

# Measuring Social Capital In the Palestinian Territories

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PALESTINE ECONOMIC POLICY RESEARCH INSTITUTE

2007



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Palestine Economic Policy Research Institute

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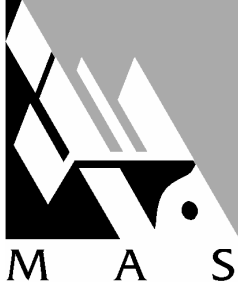
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### **Measuring Social Capital in the Palestinian Territories**

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## Executive Summary

The objective of this study is to investigate the concept of social capital and its manifestation among Palestinians in the West Bank and Gaza Strip. It seeks to establish a framework that allows the various dimensions of social interaction and engagement to be measured, in order to design an index that reflects the multi-faceted nature of social capital in the Occupied Territory.

The term is not a new one, but it acquired increasing attention from the early 1990s as a result of its adoption by the World Bank and other institutions, which even viewed it, at times, as the ‘missing link’ in development. However, a review of the abundant material related to the concept reveals a number of problems, including the lack of a single accepted definition of social capital, its contested effects on economic and social indicators, and its opaque relationship with the more established notions of physical and human capital.

The complexity of the concept left its mark on attempts to measure it, with divergent notions of what constitutes social capital hampering efforts to adopt specific indicators to appraise it, or compare it between countries. Indeed, unlike physical or human capital, which have much more straightforward indicators to assess and compare, the manifestation of social capital must be examined through a choice of proxy indicators, whose appropriateness will vary between societies. Furthermore, many acknowledged dimensions of social capital – such as levels of trust in other people and institutions – are not easy to quantify. However, there have been a number of attempts to develop partial or comprehensive indicators to measure social capital, and the World Bank has played a leading role in such initiatives as part of its efforts to alleviate poverty and enhance development opportunities.

This study adopts the definition of the Organisation for Economic Cooperation and Development (OECD), which views social capital as a multidimensional concept reflecting social networks and the shared norms, values and understandings that facilitate cooperation within or between various groups. Based on this definition, but tailored to the specific Palestinian context, survey questions were designed to enquire into four principal dimensions of social capital: political, civic, and professional participation; informal networks and social engagement; trust in

institutions and other individuals; and shared values and norms. The questionnaire also elicited personal and demographic information, and was administered to a representative sample of 2,500 Palestinian households in June and July 2007 by the Palestinian Central Bureau of Statistics. However, it should be noted that while the survey was carried out in full in the West Bank this was not possible in the Gaza Strip, where the political and security situation prevented completion of the task. Therefore, analysis of the data from Gaza could only be conducted at the level of the Strip's population as a whole, and not at the more detailed level of sub-groups defined by demographic characteristics.

Once the data was cleaned and entered into a database, the next step was to employ principal components analysis to factorise the main aspects of social capital in Palestine. A scree plot determined that six main elements could be identified from the responses (two more than were hypothesised), which can be summarised as follows: Trust in political institutions; Social, professional, civic and political participation; Behavioural values; Trust in local and international organisations; Participation in informal social networks and social support; and Social attitudes and norms. An index was calculated for each of the six dimensions through standardised forms with a zero mean and a standard deviation of one. The results were used to produce a general Social Capital Index in the West Bank and Gaza Strip through a weighted average of the multi-dimensional calculated values.

The values of the aforementioned six dimensions, as well as the overall Social Capital Index (SCI), were used to analyse and test statistical differences across socio-economic and demographic characteristics. The ensuing statistical analysis produced a number of interesting results, which can be summarised as follows:

- ✧ The overall Social Capital Index in the Gaza Strip is higher than the remaining West Bank<sup>1</sup>, while the latter is higher than that of Jerusalem.
- ✧ Examining the six components of social capital across the three regions, the data reveals that the highest level of confidence in political institutions is found in the West Bank, followed by Jerusalem and then Gaza. Likewise, the West Bank scores the highest in terms of participation in informal social networks and activities, with Gaza and Jerusalem's position in second and third now reversed. In contrast,

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<sup>1</sup> i.e. excluding East Jerusalem. Henceforth the term 'West Bank' will be used in this fashion.

Gazans were found to have the greatest trust in local and international organizations and also the strongest adherence to behavioural and social norms, followed in both cases by West Bankers and Jerusalemites. Meanwhile, Jerusalem scored the highest in terms of social, civic and political participation, with Gaza and the West Bank following.

