

Laura E. Mitchell

## **Making Ends Meet: Gender and Household Coping Strategies in the West Bank**





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## Executive Summary

This report is the fourth of its kind in a longitudinal, empirical study of how Palestinians in the West Bank (WB) and Gaza Strip (GS) cope with the effects of the Israeli-Palestinian conflict. The previous reports offer a rich description of and insight into how Palestinians have adapted to a rapidly-changing socio-political and economic landscape, whilst land confiscation, settlement expansion and other colonising practices continue. In the context of the lengthy period of sustained socio-economic and political pressure on Palestinians in the WBGS and the growing numbers of WB households which have fallen below the poverty line (56% as per UNDP, 2007), this study seeks to look more closely at how Palestinians are adapting at the household level and specifically at the gender differences within households, as well as how different coping strategies affect the household resource base in terms of sustainability.

The report draws on both one hundred individual and group interviews in five communities in the West Bank and on burgeoning literature from the Middle East (Abu Nahleh, Hoodfar and Singerman, Kuttab, Taraki, and Wikan) which views household coping strategies as forms of resistance during times of crisis. Coping strategies are not homogenous and differentially affect a household's resource base, social networks and individual members. During times of crises, the immediate needs of households are frequently prioritised by aid agencies. However, this paper also attempts to move beyond an examination of immediate consumption needs by probing the longer-term coping strategies which households use to meet their more-costly, occasional needs, such as building housing, paying for higher education or for getting married.

Palestinian households use a combination of coping strategies and when possible diversify the mix of strategies to spread risk. However, many households are relying on strategies which reduce and in some cases, even deplete their resource base – entailing a narrowing in the range of options and coping strategies available to them for the future and undermining their ability to care for their members. There was, however, only some evidence of regenerative coping strategies where households rebuild or build up their resource base. Particularly disconcerting is the continued phenomenon of indebtedness of households; 65% of West Bank households are indebted and 25% of indebted households have debts of over 20,000 ILS (approx. \$5,160USD)<sup>1</sup>. Palestin-

<sup>1</sup> For a detailed presentation of household debt in the WBGS, refer specifically to Tables 4.11 and 4.12 of the Tabulation Report for Household Economy, available at: <http://www.faf.no/ais/mideast/opt/opinionpolls/2008-4%20Household%20economy.pdf>

ian Authority (PA) employees, frequently viewed as the backbone of the Palestinian economy, have also joined the ranks of the indebted, and many reportedly pay fifty percent of their salaries and more to the banks to cover loan payments. The social networks and resource bases of households exhibit signs of stress and erosion.

Despite the fettered Palestinian economy and the financial burdens which many households bear, Palestinians in the West Bank continue to prioritise investing in higher education for their members. Significant social change has occurred in the West Bank over the past two decades regarding women's roles and the norms which govern those roles. Some two decades ago, girls and women were generally socialised to become mothers and wives whose roles focused on caregiving within the family and on household production. Today, however, young and married women are encouraged to pursue higher study and seek paid public sector employment. Women's families, in-laws and spouses clearly accept that these women study and hope that these educated women will eventually find public sector work and contribute an income and work-related benefits. The financial pressure on households has led to a situation in which few households can rely on a single income. Women who pursue higher education have the potential of becoming income-earners in the public sector.

Amongst young men in their twenties and early thirties, however, desperation was witnessed as they sought decently-paid work opportunities which do not exist in sufficient number in the Palestinian economy. Part of the drive to find such work is to enable them to save money to set up their own households and start their own families. The lack of decently-remunerated opportunities in the Palestinian economy and difficulty of getting a permit to work in the better-remunerated Israeli labour market pushed some young men to pursue work inside Israel without permits and despite the risks of imprisonment and high fines.

# Introduction

This report is the fourth of its kind and is part of a longitudinal study of how Palestinians in the West Bank (WB) and Gaza Strip (GS) cope with the effects of the Israeli-Palestinian conflict. The 2001 initial study focused on Palestinians' strategies for dealing with the conflict one year after the outbreak of the second *intifada* or *Al-Aqsa Intifada (AAI)*<sup>2</sup>. In December 2002, fieldwork was conducted, and in 2003, the second report<sup>3</sup> was published focusing on Palestinians' ways of coping under the Israeli closure regime and highlighted the centrality of public sector salaries to the economy. The third round of the study<sup>4</sup> was conducted in March 2007 one year after the Hamas victory in the Palestinian Legislative Council (PLC) elections which led to an economic boycott of the Hamas government by the international community and the withholding of tax revenues by the State of Israel. These reports offer a rich description of and insight into how Palestinians have adapted to a rapidly-changing socio-political and economic landscape, whilst land confiscation, settlement expansion and other colonising practices continue. In the context of the lengthy period of sustained socio-economic and political pressure on Palestinians in the WBGS and the growing numbers of West Bank households which fall below the poverty line (56%<sup>5</sup>), this study seeks to look more closely at how Palestinians are adapting at the household level<sup>6</sup> and specifically at the gender and generational differences within households.

<sup>2</sup> See the three Fafo reports (2002): Egset and Endresen's *Paying a Price. Coping with Closure in Jericho*; Pedersen et al. *Paying a Price. Coping with Closure in Two Palestinian Villages*; Pedersen et al. *Paying a Price. Coping with Closure in Gaza City*. All are available at: <http://www.fafo.no/ais/mideast/opt/paying/index.htm>

<sup>3</sup> See Sletten & Pedersen's *Coping with Conflict: Palestinian Communities Two Years into the Intifada*. 2003. <http://www.fafo.no/pub/rapp/408/408.pdf>

<sup>4</sup> See Hasselknippe & Tveit's *Against the Odds: How Palestinians Cope through Fiscal Crisis, Closures and Boycott*. 2007. <http://www.fafo.no/pub/rapp/20041/20041.pdf>

<sup>5</sup> According to UNDP's 2007 Development Times report on poverty, 70% of households in the Gaza Strip and 56% of households in the West Bank live below the poverty line (2007, 2).

<sup>6</sup> Very few Palestinians live alone in the WBGS; in fact, the majority of Palestinians lives in households where resources and labour are shared and distributed amongst members and, as such, constitutes an important site for research.

This report will focus on the situation in the West Bank. The situation of households in the Gaza Strip (GS) has not been included in this report despite the fact that interviews were conducted there in the spring and fall of 2008. In light of the war on the Gaza Strip in December 2008 and January 2009, the situation on the ground has changed substantially since our interviews were conducted – making some of this material outdated. However, in February and March 2009, Fafo conducted a large survey which included both a survey of life in the Gaza Strip<sup>7</sup> and a survey of Palestinian opinions in the WBGS<sup>8</sup> which provide important insights into the current situation.

