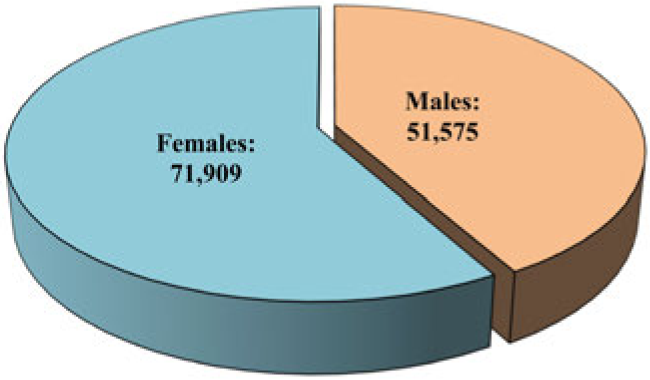
Table 29/7: Number of Students in Traditional Universities in PA Territories by Sex 2012/2013[83]

University	Enrolled students		
	Males	Females	Total
An-Najah National	9,116	12,211	**21,327**
Al-Quds	5,972	6,104	**12,076**
Birzeit	3,618	6,323	**9,941**
Hebron	1,831	5,287	**7,118**
Arab American	3,285	3,102	**6,387**
Palestine Technical-Kadoorie	2,239	2,180	**4,419**
Palestine Polytechnic	1,897	1,567	**3,464**
Bethlehem	766	2,364	**3,130**
Al Istiqlal (The Palestinian Academy for Security Sciences)	546	140	**686**
Islamic-Gaza	7,774	12,164	**19,938**
Al-Aqsa-Gaza	4,966	12,128	**17,094**
Al-Azhar-Gaza	7,089	7,473	**14,562**
Palestine-Gaza	2,200	543	**2,743**
Gaza	276	323	**599**
Total	**51,575**	**71,909**	**123,484**

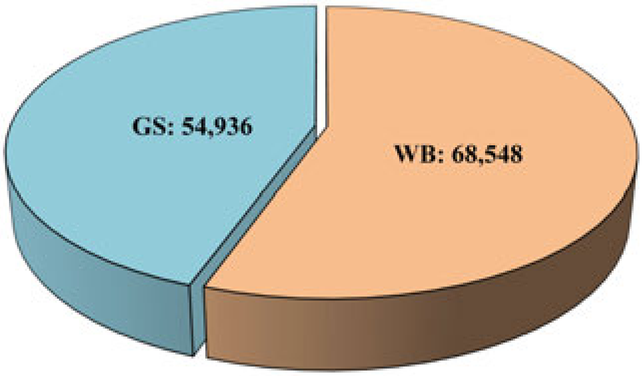
Number of Students in Traditional Universities in PA Territories 2012/2013



Number of Students in Traditional Universities in PA Territories by Sex 2012/2013



Number of Students in Traditional Universities in the WB and GS 2012/2013

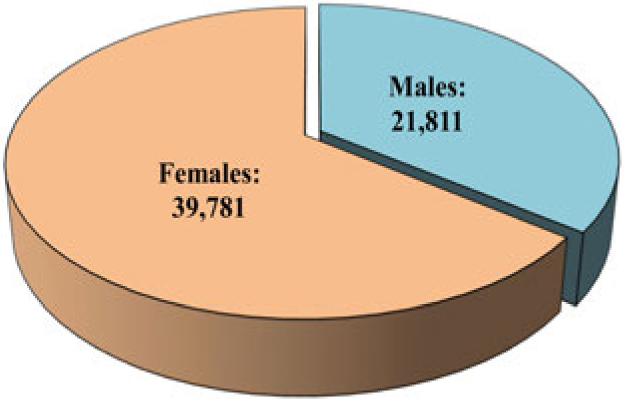


Al-Quds Open University provided open education for 61,592 students in the academic year 2012/2013 including 21,811 males and 39,781 females. This university has 17 centers in the WB and 5 in the GS.[84]

Table 30/7: Number of Students Seeking Open Education in PA Territories by Sex 2012/2013[85]

University	Enrolled students		
	Males	Females	Total
Al-Quds Open University	21,811	39,781	**61,592**

Number of Students Seeking Open Education in PA Territories by Sex 2012/2013



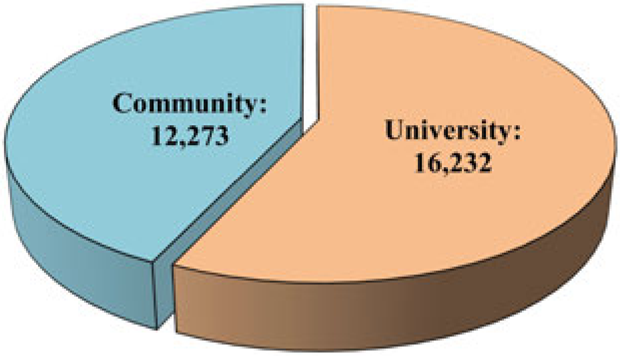
4. University and Community Colleges

There are 38 university and community colleges in the WB and GS (18 college universities and 20 community colleges). According to figures available from the Ministry of Education and Higher Education, there were 34 university and community colleges providing education for 28,505 students in the academic year 2012/2013, including 15 college universities attended by 16,232 students, which award bachelor's degrees, and 19 community colleges attended by 12,273 students which award intermediate diplomas.[86]

