



## Fifth Paper

International Scientific Symposium

Priorities for Palestine's Economy  
in the Midst of War

# Social Protection to Combat Mass Poverty and Fragility

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## Social Protection to Combat Mass Poverty and Fragility

This is the Fifth Paper in a series of discussion papers prepared for the International Academic Symposium "Priorities for Palestine's Economy in the Midst of War" scheduled for December 4, 2024. These papers reflect on optional scenarios for the post-war phase, including Palestinian governance strategies, immediate socio-economic challenges and priorities, and the (legal, institutional and political) tools at the disposal of the Palestinian people to actively determine their future. They will also analyze the economic policies and strategies that are needed to support Palestine's struggle for independence, focusing on self-sufficiency, economic resilience and productive capacity, trade expansion and market diversification and sustainable growth. The issues also include concern about how to strengthen the social contract in Palestine, focusing on how governance, economic policies, and social services can be aligned to meet public expectations and foster social cohesion.

**These series of papers are prepared with the generous support of MAS's partners, and reflect the opinions of the authors.**



## 1. Prelude: Palestine's Socioeconomic Profile on the Eve of the War

Amid widespread devastation, which underscores the daunting challenges for future rehabilitation and recovery, this paper aims to outline key priorities to support all those affected by Israeli aggression. Additionally, since the struggle, as would appear by historical reviews, will persist in generating precarities even beyond periods of intense aggression, this moment in history serves not merely a reminder but a wake-up call for Palestinian planning and development. To fully understand the socioeconomic precarities faced by certain groups, it is essential to trace their roots back through history. These precarities are not simply the result of failed public, social, and economic policies; they are deeply embedded in the colonial legacy that has endured for 76 years. In Palestine, several socioeconomic groups are historically and inherently fragile and susceptible to vulnerability given their geo-political status, including refugees, Palestinians in Area C and the Jordan Valley, in the Gaza Strip, and women as a cross-sectionally marginalized group.

The emergence of refugees as a distinct group is a direct consequence of settler colonialism and its policies of ethnic cleansing and mass displacement during 1948 and 1967. 1.5 million, out of the 6 million registered Palestinian refugee population, is scattered in 58 recognized refugee camps in Jordan, Syria, Lebanon, and Palestine,<sup>1</sup> In Palestine, about 2.5 million refugees live in the West Bank and the Gaza Strip. Today, about 66.1% and 26.3% of the Gazan and West Bank population are refugees, respectively (PCBS, 2024a). The refugee population is confined to overcrowded camps with limited access to electricity and basic infrastructure, including roads and WASH services, . They are entirely dependent on UNRWA for social support. Even before the recent aggression, refugees constituted the majority of those receiving social assistance, with their reliance on aid growing steadily over time.<sup>2</sup>

These pressures have been mounting against the backdrop of Israeli government policies powered by extremist forces who long been strategizing to seize full sovereignty of the West Bank. This manifested into further annexation, land grab, and escalating settler violence. Movement restrictions have continuously hindered people's accessibility to various socioeconomic services, such as health, education, water, and electricity. These restrictions have taken the form of direct physical barriers such as refusing permits for running water and energy networks, or demolishing schools, and hospitals- as well as limitations on mobility to and from services, including the disruption of movement of mobile clinics, ambulances, and students. Palestinian living in Area C is faced with daily attempts of displacement using various Israeli policies, including demolishing of basic services, and destruction of livelihoods (MAS, 2024a). A map of poverty in the West Bank reveals that refugees and people living in Area C are among the top social groups that live well below the poverty line.

In the Gaza Strip, the state of de-development caused by the 16-year long Israeli-imposed siege, and repeated aggressions, are at the root of mass poverty and fragility as a direct result of de-development. After the 2014-aggression, 65.1% of households in the Gaza Strip noted a downturn in their economic status when comparing the pre-aggression and post-aggression periods of that year, with over half of the families had experienced income reductions (52.7%) (PCBS, 2016). The decrease or loss of income due to the aggression was identified as the primary catalyst for food insecurity among families (UN Women, 2021). The fact that 74.7% of households in the Gaza Strip

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1 UNRWA, "Palestine Refugees," accessed on 04/11/2024, at: <https://www.unrwa.org/palestine-refugees>