The conceptual starting points for this study are the notions of ‘household’ and ‘coping strategy’. As mentioned above, this study focuses on Palestinian households, which are frequently conceptualised spatially and relationally as buffer zones where the relationships between individuals, local communities, markets and the state are mediated, as well as a space in which formal and informal socioeconomic structures meet. As such, households provide an interesting lens or site where broader structural changes (social, economic and political) meet with the individual and collective agency of household members. ‘Household coping strategies’ as they are often referred to in the anthropological literature, “can be seen as forms of resistance to structures of power and domination – whether expressed through gender norms, the state, the culture, or the economy” (Hoodfar and Singerman, 1996, xxii-xxiii). Coping strategies refer to:

all strategically selected acts that individuals and households in a poor socioeconomic position use to restrict their expenses or earn some extra necessities (food, clothing, shelter) and not fall too far below their society’s level of welfare. Coping strategies are thus series of strategic acts based on a conscious assessment of alternative plans of action. Within the limited options they sometimes have, households in a poor socioeconomic position choose the plans of action that are proportionately most useful to them. This does not necessarily mean these plans of action always serve the purpose they were intended to serve. (Snel and Staring, 2001, 10-11)

While a household’s coping mechanisms may not necessarily change the structural forces which are at work, coping strategies are “nevertheless extremely important in people’s struggles to support, shape or transform relations of power in their society.” (Hoodfar and Singerman, 1996, xxiii)

Households are a key social unit of social production and reproduction around the world. A number of ethnographic studies has demonstrated that households are frequently not egalitarian institutions. Disparities and inequities often exist between

<sup>7</sup> See Tiltnes, Atallah & El-Dada’s *A Survey of Life in the Gaza Strip Six Weeks After Israel’s Attack*. Oslo: Fafo, 2009. <http://www.fafo.no/ais/mideast/opt/gazasrv09/index.htm>

<sup>8</sup> See Tiltnes, Atallah and El-Dada’s *Surveying Palestinian Opinions*. Oslo: Fafo, 2009. <http://www.fafo.no/ais/mideast/opt/opinionpolls/poll2009.html>

different members of a household, and Amartya Sen's (1989) notion of 'cooperative conflict' is particularly illustrative in terms of capturing the internal dynamics, where household members cooperate to minimise external threats and to increase collective interests – even though individual pursuits based on self-interest may also occur. Men and women, as well as different generations, engage regularly in bargaining and negotiating both inside and outside the household, and a member's bargaining power depends partly on one's various and potential contributions to the household, as well as on other forms of power (Hoodfar and Singerman, 1996, xvii-xviii).

Detailed studies of households, which examine the competing interests of household members and/or how resource allocation decisions are made and implemented amongst members, are unfortunately few (ibid, xvii). Furthermore, in many parts of the world, there remain "essential but usually unpaid activities (such as housework and child care) which are seen as the responsibility of the women of the household" (Gosh Jaya, 2004, 3). In Palestinian society, men are generally viewed as the 'breadwinners' and providers of the household. Women and children have, however, always played a very active role in the fulfillment of what are viewed as men's responsibilities – even if the prevailing gender ideology does not reflect the reality of this work (Tucker, 1985). Kuttab also points out that Palestinian women often fail to recognise or sometimes downplay their economic contributions to the household, while praising the male breadwinner and his contributions<sup>9</sup>. The tendency to take the contributions of women and children to the household economy for granted (Hoodfar, 1996, 4) makes the challenge of unearthing these contributions even harder.

This round of the study examines women's and to a lesser extent, children's contributions to the household – focusing particularly on social reproduction of the household. In light of the widespread increase in poverty and decline in household's living conditions, how have women's and children's contributions to the household changed? One of the key research tasks involves examining those contributions and making them more visible. Women's and girls' participation and contributions to the household cannot however be understood in isolation and need to be studied in relation to men's and boys' contributions and roles. How have, for instance, gender and generational roles, the division of labour, social norms and expectations changed as households struggle to cope and adjust within the broader context of closure, fragmentation and continued colonising practices?

Secondly, the study endeavours to examine whether and how these contributions have changed over the last few years (to the extent that that is possible based on previous data collection), as well as how these changed contributions have affected and/or displaced previous activities, the household's resource base and individual workloads.

<sup>9</sup> Interview with Dr. Eileen Kuttab of the Institute for Women's Studies at Bir Zeit University, West Bank. 22 October 2008.

Thirdly, this study seeks to better understand the combined strategies, activities and practices contributed by different household members while also attempting to understand the trade-offs involved as they struggle to cope and manage within Palestinian society and under containment, closure, fragmentation and Israeli expansionism.

Fourth, in light of this recognition of the complex social dynamics within households, this study seeks to examine and better understand how Palestinian households and the different members of those households adjust and cope within the broader community and environment of conflict, containment, fragmentation and fluctuating levels of closure. In so doing, this study also attempts to move beyond a focus on the short-term consumption needs of households by also examining some of the more costly and occasional household expenses such as purchasing land, building housing or paying for a wedding. Longer-term household needs are frequently neglected during humanitarian crises (as the assumptions are frequently that the crises will be of a short-term nature). However, such expenses and life events frequently require years of savings by the household and may also lead to the rechanneling of household resources with varying effects.

Finally, Palestinian households in the West Bank need to be situated within their rather unique socio-economic and historic context which has been shaped both by Israeli occupation policies and by Palestinian resistance efforts. This report will focus on the economic coping strategies used by Palestinian households. Households in the West Bank also employ coping strategies in dealing with the on-going colonising practices; however, while these coping strategies will be touched on occasionally, they do not constitute the main focus of this particular report. This choice has been made in the interests of the scope of this particular report but should not be taken as an indication of their secondary importance.

The report is organised in the following manner; the first part of the report presents the methodology, methods and a background section which covers the policy environment in the West Bank, followed by a section covering the overall coping strategies observed. The report proceeds to examine the resource-generating activities of households, namely, labour migration, small business and agricultural activities. Subsequently, a detailed examination of the household economic coping strategies is presented with a focus on how these shorter-term strategies interact with and affect the households' resource base. The section on saving and investing for the future focuses on the longer-term strategies and needs of households, and is followed by a brief discussion of household debt and intra-household transfers before concluding.

# 1 Methodology

This study of household coping strategies draws on and is informed by the empirical and theoretical work of anthropologists, human geographers and feminist political economists. Political economy offers the conceptual advantage of methodological approaches which are grounded in power relations. In examining household relations, analysis of gender and generational (or age-specific) relations – ranging from roles and divisions of labour to other processes – is also critical.

