

GAZA

Agriculture in the Strip was once dominated by citrus crops before Israel intervened in 1968. The Israeli citrus market did not want the competition from Gaza, and the Israeli Army claimed militants could take cover in the groves. Even the strawberries and carnations that Gaza was known for more recently can no longer be shipped outside of the territory and are often left to rot at closed checkpoints.

Strawberries and Carnations

Gazan strawberries were once a ubiquitous delight found throughout the region, as the fruit grows especially well in Gaza soil partly because of the high content of clay and sand. Strawberries - one of the few small crops that can be grown in Gaza - have become so important to the economy that USAID's development efforts have turned to projects based on the cultivation of strawberries. The fruit combines with large quantities of carnations to make up the bulk of the agricultural output in Gaza. Today, however, none of these efforts are profitable for the farmers who, having been cut off from international markets, are left to either feed their yield to livestock or leave it to rot.



According to a poll released in early 2008, economic hardship was the most worrying issue for 30% of Gazans, a shocking statistic in a place where security concerns and political turmoil would be expected to be the primary causes of distress.⁹

How has this affected jobs and living standards?



The lack of commerce and trade has led to an unprecedented increase in unemployment, which had reached approximately 50% in May 2008.¹⁰ Over 35,000 people were employed in 3,900 factories throughout Gaza in June of 2005, but those numbers had fallen to only 1,700 employees and 195 factories just over two years later.¹¹ Also, a lack of fuel has crippled the once-thriving fishing industry in Gaza, leaving many fishermen without work.

Ironically, the Gazan economy was once deeply intertwined with Israel's, and the economic implications of the closures are exacerbated by the loss of such a partner. In 2000, there were 24,000 Gazans who were employed in Israel; today there are zero. The continuous increase in public sector employment is a direct result of this situation. The Hamas takeover created many new administrative jobs, which have become increasingly sought after, but the distribution of salaries has been sporadic and there is little confidence among civil servants that their positions offer a steady paycheck on which they can support their families. In all, over one-third of all Palestinians in the occupied territories are supported

9 Palestinian Center for Policy and Survey Research (PSR). Palestinian Public Opinion Poll No. 27. 13-15 March 2008. (See also <http://www.pcpsr.org>).

10 Oxfam, et al. *The Gaza Strip: A Humanitarian Implosion*. (Joint Agency Report) March 2008.

11 Ibid.

by public salaries. It is no wonder, then, that both sides have organized protests around the issue of unpaid salaries in an attempt to discredit the other party.

The hardships of rising unemployment and the corresponding decrease in incomes have been compounded by soaring prices. International humanitarian

"That Gaza has been associated with violence is indisputable. That this violence is a direct outgrowth of economic decline and social fracture is equally indisputable."

Sara Roy, *Failing Peace: Gaza and the Palestinian-Israeli Conflict*. London, 2007, p. 170.

agencies have been frustrated by the difficulty in gaining clearance for their goods, be they raw materials or food, since Israel has limited the supplies entering Gaza to the point that the daily imports equal only about 15% of what they were before the blockade began in 2007.¹² The only class of expenditures listed in the Consumer Price Index that have declined in any meaningful way in recent years is "recreational and cultural goods and services", while prices for all other goods and services - medical, food, transport, etc. - have increased. In 2007, households spent an average of 62% of their total income on food compared with 37% just three years before.¹³



A girl searching garbage near Beit Hanoun

"The economic boycott on the Gaza Strip... will result in a humanitarian disaster, fueling flames and leading to deterioration of the security situation - a situation that will be destructive to the Israeli economy."

Shraga Brosh, Chairman of the Israeli Association of Industrialists, quoted in Gisha's "Commercial Closure: Deleting Gaza's Economy from the Map," July 2007.

Until foreign governments are willing to accompany their monetary handouts with corresponding political efforts, their investments will be going to waste. Overall, the benefits of development under occupation tend to be illusory and negligible, but they are nonexistent in Gaza.

One thing is sure: little will change in Gaza without a commitment to international law, no matter how much money the outside world is willing to throw at the Palestinians.

How does Gaza's economy compare with that of the West Bank?

The World Bank reports that the "economic backbone" of Gaza has been eroded. While both the West Bank and Gaza have seen increased poverty rates in recent years, that number has surged in Gaza to the point that two-thirds of the population lives in poverty based on household incomes.¹⁴ As a result, the economic divide between the two territories is just another in a long line of factors that separate Palestinians in Gaza from those in the West Bank. While the West Bank at least has some semblance of economic

12 Ibid.

13 UNSCO. *Socio-Economic Fact Sheet*. November 2007.

14 World Bank. *West Bank and Gaza: Economic Developments and Prospects*. March 2008.