2 According to data of social assistance provision demographics, PCBS, Socioeconomic Conditions Survey for selected years 2012-2020, can be accessed on: <https://www.pcbs.gov.ps/PCBS-Metadata-en-v5.2/index.php/catalog/Socio-Economic-Conditions/?page=1&ps=15&repo>

still relied on aid after the cessation of the aggression according to PCBS (2016), underscores the enduring infrastructural damage inflicted not just by the aggression but by 16 years of blockade and disconnection from the world. Just before the aggression, the poverty rate in the Gaza Strip stood at 63.6%, with extreme poverty at 45.1% (PCBS, 2024b). In contrast, the West Bank had significantly lower rates, with 11.5% of people living in poverty and 4.3% in extreme poverty (PCBS, 2024b). Relatedly, food security rates were also high with 76% of people in the Gaza Strip insecure, in comparison to 24% of people in the West Bank (34% for Palestine).<sup>3</sup> Despite high educational attainment, unemployment rates in the Gaza Strip are significantly higher than in the West Bank (PCBS, 2023), coupled with an absence in a just Social Security Law to protect those employed. Restrictions on movement of people and products, as well as on productive sectors impact local production severely, weakening several vital sectors and activities, most importantly including health, agriculture, industry, and commerce.

The discussion of the provision of sustainable social protective systems as a tool for combating mass poverty, and poverty alleviation, cannot be divorced from the discussion on the political economy of aid in Palestine. The Palestinian economy remains de-developed because of dependency on both Israel and international aid (Roy, 2016; Taghdisi-Rad, 2011). Decades of occupation, and the resulting birth of vulnerable socioeconomic groups within a context of de-development and limited governmental will for resilient economic growth, rendered Palestine highly reliant on international aid and its conditionalities. A reliance that is strong in nature, leading to fast deterioration amid fluctuation.

## **2. One Year into Aggression: Images of Devastation**

### **2.1 All the 'cides' of Genocide in the Gaza Strip**

Over this past year, Gaza has become the case study where the concepts suggested by scholars fit 'perfectly.' The suffix 'cide,' and its combination form, typically used to denote acts of killing, has been applied to the context of Gaza to describe deliberate and systematic destruction of key welfare sectors.

One year of aggression has brought to the forefront the re-emergence of concepts that encapsulate the mass destruction occurring in the Gaza Strip, with genocide being the most prominent among them. The loss in human capital in previous aggression pales in comparison to this past year, with over 44 thousand martyrs, approximately 30 thousand of which children and women.<sup>4</sup> While estimations reveal over 100 thousand of 'indirect' deaths could be sound given the state of malnutrition, restrictions, and deterioration in WASH services.<sup>5</sup> Yet those still alive are grappling with near death experiences daily, with deterioration socioeconomic conditions that leave people uncertain about what the future holds.

Spaciocide, Urbicide, and Domicide, the physical destruction to cities, homes, spaces, and physical infrastructure are three of the most visible forms of destruction. Yet what they entail in detail also reveals dark images of deliberate destruction to the social fabric. These not only constitute the destruction of physical structures in the Gaza Strip, but also a deliberate attack on people's ability to maintain livelihoods, health, and education (Hanafi, 2006). All of which fall under the umbrella

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3 [https://fscluster.org/sites/default/files/documents/food\\_insecurity\\_0.pdf](https://fscluster.org/sites/default/files/documents/food_insecurity_0.pdf)

4 PCBS, "Martyrs," accessed 15/11/2024, at: [https://www.pcbs.gov.ps/site/lang\\_ar/1405/Default.aspx](https://www.pcbs.gov.ps/site/lang_ar/1405/Default.aspx)

5 For more details on mortality estimation: <https://www.gazahealthcareletters.org/usa-letter-oct-2-2024> ; <https://aoav.org.uk/wp-content>



of ‘Sociocide,’ the act of destroying all components of society, including social, economic, cultural, and special with the aim of eliminating an entire group of people (Abdel-Jawad, 1998).

In what can be described as ‘Medicide,’ one can observe the deliberate targeting of the healthcare system in the Gaza Strip, not just during this war, but historically as well (Perugini and Gordon, 2024). 34 out of 36 hospitals in the Gaza Strip have been destroyed,<sup>6</sup> leaving thousands of both new and existing patients facing critical shortages in healthcare. This is compounded by the killing of doctors, nurses, medics, and ambulance drivers, and repeated evacuation orders and raid by the Israeli occupation military. The healthcare system is on the verge of collapse, struggling with shortages in medical supplies to address the growing malnutrition and spread of disease. This past year has also seen the re-emergence of the term “Scholasticide,” as a broad framework to conceptualized Israeli attacks on the educational system as whole. The evidence of ‘scholasticide’ is nothing short of abundance; 564 martyred educational staff, 12,061 student martyrs, 506 schools and universities destroyed or damaged (WAFA, 2024a), almost all school buildings are being used as shelter, and 625 thousand students losing one school year, including 45 thousand first graders (UNICEF, 2024).