In terms of studying low-income households, the complexities and the mechanisms these households draw on only appear to increase. Theorising and understanding the dynamics within low-income households, and how they relate to and are integrated into the broader economy is complex precisely because of the invisibility of the informal economy and how it relates to the formal economy, but also because of the variety of market and non-market activities which households engage in to sustain themselves. In times of crisis and in this case, colonisation, household resource management strategies may also change rapidly as households struggle to cope and meet the needs of their members. This section presents the conceptual approach employed and provides definitions of the key concepts used, as well as any typologies used for framing the household's productive and reproductive activities.

Households have been defined in different ways and for various purposes – each with its strengths and limitations. In conducting quantitative surveys, a frequently-used definition which is relatively easily operationalised that relates to a group of people who share meals together or sleep in the same house. However, for the purposes of this qualitative study, the household was defined for purposes of clarification: “a group that ensures its maintenance and reproduction by generating and disposing of collective income” (Wood 1981 quoted in Hoodfar and Singerman, 1996, xvii). In the current context of the West Bank, however, the former definition was sometimes problematic when it came to male breadwinners who would stay away for days or sometimes weeks at a time when working because it would exclude them even though the household very much depended upon their regular cash contributions. In these situations, we included these men and viewed them as members of the household. Another challenge related to the sharing of meals definition for particularly-impooverished West Bank households is that when these households are very short on resources, they will often regularly eat in the home of a close relative but not share their income.

To guide and structure the study of the broadest range of household economic activities (as opposed to only the market-based transactions), the following categories and notions have underpinned this study. These categories have been developed based partly on the growing recognition from studies of survival strategies, subsistence and informal economies that it is a range of market and non-market activities which create a standard of living in a household, as well as on the understanding that women's contributions to the household economy in many countries are often non-market activities, which are frequently underestimated with a market-based focus (Hoodfar, 1996, 5).

- (i) **Household Income**, which is based on both: market activities which can be in the form of cash or barter; or on non-market activities such as goods and services derived from non-market production such as housework or home produced foodstuffs;
- (ii) **Utilization of public institutions and services** such as social service provision and humanitarian and development assistance;
- (iii) **Rent and transfer of goods and services** through gift exchange and inheritance;
- (iv) **Management ability in allocating available resources** to satisfy both immediate and long-term needs of the household while minimizing the need for scarce resources such as cash.

Hoodfar differentiates between 'economic activities' and 'economic contributions', by adopting "broader and more encompassing definitions of *economic activity* and *economic contribution* to include all those activities which bring direct or indirect material benefit to the household." (1996, 5). However, beneficial as this distinction may be, the 'non-material benefits' to households risks falling by the wayside<sup>10</sup>.

In light of the invisibility of households' non-market activities and their expenditure strategies, this study seeks to shed some light on these areas of activity. In conducting the fieldwork, special attention was paid to the gendered division of labour within households, and in situations where new economic activities had been undertaken, the fieldwork sought to unearth how time and other resources had been reallocated and with which kinds of effects. For example, a mother who used to tutor her children two hours a day but who now works most days in the household's greenhouse picking cucumbers. The household's income has increased, and the mother feels better about her enhanced ability to provide financially for her children and household however some of the children's grades have fallen. Such examples point to a number of both intended and unintended effects.

<sup>10</sup> Email exchange with Jon Pedersen, Director of Research, Fafo Institute for Applied International Studies. 21 August 2009.



To hone in on how a household's use and management of resources affects its resource or asset base over the longer-term, Howell's work (1995) on household coping strategies during times of crisis provides conceptual structure to the study. Howell devised the following typology for examining household coping strategies during crises:

1. reductive strategies involve reducing consumption and substituting cheaper alternatives, for example, reducing food intake, reducing or stopping the consumption of certain goods (such as meat), buying cheaper or lower-grade products, opting for subsidised food and services, etcetera.
2. depletive strategies involve expending household resources, savings and selling or consuming assets.
3. maintaining strategies are short-term survival strategies for meeting needs, such as borrowing from neighbours, transfers among family members, begging, relying on humanitarian assistance and/or other types of food aid, and so on.
4. regenerative strategies increase a household's resource base and expand its sources of regular income. For example, crop production, animal husbandry, remittances, small business development in the informal sector, etcetera.

Readers may at this point find themselves asking, 'why study the household?' Households are sometimes posited as the nexus or meeting point for structural forces and human agency (both collective and individual): "The household is a very significant institution, mediating the relationships between individuals, local communities, markets, and the state. It is the institution which encompasses the interdependence of formal and informal socioeconomic structures" (Hoodfar and Singerman, 1996, xi). At the level of the household, we can observe the interactions, choices, constraints and even dreams of its members and how they negotiate with one another, as well as with outside forces.

In terms of one's own imaginary of the boundaries of a community, it is important to note, particularly for urban dwellers, that the boundaries and/or periphery of a population settlement do not often, if ever, coincide with the boundaries of that community's economic activities. This point might seem obvious but the broader geographic spaces in which West Bank communities gain their livelihoods (from summer and winter pastures, to city markets to places for collecting firewood) are being sliced up, whittled away and fragmented, as the communities and the social and economic activities that sustain them are being squeezed into smaller and smaller areas. In some cases, land has simply been confiscated or secure access has been denied. In other cases, the internal regime of checkpoints reduces mobility so significantly that movement of goods and people and the livelihood activities themselves become unfeasible.



## 2 Methods

The materials which were used to prepare this report were gathered primarily during two two-week fieldwork missions in October and November 2008 to the West Bank, as well as during some initial preparatory fieldwork in May 2008.

The research team itself in the West Bank was comprised of one Palestinian political analyst, one Norwegian woman anthropologist and one Canadian woman sociologist; all of whom have experience working in the Occupied Palestinian Territories. The team was supported by local assistants and guides in each community, as well as interpreters.

This study employed qualitative survey methods, namely ethnographic observation, semi-structured individual and group interviews, some expert interviews, and review of previous household interviews (when returning to the same households). Most of the materials were, however, gathered through interviews with the informed consent of individual household members sometimes in the company of other household members.

Respondents were selected to maximise the range and diversity of households covered in the study in terms of: the livelihood strategies and activities practiced; the composition of household membership (i.e., households with small and school-aged children, with elderly parents, with chronically-ill members, with members with a disability, female-headed households, households with labour migrants, households with university students, and so on); ideological and political affiliations or leanings; and the range of security issues (i.e., imprisoned members, army and/or settler violence, land confiscation, etcetera). In terms of inter-household caring activities and resource transfers, households were also selected which had relatives living in the same building, in the vicinity or none whatsoever nearby. Some follow-up interviews were also conducted with households which had been interviewed in previous rounds of fieldwork. Readers should, however, note that selection is not representative of the West Bank population.