- ✧ Within the West Bank, the northern governorates were found to have the highest level of trust in political institutions, followed by the southern and then the central governorates. Meanwhile, the southern region scores highest in terms of participation and social norms and attitudes. There are no statistically-significant differences among the other three factors in the rest of the West Bank.
- ✧ People in rural areas have the most trust in political institutions but the least when it comes to local and international organisations. This situation is reversed in refugee camps. In terms of social, civic and political participation, camps lag behind urban and rural areas. Urban areas scored highest in the dimension of social norms and attitudes, followed by camp dwellers and people in rural areas. However, there was no significant discrepancy between the various population types in terms of behavioural values, and when it comes to the overall Social Capital Index, differences between various areas vanish.
- ✧ Regarding gender differences, the survey revealed that men scored higher than women on the overall Social Capital Index. Women averaged higher scores in terms of trust in political institutions and social norms and attitudes, but men came first in behavioural values, civic, social and political participation, and social networks. The level of trust in local and international organisations is similar for both genders.
- ✧ Regarding age, it was revealed that the elderly have most trust in political institutions, while the young have the highest level of confidence in local and international organisations. The level of political, social and civic participation declines with age, while involvement in informal social networks does the opposite. The highest values in the Social Capital Index were found among the 26-35 age-group, while those aged 66 and above scored the lowest.
- ✧ Education level was inversely correlated with trust in political institutions, with those possessing less than a medium diploma having the highest confidence and those with a university education the least. On the other hand, trust in local and international organisations was highest among the latter group. The overall level of social capital tends to increase until the level of the medium diploma and starts to decrease after that, reaching its lowest point with holders of Master's degrees

and above. However, one should be cautious about this result because of the relative scarcity of such highly-educated people in the sample.

- ✧ Regarding employment, the data revealed that those engaged by NGOs have the highest level of trust in both political institutions and local and international organisations, and also score highest in terms of social norms and attitudes. However, public-sector workers came top for social, civic and political participation, and for social networking, which meant that they also recorded the highest overall levels of social capital as measured by the combined index.

Together with the statistical analysis, the study derived the following conclusions from other individual aspects of the survey:

1. The presence of strong political networks with widespread membership was revealed, which contrasted with the much weaker networks related to civil society such as trade unions and community organisations. Likewise, the study revealed the importance of religious ties compared to membership of charitable or other associations.
2. There are discrepancies within the West Bank in the way that social capital is manifested through membership of different types of networks. The more affluent and better-connected central region sees more active membership in community and social organisations, as well as sports clubs, youth associations, internet networks and trade unions. Likewise, politically-active people were more concentrated in this region, probably due to the presence of the main governmental and political institutions in the Ramallah / Al-Bireh area. However, engagement with religious organisations was lowest in the centre, while the southern governorates took the lead in this respect.
3. The level and type of social capital varies across rural, urban and refugee-camp settings. Urban dwellers are more active when it comes to membership of charitable associations and virtual networks, while rural people are more likely to participate in informal social networks.
4. Social capital indicators clearly vary across gender lines, with male participation notably ahead in terms of civic, political and social networks.
5. Social engagement varies according to age, with the young tending to be more involved in clubs, political factions, charitable associations,

neighbourhood committees, internet groups, pressure groups, environmental bodies and international cooperation activities.

6. Many of the respondents were actively engaged in civil, political and cultural organisations. The highest proportion belonging to various societies and associations was found in Jerusalem, followed by the centre of the remaining West Bank, the north, the south, and the Gaza Strip. This is in inverse relation to poverty levels.
7. The survey revealed a high level of participation in the 2006 PLC elections. However, this is not necessarily a good proxy for high levels of social capital, as it may reflect more the extent to which Palestinian society had become politically polarised, and the dissatisfaction with previous governments. Certainly, it should be viewed in conjunction with the generally low levels of trust expressed for political and PA institutions.
8. The level of disseminating political literature and participating in political meetings, led by the central West Bank and followed by the north, the south and then Jerusalem, was minimal. Rural areas did more than towns or camps, and young males did more than other members of the population.
9. High levels of involvement in political rallies and demonstrations throughout the year that preceded the survey reflects the level of politicisation of Palestinian society. Again, young males took the lead, but interestingly rural areas participated more than towns and refugee camps. This reflects the fact that they are worst affected by the erection of the Separation Wall, ongoing settlement activities and land confiscation.
10. A very high percentage of employed respondents indicated that their working relationships were quite good. However, given the high levels of unemployment and low levels of labour-force participation in Palestinian society, this indicator may not be a useful proxy for social capital.
11. The frequency of social communication through visits, phone and email contacts with relatives in the OPT was quite high, greatest of all in rural areas and among people under the age of nineteen. There was also a clear discrepancy between the sexes, with males making twice as many such contacts. Visits were also exchanged with neighbours

frequently (on average more than once a week), with the most visits made in rural areas and in the centre of the West Bank.