The enormous damage to civilian infrastructure left over 2 million Palestinians in Gaza displaced, with no housing, or access to essential infrastructure and services, such as health, education, WASH, and electricity. The case of mass displacement is not only a humanitarian crisis but also a direct path to long-term economic impoverishment, as the harsh living conditions further entrench poverty (World Bank et al., 2024). As the provision of social services has been drastically curtailed, leaving people to eke out a life of whatever is available, and turning the Gaza Strip into a subsistent economy. As a result, various negative coping mechanisms have emerged, such as reducing the number of meals, cutting portion sizes, or consuming foods with little nutritional value. In what can be described as ‘weaponizing starvation,’ Israeli policies historically, and during the current aggression have included refusal of entry of aid, deliberate targeting to aid and humanitarian workers, and refusal of entry of goods (MAS, 2024b). These measures have driven up food prices, as the scarcity of supplies exacerbates the impact of supply and demand dynamics. (MAS, 2024b). All of which proven to be a ploy to displace Gazan’s from their homes, to expand Israeli control and dominance over the Strip in an accelerated demographic transition for the region (MAS, 2023a).

## 2.2 A Beleaguered West Bank

A year into the war, the livelihoods of Palestinians in the West Bank has been impacted in all three labor sectors, private, public, and in Israeli settlements. The first economic shock to the West Bank occurred with the sudden loss of income from labor in Israel, affecting approximately 180,000 Palestinians in the initial days of the conflict. This income loss not only leaves around 58,000 families without financial support but also threatens to cause a 29% decline in annual GDP (MAS, 2023b), as these workers contribute approximately \$30 million monthly to the national economy<sup>7</sup>, this loss is a major driver of reduced consumption in the local market. The crisis is further intensified by heightened restrictions on the movement of people and goods, leading to the shutdown of 30% of private sector businesses and leaving thousands without employment (PCBS, 2023), grappling with correspondent increase in food and product prices as the demand

6 PCBS, “Destroyed Buildings, accessed on 10\10\2024, at: [https://www.pcbs.gov.ps/site/lang\\_en/1408/Default.aspx](https://www.pcbs.gov.ps/site/lang_en/1408/Default.aspx)

7 Calculations based on “Quarterly Palestinian Balance of Payments” for Q1-3 2023, published by Palestinian Monetary Authority, [https://www.pma.ps/Portals/0/Users/002/02/2/Monthly%20Statistical%20Bulletin/External%20Sector/table\\_49\\_quarterly\\_palestinian\\_balance\\_of\\_](https://www.pma.ps/Portals/0/Users/002/02/2/Monthly%20Statistical%20Bulletin/External%20Sector/table_49_quarterly_palestinian_balance_of_)

for them grew amidst closure. Israel's refusal to transfer hundreds of millions in trade tax clearance revenues, combined with the ongoing decline in foreign aid, has severely strained the already struggling Palestinian budget, resulting in further delays in salary payments for approximately 200,000 public sector employees.<sup>8</sup>

The use of 'scholasticide' also applied to the West Bank where about 782 thousand students face obstructions in their accessibility to schools, either from said movement restrictions or closure of schools of 8-20% of schools in the West Bank (UNICEF, 2024). Obstructions on schooling also include the 69 attacks on schools, and additional 2,354 incidents affecting school, their staff, and students (UNICEF, 2024).

With plans to further annex the West Bank, championed by Finance Minister of Israel Bezalel Smotrich and likely supported by the United States, the crackdown on the West Bank has intensified in various forms. Increased settler violence and annexation efforts have led to the displacement of 4,450 Palestinians since October, including 1,875 children (OCHA, 2024a). This period has also witnessed an increase in Israeli settler attacks on Palestinians which totaled 1,390 attacks, leaving 135 injured or killed, and resulting in the destruction of property and the displacement of 1,528 Palestinians (OCHA, 2024a). With the re-election of Donald Trump, Israel's top ally, 2025 looks bleak for the West Bank under Smotrich, who is laying the groundwork to effectively annex the territory and further fragment Palestinian geography, threatening the future existence of its native population.