One hundred interviews in total were conducted in the fall of 2008 in the West Bank in three rural communities, one refugee camp and one city. The city and refugee camp were added to the research sites only in 2008 to further maximise on the diversity of households and perspectives to include those of urban and refugee camp dwellers. These additional communities or research sites were also selected to ensure some geographic coverage of communities in the northern, central and southern West

Bank. Part of the rationale behind this decision was also due to the recent findings that the differences between regions in the West Bank and Gaza Strip were greater than the differences between different types of population centres or social class – be they villages, towns, cities or refugee camps. (Johnson, 2006, 52).

Interviews generally lasted two to three hours and were as much as possible conducted in the respondent's household. The interviews were conducted in Arabic with interpretation into English for those who are not fluent in Arabic. Women interpreters were used based on the rationale that in probing the non-market activities of households and particularly, women's work inside the household, that a woman interpreter and researcher would be less intrusive and trust could be more easily and better established. The quotations which appear in this report are therefore translated into English and generally come from interviewers' fieldnotes. Many of the respondents' statements are formulated in the first person but are not direct transcripts of what respondents said.

The case studies and statements from respondents which are presented can be read or interpreted on two levels: as factual content; and as reflections of the perceptions, interpretations and imaginaries of the people living in different parts of the West Bank. This study is structured so as to weave together the strands of respondents' statements, interpretation of those statements, observations and discussion. In light of the situated nature of knowledge (Haraway, 1988), individual respondents' observations and perspectives need to be situated in their lives / social locations, and hence, some description of respondents' status is sometimes needed to better situate the perspective being shared.

### 3 Background and Policy Environment

To situate and contextualise the economic coping strategies of Palestinian households, this section will present a brief overview of the key policies and particularities of the Israeli colonisation project. Arguably, summarising key aspects in the history of the conflict over a few decades without missing certain key angles or aspects is a difficult task; inevitably, certain points, perspectives, interests and nuances will be left out. From a policy perspective, however, the period following the 1967 occupation of the West Bank and Gaza Strip can be broken into roughly two phases with distinct policies: a period of initial economic subordination and the ability of Palestinian labour to access and participate in the Israeli labour market (from 1967 until 1991); and the introduction of and experimentation with different closure practices by the State of Israel starting in 1991.

The 1967 Israeli occupation of the West Bank and Gaza Strip was not undertaken with the initial intent of economically exploiting the WBGS. Rather, Israeli colonial policies were structured to ensure economic and territorial domination, the free movement of the occupied population throughout Israel and the Occupied Palestinian Territories (OPT) and political repression of Palestinian nationalism (Hammami and Tamari, 2008, 25). European colonial projects in other parts of the world also involved control and domination of the population, the territory and institutions such as the economy, the law, and cultural, educational and religious systems and practices. Pre-existing institutions were frequently weakened, and dependencies on the new power often resulted<sup>11</sup>.

One of the particularities of the Israeli colonial project relates to the geographic location of the territories; they are contiguous territories<sup>12</sup>. The geographic proximity of the Occupied Territories to Israel and the Israeli labour market, combined with the free movement of occupied subjects, allowed male Palestinian workers access to better-

<sup>11</sup> As colonialism was not a single, nor an exclusively-European project, generalising about such diverse regimes, encounters and actors is particularly challenging without necessarily losing sight of the geographic and historical specificities and of the unfolding of the different colonial processes and the forms of resistance each engendered. My intention here is to locate the Israeli colonial project and the ensuing Palestinian-Israeli conflict within such a frame of reference, while highlighting some of the particularities of this particular colonial encounter.

<sup>12</sup> Provided one accepts the 1948 UN partition, the territories are contiguous if one accepts the partition of Palestine in 1948.

remunerated work. The “WBGS’ economy and labor [became] dependent on Israeli demand and regulations, and [were] unable to respond to local demand or to create the basis of a viable economy and an independent Palestinian state” (Farsakh, 2008, 28). While Palestinian per capita income paradoxically rose between 1967 and 1987, Palestinian productive capabilities were diminished (ibid). During the period between 1967 and 1992, more than 40 per cent of the Palestinian labour force worked in Israel, which accounted for more than 30 per cent of the gross national product (GNP) of WBGS (Kuttab, 2004, 25). While Palestinian workers from the WBGS in the Israeli labour market were not accorded the full rights of Israeli workers, their access to and participation in this labour market served as one key means of transferring resources and wealth into the Occupied Palestinian Territories, as well as financing the trade deficit with Israel. “Palestinian labor migrants became the key structural link ensuring the flow of this economic system of integration ... [and] were the main anchor of the Palestinian economic growth, a growth that relied principally on access to Israel.” (Farsakh, 2008, 28).

During the 1967-1991 period, the labour migration of Palestinian workers served as both a strategy for earning a livelihood and an important means of saving money (while the Palestinian economy was subordinated and constrained). In many parts of the world, labour migration serves as a short- and long-term strategy to earn a wage (and ideally a higher wage) which enables migrants to both support themselves and their dependents, while also saving money for expensive items and life events such as buying land, building housing, paying for a wedding, or starting one’s own business. For younger men migrants, labour migration was also an opportunity to save a ‘nest egg’ for setting up one’s own household and starting one’s own family.

Starting in 1991, Israeli policy “embarked on a major historical reversal in its strategies of control. For the first systems of spatial containment began to take over from a key tenet of Dayan’s integration approach – the integration of Palestinian workers into the Israeli labor force.” (Hammami and Tamari, 2008, 33). The Israeli policy of allowing WBGS labour migrants access to the Israeli labour market is replaced by the introduction of a pass system and gradual implementation of various closure practices. Israeli policy does not, however change its approach to the Palestinian economy, which is still constrained and not allowed to grow to absorb these labourers. Palestinians are gradually removed from the Israeli wage labour market by increasingly limiting their access through the issuing of passes. Today, it is very difficult for Palestinian workers to officially obtain work permits because both the formal and informal requirements are so high that few can succeed, namely, that one be over 30 years of age and married with no security file and that one has an Israeli employer willing to apply for a work permit. In light of the high levels of distrust on both the Palestinian and Israeli sides of the conflict, for young men who have never worked inside Israel, finding an Israeli employer who would arrange a work permit for them is also next to impossible. How

would such youth find such an employer in Israel? And why would such employers who do not know these individuals take the risk, for instance?

The closure or spatial control practices which Israel introduces in 1991 also separate the OPT into three cantons: the West Bank, East Jerusalem and the Gaza Strip. Checkpoints are increasingly established particularly on access roads into Israel but also to limit access to Jerusalem. However, internal checkpoints also become used as part of the control strategies inside the West Bank and Gaza. In terms of mobility trends, the number of Israeli checkpoints and other obstacles of movement<sup>13</sup> in the West Bank have increased (figures are provided below). Since the second *intifada* in 2000 when particularly strict closures within the OPT were imposed on people and goods, the freedom of movement of Palestinians has been significantly reduced. The Israeli authorities employ a combination of physical obstacles and administrative and legal restrictions to control and limit access and movement. These authorities have justified this system of control as a means for containing violent confrontations with Palestinians and for protecting Israeli citizens both in the WB and Israel (UN OCHA, 2009, 3).