Table 31/7: Number of Students in University and Community Colleges in PA Territories by Sex 2012/2013[87]

Colleges	Number	Enrolled students		
		Males	Females	Total
University	15	7,666	8,566	**16,232**
Community	19	6,391	5,882	**12,273**
Total	**34**	**14,057**	**14,448**	**28,505**

Number of Students in University and Community Colleges in PA Territories 2012/2013



Conclusion

Around 66 years into the crisis which shattered the social fabric of the Palestinian people after the 1948 war, more than half the Palestinian people still live in historic Palestine where Palestinians are likely to outnumber Jews on this land soon (2016–2017). This remains a source of concern for the Israeli side, which could resort to brutal tools to get rid of the Palestinian demographic burden. In addition, around 80% of Palestinians in the Diaspora still live in the region surrounding occupied Palestine awaiting a day of return. Although Palestinian population growth and fertility rate have witnessed deterioration in recent years, these rates remained high compared to those in Israel and other countries of the world.

The Palestinian people does not only suffer from the occupation and its oppression, but it also faces harsh conditions in the Diaspora and countries of refuge, especially in regions of crises and clashes. The most prominent manifestation of the suffering was the disaster that befell the Palestinians residing in Syria because of the ongoing conflict there since 2011, a disaster which seems to be far from resolution. Thus, the Palestinians there require concerted efforts to support them and save them from paying the price for local entitlements and political positions.

As for the economic situation in the WB and GS, the most prominent manifestation of suffering is the Israeli occupation and its curbing of genuine economic growth, besides its attempts to transform the Palestinian economy into a dependent consumer economy, while the Palestinians suffer destruction, confiscation, exploitation and siege. The Palestinian economy also suffers dependence on foreign aid, and administrative and financial corruption in addition to political and geographic division between the WB and GS. Thus, the Palestinian economy has to seek to find the necessary infrastructure to disengage from the occupation and to find the necessary environment and elements of steadfastness for a people whose major concern is freedom and independence rather than "luxury" under this occupation.

In this gloomy situation, education remains one of the bright sides that expresses the huge capacities of the Palestinian people, and Palestinian energy for its uniqueness, where it is one of the most advanced cases in the Arab and Muslim world despite the suffering under occupation. Thus, investment in education should continue and increase given that it is the best investment in people. Yet, this investment should focus on quality and sustainability as it is not a mere tool for literacy or distribution of diplomas, thus improving the society and resolving its different problems.

Endnotes

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Note: According to available data, published by PCBS, population growth of Palestinians in the Diaspora was -2.1% in 2011, while in 2012 it became 3.1%, then in 2013 it decreased to 1.6%. These numbers confuse researchers, for it is impossible for the number of Palestinians to decrease in one year by 2.1%, and then in the next year to increase by 3.1%. It seems that the PCBS can be efficient with high precision in the WB and GS, while in the Diaspora numbers are provided by host countries or are estimated by researchers. Discrepancies and confusion are manifested when PCBS re-estimated the numbers of recent years without adapting the estimates for the years that preceded, thus the growth did not take its gradual logical form. As for the Palestinian population in Jordan, their estimation is a dilemma for researchers, and statics vary drastically.

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[6] *Ibid*.

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[8] *Ibid*.

[9] *Ibid*.

[10] *Ibid*.

[11] *Ibid*.

[12] *Ibid*.; and PCBS, *Palestinians at the End of Year 2011*.

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25 PCBS, *Palestinians at the End of Year 2013*.

26 *Ibid*.

27 See Mohsen Moh'd Saleh, *The Palestinian Strategic Report 2011/12*, p. 355; PCBS, *Palestinians at the End of Year 2011*; and PCBS, *Palestinians at the End of Year 2013*.

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https://www.imf.org/external/np/sec/pr/2014/pr1444.htm

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This Report

The Palestinian Strategic Report 2012–2013 is the eighth in a series of annual resourceful academic studies. It discusses the developments of the Palestinian issue of this period in an objective and comprehensive manner. The meticulous analytical reading of events tries also to foresee the near future. This Report has become a basic reference on Palestinian studies, it is a must read for all those concerned.

An outstanding team of 13 academics and experts contributed to this Report in seven chapters. They covered the internal Palestinian situation, the Israeli scene and the Israeli–Palestinian relations including wars and the peace process. They also discuss the Arab, Muslim and international stances towards the Palestinian issue. This Report focuses, also, on the issue of Jerusalem and the holy sites, and the suffering of man and land under the Israeli occupation. Besides, the demographic, economic and education indicators are, also, studied and analyzed.

Al-Zaytouna Centre, as usual, has surpassed other reports in this superlative work. It is a serious addition to the field of Palestinian studies, and those interested in this field, including specialists, experts, libraries of universities and research centers, should have their copies of this Report.

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