### 3. Implications for Future Poverty Indicators

As a result of the previous, it is projected that the Human Development Index (HDI) will fall to 0.643 in Palestine, while poverty rates, according to monthly consumption patterns, will likely increase to 74.3%, leaving 4.1 million people poor by the end of 2024 (UNDP and ESCWA, 2024). In the Gaza Strip, the dire economic situation is further compounded by increased levels of poverty will likely sweep almost all Gazans under the poverty line (UNDP and ESCWA, 2024). With intensifying movement restrictions in the West Bank, poverty rates are expected to increase to 75%, even in the best-case scenario (UNDP and ESCWA, 2024).

Monetary poverty, as measured by monthly consumption patterns, cannot be discussed divorced from multidimensional poverty, its indications, as well as implications. By nature, the most impacted dimensions are housing, safety, and access to services. Monetary poverty can lead to multidimensional poverty through financial inaccessibility to services, as it is linked to reduced purchasing power and subsequent expenditure levels and the consequent reduction in the ability to obtain services. An unpublished report by MAS revealed that families have been unable to receive treatment or schooling due to financial restrictions given the decrease in income, or have de-prioritized said services to ensure others, such as food, have been met (MAS, 2024c).

Multidimensional poverty is set to increase from previous rates of 10.2% to 30.1% in Palestine,<sup>9</sup> impacted by decreasing monetary resources, disrupted freedom of movement, unemployment, constrained access to healthcare and schooling in both regions (UNDP and ESCWA, 2024). As GDP plummets, and unemployment rises monetary poverty is expected to increase drastically

<sup>8</sup> According to: PCBS, "current status of the Palestinian labour force in 2022," 30 April, 2023, at: <https://pcbs.gov.ps/post>.

<sup>9</sup> The Multidimensional Poverty Index includes three main dimensions health, education, and living standards, which have 10 indicators: nutrition, child mortality, years of schooling, school attendance, cooking fuel, sanitation, housing, assets, drinking water, and electricity. More on MPI can be found here: <https://hdr.undp.org/system/files/documents/hdp-document/mpireport2024en.pdf>

compared to -already high- pre-war levels to reach 74.3% by the end of 2024 (UNDP and ESCWA, 2024). This increase is not solely attributed to the decrease in monetary capacities or purchasing power, but also as a result of the extensive destruction of essential infrastructure, as well as movement restrictions to people and good in both regions.

Amid the widespread destruction, large segments of the population now face severe deprivation across all seven dimensions, including access to water and electricity, employment, overcrowding, ownership and use of assets, and issues with ventilation in housing. Previously, only smaller percentages of the population experienced deprivation in these areas. (UNDP and ESCWA, 2024). Multidimensional poverty will likely increase from 19.5% in 2017 to 52.6% by the end of 2024 if the person only experiences deprivation of at least half of indicators of multidimensional poverty, affecting at least 82.8% of the population (UNDP and ESCWA, 2024).

The significant deterioration in non-monetary welfare indicators and multidimensional poverty (MDP) by the end of 2023 is likely to reverse the progress made in welfare across Palestine since the end of the pandemic until October 2023 (World Bank, 2024). Even under the most optimal circumstances of a recovery driven by double-digit growth rates, substantial foreign aid, and eased movement restrictions, welfare levels will likely take decades to revert at least to the dire pre-October 2023 benchmark (UNCTAD, 2024).

## **4. Challenges to relief, rehabilitate, and recover**

### **4.1 Fragmentation amidst Chaos\**

The social protection system, as highlighted by many studies, is characterized as disorganized, and fragmented, with limited cooperation and coordination between the different actors (MAS, 2024d; MAS, 2023b). To ensure widespread relief, covering all those facing various forms of monetary and non-monetary poverty, the disorganized and fragmented manner of the social protection system poses a dilemma.

This fragmentation and disorganization are translated into limited cooperation, collaboration, and coordination begins at the institutional level leading to the beneficiaries (ACAPS, 2021; ILO, 2021; MAS, 2024d; MAS, 2023b). At the institutional level, in addition to the newly establishment national registry, there is no unified data collection methodology or database for those living in multidimensional poverty, even when the proxy-mean was adjusted to account for those multidimensionally poor as part of establishing the national registry. As was observed in past social assistance distribution, this fragmentation can lead to the exclusion of people in need, and a correspondent duplication of households who receive assistance (MAS, 2023b; Abu Zaiter, 2022; ACAPS, 2021).