At the time of Fafó's last coping study in 2007, 549 movement restrictions were reported in the West Bank in the monitoring report of the United Nations' Office for the Coordination of Humanitarian Assistance (UN OCHA). By the time the fieldwork for this study was conducted in early December 2008, this figure had increased to 624 (OCHA 2008, 1). "Overall, the figure of 624 represents an increase of 248 obstacles (66.0%) over the baseline figure (376) of August 2005." (ibid). So, mobility has not generally eased up. That being said, while these physical obstacles have only increased over the past several years, their severity of their practice fluctuates and can sometimes be very localised, as well as being generally quite unpredictable.

The 1993 Oslo Accords<sup>14</sup> were created and intended to serve as a framework for the future relations between Israel and the Palestinians where final status issues between the parties could be resolved. According to Hammami and Tamari, however, one of the effects of the 1993 Oslo Accords is the subjection of life in the WBGS to a new layer of control from international actors (2008, 3). This international layer consists of those involved with peace negotiations and processes but also international financial institutions. Since Hamas' victory in the 2006 Parliamentary Elections and their June 2007 Gaza take-over, there has been a tightening and an intensification of this layer of control in terms of political and economic life. "The Palestinian economy, such as it is, remains under Israeli macro-control, but now struggles under a severe regime of military

<sup>13</sup> These physical obstacles include roadblocks, earth mounds, trenches and checkpoints. These obstacles may be semi-permanent structures or temporarily-established control points.

<sup>14</sup> Also known as the "Declaration of Principles on Interim Self-Government Arrangements" or the "Declaration of Principles" (DOP).

and political sanctions, that with Hamas's electoral win, has garnered the active support of the international community" (ibid). As Hammami and Tamari point out the relations between the Western donor community on the one hand, and the Palestinian Authority (PA) and the population, on the other, have become relations of dependence and no longer simply of support. Rather than alleviating the political and economic pressure on the Palestinians, much of the aid provided involves heavy oversight and set agendas (ibid). The suspension of funds following the 2006 parliamentary elections has added to the economic stress and difficulties most households and communities experience. While Fafó's 2002 coping study highlighted the centrality of public sector employees' salaries to the Palestinian economy, the PA is struggling economically and frequently teeters on the brink of bankruptcy while relying on aid transfers.



## 4 Overall Economic Coping Trends

The 2007 coping report concluded that ‘Palestinians were enduring the crisis and had adapted to long-term conflict’ (Hasselknippe and Tveit, 2007, 115). This study has sought through a deeper examination of household dynamics to understand what some of the ‘costs’ associated with enduring the crisis and adapting to the conflict are. In conducting this round of the study, a variety of economic household-level coping strategies were observed. This section presents the economic and livelihood coping strategies, which subsequent sections elaborate on in greater depth.

The overall macro-economic situation in the West Bank has been in a state of change and transition for several years now, and poverty has generally increased during the period 2000-2007 (ibid, 107). While this particular study did not entail detailed analysis of the economic trends since our last study in 2007, these broader economic changes appear to be linked to a number of social changes such as the need for two incomes in many households. Throughout our interviews with households in the West Bank, we witnessed widespread acceptance of women pursuing higher studies (including married women and mothers with several children)<sup>15</sup> and working outside the home in public sector jobs. Social norms and practices have been changing in this regard over the past few decades<sup>16</sup>. These changes are not limited to the younger generation of men and women but are shared with their parents who often play a central role in finding a bride. New brides and brides-to-be are viewed as economic contributors to the household, and for those who married before graduating, continuing their education and graduating is a priority for the groom and the woman’s in-laws. These trends

<sup>15</sup> Note: there are two phenomena here. First, university enrollment rates have risen significantly over the past few decades. For more information on this trend, see the section on higher education which draws on Romani (2003, 4). The second phenomenon relates to the increased proportion of women university students as evidenced by a Gender Parity Index of 1.03 for 2005 which indicates a slight disparity for men (UNESCO, 2009).

<sup>16</sup> The attitudes and social norms up until the late 1980s were such that “Middle Eastern girls are socialised into accepting that marriage and raising a family is their ultimate goal. ... The prevailing attitude is that a woman should stay home to care for her family while her male guardian – husband, father, brother or older son – supports her.” (El-Sanabary, 1993, 151-152). These norms were also operative for Palestinian women although there was also some acceptance of their participation in the women’s movement and the national movement to resist the occupation (Jad, 1995).

are discussed in greater detail in subsequent sections dealing with higher education and gender matters.

Overall, households that have the means and resources diversify their livelihoods and economic activities thereby spreading household risk over several livelihood activities. These types of strategic moves, however, generally entail the mobilisation of one's own resources and networks, and even gaining access to productive resources such as land. There is also a return to some forms of traditional livelihoods such as cultivating the land with olive trees, which can also be viewed as economic and spatial resistance strategies.

Other households pursued a somewhat similar strategy of mobilising their networks and access to resources but took on the risk of borrowing money to begin a new livelihood activity with varying success – such as building a greenhouse and growing cucumbers and tomatoes for local markets. Take the example of a man who used to work inside Israel. When his regular sources of income became increasingly unstable in 2003, he started a greenhouse project up with financial assistance from his family and by leasing his grandmother's land for ten years.

More frequently, however, households engage in a variety of reductive strategies, and there were a significant number of depletion strategies witnessed during our fieldwork. The communities, which we studied, reported reduced levels of food aid and humanitarian assistance, which put more stress on scarce household resources since they have to be rechanneled to meet basic food needs. As for the depletion strategies, they are dangerous precisely because they reduce the household's productive asset base leaving it more vulnerable.

Many households and particularly those of public sector employees have taken out bank loans. Numerous other households also participate in and rely on savings and credit associations. The practices of borrowing money and the levels of indebtedness are a cause for concern and need further, more detailed study. In terms of the household's asset base, taking out a loan for a business or income-generating venture involves a degree of risk; however, for those who are reasonably fortunate and whose ventures succeed, the household may be able to regenerate and build up its asset base. However, for those less fortunate, becoming indebted and being unable to repay a loan erodes and depletes the asset base. Many public sector employees who were interviewed had taken out bank loans and frequently paid 50% of their salary back to the bank. In a number of situations, these employees had other loans as well, which may suggest that there may be a deeper, emerging cycle of debt.