12. One quarter of West Bankers invite their friends to visit at least once a week, and although the pattern is more prevalent in the centre than the north or south, in Jerusalem the figure is less than a fifth.
13. The survey revealed that the majority of Palestinians have relatives abroad, and two-fifths maintain regular contact by phone or email at least once a month. Most of those doing so live in urban areas and in the centre of the West Bank, and people under 19, males and students are at the forefront. The dispersal of Palestinians all over the world has to do displacement, exile and ongoing emigration. If proper conditions are secured, this could be a useful resource for economic and cultural development.
14. More than half of the participants in the WBGs are part of clans with *Diwans* to celebrate social events. Regionally, Gaza is in the lead, while residents of urban areas use *Diwans* more than village and camp dwellers. This latter fact may be because villages and refugee camps use private residences to bring together family members, rather than official *Diwans*. Two-fifths of the participants had engaged in clan-related activities during the year, including those with high levels of education. *Diwans* were used mainly by males, and more for social events than economic or political activities.

Clan ties are a component of social capital which varies from one individual to another, depending on geographic location, residence type, gender and education level. However, involvement in clan activity – which could be considered a heritable form of social capital – is not necessarily the type of social capital which can be seen as a development indicator, since recourse to tribal customs is not always compatible with building a society based on citizenship and the rule of law. Nevertheless, engagement in indigenous associations - often groups living in exile from towns and villages destroyed or uprooted with the creation of Israel - is an adaptation of social capital to preserve political rights and collective memory.

15. Three quarters of the participants in the sample mentioned having between one and five intimate friends, while one third had only one or two. It is striking that more than half of the rural participants said they had no friends or just one or two, while 45% of camp-dwellers and

40% of urbanites said the same. This relative lack of close friends indicates the importance instead of kinship and neighbourly ties, collegiality and inherited affiliations.

Interestingly, over half of friendships transcend factional affiliations. This is more predominant in villages than towns, among males than females, and among the better educated.

16. More than three quarters of the sample in the West Bank and a higher proportion in Jerusalem stated that one should not trust other people in general. Contrary to expectations, trust in others was highest in towns, followed by the countryside and the camps. Businessmen had the highest level of trust in others than other workers, and among them entrepreneurs with their own enterprises were the most trusting.

The survey indicated varying levels of trust in clan members, neighbours, and religious and political leaders. In camps, trust in the clan was highest and politicians the least. Trust in religious leaders, politicians and work colleagues falls as the education level of respondents rises.

17. The survey revealed low levels of trust in the Hamas/Fateh national unity government in power during the period when the study was conducted. The mistrust peaked in the centre of the West Bank, and was lowest in rural areas. Businessmen and the self-employed, together with unemployed people, had the lowest levels of trust of all employment categories.

The lack of trust extended to other bodies and political factions. A higher percentage of respondents expressed 'no trust whatsoever' in local councils, popular camp committees, the Palestinian Legislative Council, the PA, the Presidency, the judicial system and the police than said they trusted them highly. NGOs and trade unions were generally not trusted either, particularly in the West Bank and in urban areas, and big companies, donor countries and international organisations not related to the UN fared no better. Meanwhile, the survey revealed a discrepancy between those who have great trust in UN bodies and those who have none at all, with the former concentrated in refugee camps, probably because of the work of UNRWA.

The only categories which were generally well trusted overall were religious and educational institutions and local press and TV. Additionally, a limited amount of trust was expressed for the judiciary and the police. As with other indicators there were differences across a number of demographic variables, but the problem we are left with is how to relate trust to social capital as a whole. Which kind of trust is most important? How do we square low levels of trust in individuals and institutions with high levels of participation in voluntary work and charitable activities, which should indicate an abundance of social capital?

18. A high percentage of respondents indicated that they valued the importance of democracy, combating corruption, establishing the rule of law, improving the economic situation, and confronting poverty and unemployment. If prioritising such issues is an indicator of possessing social capital, it exists in abundance in the West Bank and Gaza Strip. However, very few agreed with the option that reducing gender inequality was important. Shared values may be a useful proxy for social capital, but not necessarily for social development.
19. Asked whether certain negative behaviours (such as buying stolen goods or taking a bribe) could ever be justified, the majority respondents were united in condemning them. However, discrepancies arose along demographic lines, particularly between Jerusalem and the rest of the West Bank, as to what degree of law-breaking was acceptable.
20. The majority of the sample said they had limited or no confidence about the future, but significant regional differences emerged. Jerusalemites had more confidence than their compatriots in the West Bank, but the most pessimistic outlook was from Gazans, reflecting the gloomy political horizon in the foreseeable future.
21. One in eight Jerusalemites, one in five West Bankers and one in three Gazans said that they had thought about emigrating during the previous year. Twice as many males as females admitted this, and inhabitants of refugee camps, holders of university degrees, and under-19 year-olds were also among the most likely categories of Palestinians to have considered leaving. This is testament to the poor prospects of economic growth and employment in the Occupied Territory, but also shows the importance of examining social capital in conjunction with a full picture of the prevailing social, cultural and economic conditions.