Such challenges in fragmentation can severely impede the aid distribution process under emerging technical issues in aid provision resulting from aggression. A key challenge facing social protection in terms of provision is the shift in socio-demographic composition and it corresponds to the most vulnerable groups. It is true that the mass destruction and depravation has impacted all components of the Palestinian population in the Gaza Strip, however, some social groups have been exposed to additional vulnerabilities amidst the war. It is estimated that at least 17 thousand children are now either orphaned or unaccompanied (UNICEF, 2024b), thus rendered more vulnerable than other



socioeconomic groups, and in need of protective interventions in various arrays of like. Serious interventions are needed in what currently a severe case of worsening socioeconomic hardship is to ensure children are protected and receive their basic rights in the absence of parents. Now, more than ever, there is a need for a unified system that can swiftly absorb shocks through cooperation. The martyrdom of parents and the destruction of housing present additional challenges to data collection, as both key units—households and housing units—have been significantly altered.

Most importantly, the usefulness of cash assistance remains contingent on liquidity in the market. The Gaza Strip, a cash-based economy, has been grappling with an intense liquidity crisis during the aggression marked up vast destruction of ATMs, and a severe cash shortage, further exacerbating hardships faced by individuals as cash assistance procedures are severely hampered (OCHA, 2024b). Due to the bombing, and evacuation orders, many Palestinians cannot reach the few remaining functioning ATMs. As such, many are having to transfer funds to private establishments and individuals are only able to exchange them at extortionate rates.

## 4.2 Public Financing, Resource Allocation, and Prioritization

Many argue that policymakers in fragile states encounter substantial obstacles in formulating and executing social protection strategies (Carpenter et al., 2012; Easton et al., 2017). This includes insufficient funding and a lack of capacity to provide essential services to citizens, leading to reliance on foreign aid for protection. Yet, the situation is more complex. Undoubtedly, the existence of a seventy-six-year long colonization by Israel is at the root of the dilemma of production systems that produce sustainable social protection.

Still when discussing social protection as a socioeconomic system that must intend to eliminate socioeconomic vulnerabilities and promote sustainable development and protection for individuals as well as the economy, it is important to highlight the role of the Palestinian government in the sector's weakness. A quick revision of sectoral allocations reveals the disparity between various sectors. The economic affairs sector, an essential sector for development and sustainable social protection structures, under the citizen's budget merely receives 5.7% of the sectoral budget allocations.<sup>10</sup> This sector includes, among many other, Ministry of Agriculture, Ministry of Labor, Ministry of National Economy, Ministry of Entrepreneurship and Empowerment, Ministry of Energy and National Resources, and the Palestinian Agriculture Credit Institute.<sup>11</sup> Other sectors not related to socioeconomic development, take up more percentages of the budget instead, such as public services. Even when compared to other sectors related to socioeconomic development that promote social protection, the economic sectors' budget pales in comparison.

Even still, already-existing social sectors, still disproportionately receive budget allocations when compared to other sectors not linked to socioeconomic development and poverty alleviation. For example, on average, the security sector makes up more than 20% of PA spending, whereas social protection has made up only 17.6%, and education and health 20.5% and 14.3%, respectively.<sup>12</sup> The social protection system falls further down the line of priorities in allocations each year, this year taking 17.6% of the budget,<sup>13</sup> 18.3% in 2023,<sup>14</sup> and about 20% in 2022.<sup>15</sup> While Palestine' social

10 "Citizen's Budget, 2024, accessed on: <https://citizenbudget.ps/>

11 "Citizen's Budget 2023," Ministry of Finance, 2023, accessed on: <https://www.pmf.ps/documents/budget/2023/citizen2023.pdf>

12 "Citizen's Budget 2023," Ministry of Finance, 2023, accessed on: <https://www.pmf.ps/documents/budget/2023/citizen2023.pdf>

13 "Citizen's Budget, 2024, accessed on: <https://citizenbudget.ps/>

14 "Citizen's Budget 2023," Miftah, accessed on: [http://miftah.org/Publications/Books/CitizenBudget\\_General\\_Budget\\_for\\_the\\_Fiscal\\_Year2023.pdf](http://miftah.org/Publications/Books/CitizenBudget_General_Budget_for_the_Fiscal_Year2023.pdf)

15 "Cabinet approves draft budget law for fiscal year 2022 with total expected revenues of \$ 4.7 billion, expenditures of \$ 5.8 billion and a deficit of \$ 558 million," 31 March, 2022, accessed on: <https://tinyurl.com/25tuxske>



protection allocations positively differ when compared to other countries, such as Jordan, whose allocation in 10.7%,<sup>16</sup> the overall Palestinian context, with successive aggressions, destruction of productive capacities, produced many deficits and vulnerable communities, that needs intense social protection services that 17.6% clearly does not cover.