At the same time, a number of women's savings and credit associations have emerged. In these women-only groups, women join and make a commitment to save a small sum each month (thereby creating a small fund) so that each can also eventually borrow money – essentially, saving money so that they can borrow it later. Women who want to join pay a small fee – on average 20 Jordan Dinars (JD) or 28 USD – to become

members and then, are obliged to deposit a set sum (from 10 JD or 14 USD and up) each month. After being a member for six months, women can then borrow loans ranging from 500 JD to 3,000 JD (or 700 to 4,240 USD). While the existence of such groups is not necessarily problematic, in light of already-significant levels of debt throughout the West Bank, more detailed study of these groups, of individual women members and of the households they are members of is necessary.

Living with the burden of insufficient resources to sustain one's household and meet basic needs over a long period of time within the context of a suffocating economy and an environment where decent wage-labour opportunities are few, creates a number of social effects. Internal household tension and stress due to economic and cash flow problems lead to a variety of scenarios ranging from men being home more often (to avoid seeing people whom they are indebted to) to men staying away from home to avoid facing one's wife and children because they cannot provide them with the necessary resources to greater marital and familial tension and arguing to high levels of emotional and mental stress and depression. Parts of these effects are related to the gendered role and expectations of both male breadwinner to provide for the household's needs and of women caregivers and producers – even as these norms appear to be slowly shifting. However, these tensions are also related to the broader colonisation policies involving the confiscation of household productive resources (such as land and olive trees) and the pressure on the Palestinian economy. Unfortunately, some of the households living in the most dangerous and insecure environments right next to settlements not only coped with little if any assistance, but experienced discrimination when they applied for jobs with international, national and local organisations because they were identified as living in areas known to have problems with closure.

One interviewee noted that “Fafo only studies and looks at things on the outside [or on the external surface]. What about how people feel and are coping on the inside [meaning mentally and emotionally]?” While the research team is not made up of psychologists, we did endeavour in this round of the fieldwork to examine how households and their different members manage emotionally and mentally – even if mental coping strategies were not the main focus of this report.



## 5 Palestinian Labour Migration and Unemployment

During this round of the coping study, we found that many men continue to enter Israel as labour migrants. Part of this study sought to research their experiences since labour migration has been such an important coping mechanism for men labourers since 1967. The Palestinian labour migrants we interviewed were all men and may be divided into essentially two groups: migrants who hold permits and migrants who do not<sup>17</sup>. While precise enumerations on those without permits are hard to come by, based on our interviews with permit-holders and non-permit-holders, non-permit-holding labour migrants appear to be more in number than those who hold permits. However, in light of the hidden, covert nature of this work and these workers, some caution needs to be exercised regarding such statements. Before delving into their experiences, however, a brief examination of the Palestinian economy and unemployment in the West Bank is useful in terms of understanding some of the structural challenges which unemployment poses.

According to the World Bank's 2008 Economic Monitoring Report, the Palestinian economy continues to face restrictions which are economic and political in character. "Very few economies have faced such a comprehensive array of obstacles to investment – not just of physical impediments to movement, but also comprehensive institutional and administrative barriers to economies of scale and natural resources" (World Bank, 2009, 6). Despite some indications within the WBS that the West Bank may be experiencing an increase in economic activity, the World Bank report concludes that this trend is unlikely to be significant. "With a growing population and a shrinking economy, real per capita GDP is now 30% below its height in 1999" (ibid). With its decline, the Palestinian economy is becoming more dependent on foreign aid which was estimated in 2008 to be approximately 30% of GDP (ibid). Economists have been increasingly signaling that while pouring more foreign aid into the Palestinian economy might slow its decline, such a strategy will not however lead to economic

<sup>17</sup>I have refrained from drawing on some of the international normative definitions for migration partly because, while they are useful, the unresolved political situation between the OPT and Israel complicates their usage.

growth and eventually lower the dependence on external aid (World Bank quoted in the *Washington Post*, 2009<sup>18</sup>).

Since the 2007 coping study, PCBS Labour Force Survey results indicate that unemployment rates in the West Bank have increased to 20.7% during the third quarter of 2008 from 16.3% in the second quarter of 2008 (PCBS, 2008, 1). In terms of age groups, the highest percentage of unemployment is concentrated amongst youth between the ages of 15 and 29 and was 35.1% for the West Bank. "Employment has changed significantly in the West Bank and Gaza over the last 10 years: men's employment has declined sharply since 1999 primarily due to the loss of work opportunities in Israel, where approximately 70,000 jobs were lost between 2000 and 2002." (World Bank, 2009, 32). At the same time, women's labour force participation rates have however increased 118 percent but remain low (15.4%) compared to other parts of the world (ibid.). The 2009 World Bank also highlights some of the gendered effects of the prolonged conflict and restrictions: "Faced with diminishing employment opportunities and declining wages, men have retreated from the labor force and the public sphere broadly, and are struggling with feelings of emasculation and disempowerment" (ibid).

Women with 13 or more years of schooling have unemployment rates of 42.1% compared to 20.2% for to their male counterparts (World Bank, 2008, 1). Third quarter results in 2008 for the West Bank also indicated an increase in the percentage of wage employees to 62.2% up from 60.4%, while the percentage of self-employed persons dropped from 24.1% to 22.8% (ibid, 2). The percentage of people working in agriculture and in services and other branches of the economy fell to 14.9% and 32.9% (from 17.1% and 34.3%) respectively, while the percentage of those employed in the construction and commerce, restaurant and hotel sectors both rose to 9.6% and 21.3% (from 9.0% and 20.4%) (ibid, 1). On the whole, wage levels have also decreased in terms of the nominal daily net wage (ibid., 2). Inflation also took a toll on Palestinians during the first part of the year when food prices rose by nearly 5% and the prices of such staples as flour, cooking oil, rice and meat were particularly affected – linked to a 25-percent increase in oil prices<sup>19</sup>. The Palestinian economy remains in a fragile, critical condition, and the Palestinian Authority (PA), as mentioned earlier, is on the verge of bankruptcy.

Historically, the State of Israel has been more successful at controlling the entry of Gaza Strip workers than West Bank workers. Even after the introduction of measures to restrict entry in the 1990s, "less than 40 per cent of West Bank workers employed

<sup>18</sup>Karin Laub, "World Bank: Aid won't spark Palestinian growth," *Washington Post*, June 4, 2009. <http://www.washingtonpost.com/wp-dyn/content/article/2009/06/04/AR2009060400084.html>

<sup>19</sup>See *Palestine Monitor*, "Inflation takes its toll on Palestinians." May 5, 2008, [www.palestinemonitor.org/spip/spip.php?article396](http://www.palestinemonitor.org/spip/spip.php?article396)

in Israeli enterprises had a permit” (Farsakh, 2005, 235). The labour flows of Palestinian workers into Israel has been volatile and erratic. By mid-2000, the number of West Bank workers was in the range of 116,000 workers (ibid, 234), compared with 70,000 in 1992. Farsakh suggests that given the easier access to work on settlements for West Bank migrant workers, that a third of West Bank workers (approximately 30,000) may be employed on West Bank settlements, while 77,000 in Israel and Jerusalem. In light of the volatility and covertness of these phenomena, it is very difficult to know what the trends and flows are.