Arguments are frequently made that, despite a formal shift in strategy and agendas toward transforming the social protection system from a 'relief' model to a 'developmental' one—focused on cluster development and holistic growth, the sector remains largely centered on relief provision (MAS, 2024d). A key issue is the disproportionate allocation of resources to social protection without equal investment in the economic sector, which keeps the focus on relief rather than long-term development. Even in relief efforts, budget allocations have fallen short, as shown by the National Cash Transfer Program (NCTP), which has made only one of the four planned payments to households already in poverty before the war.. The budget of the program, even though it was taking up about 90% of the Ministry's budget,<sup>17</sup> was not able to cover all those under the poverty line. As it stood last year, the MoSD's NCTP only covered 40% of households in extreme poverty, but did not cover poor households, meaning that 60% of extremely poor households and all poor households do not receive assistance through this program (ACAPS, 2021). In this context, it is worth noting that the Ministry of Social Development only received less than 5% of the total governmental budget.<sup>18</sup>

This combined highlights the paradox between governmental aims towards sustainable development that indicated by development by cluster approach, economic disengagement, a cohesive, resilient community capable of development.<sup>19</sup> As such, one must observe the impact such allocations and public expenditures might have on social provisions to mitigate a socioeconomic crisis this large, and not only relief the resulting 4.5 million poor people, but also lay the groundwork for recovery and rehabilitation.

### **4.3 Unreliability of Aid Provision as a Primary Financial Source for Social Protection**

Within the context of social protection, the high reliance on aid as a primary source of funds for social protective programs renders the program unsustainable, and easily impacted by the shifts in the international aid environment and key players shifting positions. As it stands, 45% of the NIS 490 million budget for the NCTP is funded by the EU, while 55% is locally funded by the PA.<sup>20</sup>

Reliance on international aid for a social protection system or development under colonial dominance with no international accountability for the Israeli occupation, can render the social protection infrastructure contingent to Israeli control and domination. This was highlighted as a key dilemma during this aggression, where Israeli policies during the aggression used aid as a political coercion tool, whereby aid provision was severely disrupted by either refusing aid entry, or targeting aid and humanitarian workers, leaving people, causing a persistent risk of famine in the Gaza Strip.

A year into the war also saw unprecedented attacks on UNRWA, the leading social assistance provide in the West Bank and the Gaza Strip, that culminated in a bill by Israeli Knesset to ban UNRWA and prohibiting its operations and provisions of services and activities (Wafa, 2024b). Attacks on UNRWA during

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16 "Jordan Profile," ILO, accessed on : <https://www.social-protection.org/gimi/ShowCountryProfile.action?iso=JO>

17 Citizen's Budget, "Citizen's Budget for Ministry of Social Development 2023," at: <https://citizenbudget.ps/ar/node/505>

18 Citizen's Budget, "Citizen's Budget for Ministry of Social Development 2023," at: <https://citizenbudget.ps/ar/node/505>

19 "Citizen's Budget 2023," Ministry of Finance, 2023, accessed on: <https://www.pmf.ps/documents/budget/2023/citizen2023.pdf>

20 "Citizen's Budget, 2024, accessed on: <https://citizenbudget.ps/>

this year included attacks on its facilities, damaging 190 UNRWA installations, leaving only 7 out of 27 operational health centers (UNRWA, 2024a), and 70% of the Agency's schools directly attacked (UNRWA, 2024b). With almost 66% of the population in the Gaza Strip being refugees and reliant on UNRWA for various socioeconomic services, this casts daunting forecasts on the future of multidimensional poverty for a large segment of the Gazan population, particularly given the increased fragility the Israeli aggression has produced. Similarly in the West Bank, with vast infrastructural damage caused by the Israeli occupation in multiple refugee camps, UNRWA's position in the social protective system is more crucial than ever.

#### 4.4 Sustainable Protective Productive Systems

It has long been argued that a crucial element of social protection is the development of a productive local market, one that fosters emancipation, independence, and economic growth, while also supporting local production and workers within key sectors like agriculture and food systems. However, a major obstacle to rehabilitation and recovery in the realm of social protection is the pervasive influence of colonial domination. These power dynamics—both within the region and internationally—directly shape and hinder progress in this area, as in many others.

Promoting local production now offers a key solution for sustainable development and social protection, especially in rehabilitation. With around 171,000 unemployed workers and vast unused agricultural lands, the potential for revitalizing the sector is clear. However, colonial violence, annexation, settler violence, and trade restrictions have historically hindered progress, eroding the sector's capacity to contribute to GDP and provide essential employment. The wage gap between Palestinian and Israeli markets drives many Palestinian workers to seek employment in settlements to support their families. A key challenge is redirecting labor away from these settlements once local opportunities are available. The lack of a social protection system ensuring fair wages, aligned with market prices and inflation, along with jobs offering full socioeconomic rights, is a major barrier. Additionally, the absence of strong monitoring and legislative frameworks to protect workers' rights worsens the issue. In the Gaza Strip, advocating for food sovereignty to ensure food security and protect livelihoods is challenging, as it remains dependent on fluctuating international aid and movement restrictions. The agricultural sector has been severely damaged, with over 75% of agricultural land degraded, leaving little arable land (Euro-med, 2024).

Currently, the agricultural sector, along with other economic sectors such as industry, receives minimal government support within the sectoral budget.<sup>21</sup> This leaves the sector struggling not only with the restrictions imposed by the Israeli occupation but also with limited resources to foster growth and development. Agricultural and other productive sectors face significant barriers that hinder local and economic progress, particularly in area C, where large swaths of agricultural land and natural resources are rendered inaccessible due to settlement expansion and settler violence, further stifling the sector's potential (MAS, 2022). What was once Palestine's 'fruit basket,' area C is now impoverished by restrictions on agricultural production and investment.

### 5. Towards Holistic Social Protective Systems

#### 5.1 Urgent Relief

While it is essential to discuss social protection as a developmental unit rather than one that strives for relief only, the unprecedented destruction on the Gaza Strip and vast, observable decline in multidimensional poverty indicators reveal the need for urgent relief. Before all, social

<sup>21</sup> "Citizen's Budget, 2024, accessed on: <https://citizenbudget.ps/>

protection must preserve people's dignities and provide them with their basic needs. This would be a key stepping point moving forward to medium term rehabilitation and recovery.

First and foremost, to overcome issues of exclusion resulted by fragmentation in the social protection system, collaboration between international agencies, local non-governmental organizations, grassroots organizations, as well as governmental organizations must be ensured to ensure all those in need receive assistance, while ensuring equality in distribution. This collaboration must extend to include cooperation to improve data systems to enhance comprehensive data collection methodologies, and monitor vulnerability.

A scale up in cash and food assistance is essential in this case. Several international and national organizations have been providing both cash and food assistance to wide segments of the Palestinian population, including WFP, UNICEF, and FAO. However, what is being sent does not match is required (The Economist, 2024). While Universal Basic Income (UBI) is inherently universal, pilot schemes for (EBI) in specific, targeted areas could prove highly effective. As such, the scale-up in cash assistance could be in the form of Emergency Basic Income (EBI), as it promotes tailored utilization of monetary resources. An EBI scheme covering the Gaza Strip would allow vulnerable households to make spending decisions based on their specific tailored needs. This also goes for the most impacted communities in the West Bank as well as newly-impacted. Refugee camps in the northern West Bank, villages in Area C, communities with high employment rates in Israeli settlements, and female-headed households are all groups that could significantly benefit from such initiatives.

All cash interventions must be complemented by market interventions mechanisms to mitigate crises in price inflation in both regions, as well as the liquidity crisis in the Gaza Strip, to ensure people's purchasing power remains strong. Basic necessities, such as food, fuel, water, and electricity, must be protected to ensure they are not deprioritized as a negative coping mechanism. As such, stabilizing essential services as well as ensuring subsidized essential goods and services is essential to maintain affordability during shocks.

A key complementary mechanism to cash assistance is fostering collaboration between aid-providing entities and local institutions, such as shops and banks to facilitate cashless payments, and provide the necessary infrastructure, to ensure that digital payments and e-vouchers are fully redeemable in local markets. This benefits both beneficiaries and the local economy. Additionally, partnerships between international organizations and local banks can facilitate the implementation of measures like providing point-of-sale (POS) terminals or mobile payment devices to local merchants, enabling the seamless use of digital cash assistance. Given the ongoing liquidity crisis in the Gaza Strip, the provision of pre-loaded cash cards with e-vouchers offers immediate flexibility and accessibility, allowing beneficiaries to quickly access cash when needed.

In the short-term, mass mobilization for international aid can be crucial as a prerequisite to ensure the PA's ability to provide emergent interventions, and relief to those most impacted by the aggression in the West Bank, and more so in the Gaza Strip. Advocating for an increase in international aid, including mobilizing resources from the Palestinian diaspora. International agencies active in the Palestinian territories, particularly UN agencies must also play a positive role in ensuring that UNRWA remains a key player in the social protective system, on both the relief and sustainable level. As such, efforts must be directed towards larger appeals that support UNRWA to ensure the Agency is at full financial and administrative capacity to continue supporting those in need during the aggression, and once it is done.