In terms of the material factors which may partially prompt Palestinian labourers to decide to migrate, as already stated, apart from public sector employment, wage labour opportunities in the Palestinian economy are not generally very well remunerated. For workers who need to commute from smaller communities and cover daily transportation costs to urban centres, wage labour opportunities in the West Bank often become unfeasible financially and often a hassle in terms of the volatility of checkpoints. As these wages are not very high, these workers are also unable to afford housing in the urban centres where work is available. In terms of small business development opportunities, to start a small business or income-generating project, capital and other resources are needed which are not available to all.

## Permit-holding Migrants

Labour migrants who hold permits are better protected should Israeli authorities stop them *en route* or visit their work sites, although renewing one’s permit can be both time-consuming and unpredictable. Permit-holding migrants do not, however, have the right to stay overnight in Israel, and hence, they must either commute daily to their work sites or risk staying overnight exposed to the elements<sup>20</sup> and at risk of being arrested.

Despite the volatile flow of Palestinian labour into Israel, some households had not diversified their livelihood strategies and remained entirely reliant on wage labour inside Israel and vulnerable should this access be denied. One of the refugee households was entirely reliant on the husband’s income (2000-2500 New Israeli Shekels (ILS) or 510-635 USD per month) from working inside Israel. The household had no other productive assets such as land, nor other economic activities to fall back on should access to work in Israel be denied.

<sup>20</sup> Palestinian migrant labourers who stay overnight in Israel are frequently required to sleep outside rather than inside of their work sites because Israeli legislation now penalises Israelis who provide shelter to Palestinian migrant labourers.

Labour migrants who are unable to secure work permits sometimes use the strategy of obtaining other categories of permits to get inside Israel, such as traders permits.

For households burdened with heavy debt loads, working inside Israel can be particularly attractive since the wages offered can actually allow the household to pay down debt. One of the men who was interviewed and seen as one of the newly-poor in the 2007 study, managed to work inside Israel with a permit and pay off almost all of his household's debts. The man reported being paid on a daily basis with the number of work days varying from month to month. In September 2008, he worked only 11 days but in January and February 2008, he worked 22 days during both months. While he makes 270-290 ILS per day (68-74 USD), he spends 70-90 ILS (18-23 USD) daily on transportation and food – leaving him with a take-home pay amounting to about 200 ILS/day (50 USD). However, the man spends four hours each day commuting to work since now that he is in his forties, he cannot sleep outside under trees or run away should the police find him sleeping outside at night. He states that he has managed to pay off much of his own debt due to having so much paid work this year. The debt remaining is now approximately 3,000 ILS (760 USD) in credits to local shops and 2,000 ILS (510 USD) for unpaid electricity bills.

Farsakh (2005a & b) has suggested that more Palestinian labourers are working inside of the settlements even though accurate statistics on these labourers (both those with permits and those without) is hard to find. In a few of the communities which we studied, some labourers still worked in nearby settlements with permits. However, in communities where the conflict with settlers has been particularly tense and violent, we heard of no cases of local residents working inside the settlements. Given that some of the communities we surveyed were selected due to the proximity to settlements and/or to the separation wall, we are unable to comment much on such trends. Those whom we interviewed and who were working on settlements reported receiving lower wages ranging between 100-150 ILS per day (25-38 USD) and working longer days than those working inside Israel (where generally daily earnings range from 200-400 ILS per day or 50-100 USD). Some workers inside the settlements had also attempted to organise collective action to improve their wage levels albeit unsuccessfully. It is reportedly much easier to get a permit to work inside settlements, than it is to work inside Israel. Workers in both the settlements and inside Israel had had the experience of not being paid by employers.

This section has examined men's labour migration experiences largely into Israel both of those who hold permit and those who take the risk without permits. The experiences of these labour migrants suggest that there is a gradual tightening of mobility and control both along borders and within Israel. As the borders are tightened and the separation wall is extended, the costs and risks of entering Israel without a permit also appear to rise. However, for those who manage to make it across, find work and make some money, the monies that can be earned (relative to waged labour at home)



remain an important incentive – whether one is trying to save for the future, put one’s kids through university or pay off outstanding debts.

## Non-Permit-Holding Labour Migrants

With few opportunities to earn a living wage in their own economy, we found that in some communities, quite a few men continue to try to get into Israel to work without a permit despite the risk of imprisonment, of high fines and their vulnerability as workers. It should be noted, however, that dire economic need was not always the driving force behind individual migrant’s decisions to work inside Israel. Some had university degrees, spoke Hebrew and had developed social networks inside Israel. Some workers had Palestinian relatives who live inside the Green Line. The conditions in which these men live and work are reportedly very difficult. Due to the tightening of Israeli legislation, heavy penalties have also been introduced for employers who hire and property owners who house Palestinian workers (whether they hold permits or not). Hence, many of these workers must sleep outside at night under the cover of trees or caves and frequently exposed to the elements.

For non-permit holding labour migrants, getting into Israel presents a major challenge:

Most of the time when I reach Israel, I find work there [myself]. As I’m not working with a [regular] employer, I have to find a place to work by myself. The employer will not ask for a permit – as they need us just as we need them. He [the employer] could sneak us by the [border] police by showing some other worker’s permit or by hiding us. The most important step is to cross the border. I pay 300 ILS [75 USD] to the driver to take me there.

Travelling with others whom the migrant knows well and can rely on was also viewed as important by many. Crossings reportedly frequently take place at night and involve organised vehicles on both sides and often walking across the Green Line. In other cases, migrants may be guided in. Migrants are not always able to cross when planned and sometimes make a number of attempts at crossing before they manage to get in. The transportation costs which are paid to the drivers can be high; a 30 km taxi ride costs 300 ILS (75 USD) for one-way travel inside Israel (compared to 100 ILS or 25 USD for a usual 30 km taxi ride). However, non-permit-holding migrants pay such fees to lower the risk of getting caught.

In light of the risk and expense of getting in, most non-permit holders admitted that they stay on longer inside Israel after having crossed. While in previous years, many would spend a week inside Israel and travel home on weekends, today, many

reported spending several weeks and even months inside Israel before returning home. The 30-year-old son of an interviewee has been working inside Israel without permit and has not been home for ten months. The son is reportedly trying to work and to save money to build a house and get married. This son decided to stay inside Israel for a long time because getting in is so difficult and risky, and because he feared he may not get in again easily.