## 5.2 Sustainable Rehabilitation and Recovery

As Tabar and Salamanca (2013) argue, there is a need to rethink the material conditions needed to produce sustainable and resilient forms of development. On the ground, the social protection dilemma consists of many intertwining levels, that create structural deficits, ones that mere social assistance does not sufficiently unwind, and neither does it relief by itself. To combat the roots of mass poverty, economic, labor, legislative, fiscal, and social policies must be framed holistically in a way that reduces the economic and social vulnerability of people, and not merely advocate for an influx in donor aid to provide cash and in-kind social assistance. These sectors are often analyzed separately at the policy level, rather than through a holistic approach that reduces the need for extensive social assistance programs. While such programs are still necessary, economic systems should be designed to protect the population, ensuring people are not overly reliant on assistance. Instead, assistance should be a last resort in times of extreme hardship. Rehabilitation and recovery must be a national and local effort to set the pace for future decreased reliance on foreign aid, and sustainable development using local resources, production, and efforts.

Understanding how social, economic, policy, and legislative structures can work holistically to produce economic structures that are protective, is key in working towards combating mass poverty. As the end of the current year approaches, a revision of public spending and resource allocation is crucial for the prospects of recovery and rehabilitation. Prioritizing social and economic sectors in the national budget, as well as in ministry-specific allocations, can significantly advance efforts to improve social protection. Furthermore, increased advocacy is essential to secure additional funding for the MoSD's NCTP, enabling its expansion to include newly affected individuals who are not receiving assistance through the EBI scheme. That is why improving the adequacy and the responsiveness of the NCTP for resilience in future shocks is essential. Key to this is decreasing reliance on international aid, and upscaling its governmental financing.

As a recent paper by MAS underscores, Emergency Basic Income (EBI) is “an integral part of a coherent ‘recovery’ programme,” representing an “optimal” approach to improving the recovery prospects of individuals dealing with trauma (MAS, 2024b). While the issue of targeting may present a social dilemma and risk undermining social cohesion—thus counteracting the universal intent of such schemes—EBI can nonetheless serve as a foundation for alleviating the multidimensional challenges faced by households. In the long term, the provision of EBI emerges as immediate aid to foster human dignity, autonomy, and economic empowerment.

In the West Bank, where daily life is still impacted, though less severely than in the Gaza Strip, scaling up government support for Cash-for-Work and Cash-for-Assets programs alongside the EBI scheme can help households access basic services tailored to their needs, without relying on additional aid channels. Cash-for-assets, like health, education, and WASH services can help prevent basic income from inadvertently leading to negative coping strategies that undermine access to essential services. For governments to invest in areas that not only support rehabilitation efforts but also promote sustainable livelihoods. In regions with significant infrastructural damage, like refugee camps and Gaza, expanding public work programs tied to community infrastructure restoration can be transformative, prioritizing labor-intensive methods to improve livelihoods while rebuilding essential services.

Economic development must not be divorced from a political program striving for independence and liberation. As Taghdisi-Rad (2011) affirms, “aid can hardly be expected to act as a tool of economic

development in the first place.” As such, investing in productive sectors and establishing productive markets can be key in not only creating sustainable livelihoods but also providing financing to compensate international funding of more than half of MoSD’s primary social protection program. Establishing a strong agricultural sector not only provides sustainable production of food thus contributing vastly to local production and in turn GDP, but also plays a role in sustainable food security, protecting Palestinians from restrictions and their disruptions to trade and aid. Here, food sovereignty offers a broader conceptualization required in the Palestinian context, whereby small farmers’ livelihoods and protected, and sustainable local food production is possible, thus ensuring societal Sumod during crisis (Nimer, 2024). Here, ensuring that agriculture-based livelihoods are promoted, through unput subsidies, drought-resistant deeds, and irrigation support is essential.

Future planning must also establish a strong base of protection in case livelihoods deteriorate due to colonial control. While a strong informal social protective system cushion economic shocks in absence of a formal system and a Social Security Law, ensuring robust social protection mechanisms is essential if conditions deteriorate. Fostering partnerships between local NGOs and the local authority, facilitated by international organizations, is essential to amending the Social Security Law in line with previous demands, grievances, and the specific context of Palestinian colonial realities. The proposed amendments must apply to all segments of society, particularly those working in the private sector, while also ensuring people’s trust in the Law and its funds.

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Not for Citation