However, staying on longer does not prevent migrant workers from being caught on the work site. Earlier in 2008, one interviewee had worked inside Israel without a permit for a few weeks. Unfortunately for him, however, border police came to the construction site where he was working. In fleeing the site, he fell and hurt his hand and has not returned to work inside Israel since. He reported earning 200 ILS/day (50 USD) while inside Israel but slept in the basement of the construction site. The week before we interviewed him, he started the application process for a trader's permit – as he does not want to work inside Israel without a permit anymore. He is hopeful that he will be issued the permit.

Another strategy for minimising risk which some non-permit-holding labour migrants employed was reliance on Palestinian Israelis from inside the Green Line. The 42-year-old husband of one of the women we interviewed went to work inside Israel without a permit. The woman's husband is picking olives and has been gone for two weeks now and plans to stay until mid-November. Her husband knows a family inside Israel who calls him when there is work for him. Prior to this recent departure, the man was at home for about two months for Ramadan, Eid and the Israeli holidays but had been in Israel for two months before that. When he returns in mid-November, his wife indicated that he would not return until April. Her husband works in whatever work he can find inside Israel be it in agriculture, construction, etcetera. However, he only works for Palestinian Israelis. Most of the time he's inside Israel, he sleeps outside under the trees. He cannot stay in a house because if the soldiers come and arrest people, they will arrest both him and the owner. Her husband has never been arrested; however, both of her husband's brothers had been arrested and spent seven and eight months in prison. Her husband makes 150 ILS per day (38 USD) or roughly 4,000 ILS (1,015 USD) for two-months' work inside Israel and sometimes even 5,000 ILS (1,270 USD). This money lasts the household about two months. The woman usually buys everything the household needs on credit and then pays shop owners when her husband returns.

In the case of another household, with the exception of one son who is a PA employee, the entire household worked inside Israel in 2007 for three months without permits doing seasonal agricultural work for Palestinian Israelis. In 2008, the household had hoped to work again inside Israel in agriculture but felt that trying to run away and escape should the Israeli police come was too complicated. So, the household

worked in the Jenin area in cucumbers and made 12,000 ILS (3,050 USD) as opposed to 20,000 ILS (5,080 USD) inside Israel.

Non-permit-holding labour migrants may also be more vulnerable to abuse by their employers. One respondent had a construction sub-contracting agreement for 130,000 ILS (33,040 USD). After having almost completed all of the work and having been paid 40,000 ILS (10,165 USD), he believes the Israeli contractor called in the police to avoid having to pay him the full sum. The man has since started working in Ramallah for 120 ILS (30 USD) per day which he admits is hard to accept after being used to 400 ILS (100 USD) per day. He is trying to adjust to living on a lower salary but has spent all of his savings over the past few months. Other respondents also reported having been cheated on contracts: for instance, being promised 6,500 ILS (1,650 USD) for a job but being paid only 2,000 ILS (510 USD).



## 6 Small Business, Income-Generating Projects and Self-Employment

This section presents some of the key developments regarding small business, income-generating projects and self-employment in the communities we studied. This section does not provide a detailed economic analysis but provides insight into how businesses, income-generating projects and those who are self-employed are managing. Note, as well, that in Hebron, which was the only city surveyed, in light of the size of that city and its manufacturing base, we were only able to examine the productive activities in the Old City.

All of the rural communities visited indicated that 2008 had been a dry year in terms of rainfall. Insufficient precipitation in a region with limited water resources means less grass for animals and more reliance on purchased animal feed (since it is difficult to predict rainfall). Inflation took a heavy toll on Palestinian households particularly during the first half of 2008. Inflation was linked to an increase of 5% in food prices (i.e., flour, oil and rice) and to a 25% increase in the price of oil<sup>21</sup>. Key agricultural inputs like animal feed were a common source of complaint and ate into household budgets and the profit margins of farmers. Drivers and transportation workers complained that the high cost of gasoline negatively affected their profit margins (since their customers were unable to pay more for transportation). Higher food costs reduced people's purchasing power and in turn, affected small business people and shop owners. There was a general consensus that high prices were eating into the profit margin of local business. Also, some municipalities indicated that construction and number of building permits requested had gone down, which is also frequently an indicator of the economy slowing down.

In terms of the security and mobility issues, many business people expressed concern about the political and economic instability which has been affecting the West Bank. However, restrictions on mobility are also a source of anxiety for business and economic activities – particularly for those who have recently started up a business or have taken the risk of expanding their business. There was widespread recognition that both luck and the timing of a business' start-up (or expansion) are particularly important to whether a business or economic venture will succeed or not. Given that

<sup>21</sup> See Palestine Monitor, "Inflation takes its toll on Palestinians." May 5, 2008, [www.palestinemonitor.org/spip/spip.php?article396](http://www.palestinemonitor.org/spip/spip.php?article396)

starting up and expanding an economic venture generally involves borrowing money, the worry is whether the conditions might change significantly before one is able to pay off one's debt. While some business people are able to shift their investments and change their businesses, not all have the resources, skills and networks to do so.

## Small Business

In the communities surveyed, small business owners complained that there is an overabundance of small shops. Most local people consider the market to be saturated with small grocery stores; in one of the small communities with a few thousand inhabitants, there were over 20 shops selling mostly consumable goods. The local market and population cannot reasonably sustain so many small enterprises.

A closer look at the combination of livelihood strategies of shop owners, however, indicates that with little exception, all of these shop-keepers depend on a variety of other livelihood strategies. One respondent commented that:

Most of the shops in the village sell on credits, but they [the other shopkeepers] have additional income, either they are working in another job or their sons are working in Israel, but I can't run the home and two businesses with the income of my husband only [as a janitor with a salary of 1,700 ILS (or 432 USD)].

To survive, shop owners must be able to rely on other livelihood strategies and income sources so that their shops (and households) can maintain sufficient inventory, while carrying a certain amount of weight and burden from outstanding customer debt. Compared to previous rounds of this coping study, small business people appear more cautious about extending credit, and in some cases, have refused credit to customers who are unable to pay. A key challenge is keeping sufficient inventory in the shop since inventory must be paid for in cash. One small business owner reported that when she gets cash, she uses it to buy more stock. It is inventory, which attracts customers and buyers, as well as the ability to buy on credit. Customers who cannot buy on credit reportedly will simply go to another shop to buy – meaning that shop owners to stay in business must be able to extend a certain amount of credit. Pursuing other more formal means of collecting outstanding debt – such as, going to court or speaking to local social leaders – is extremely difficult since most of the customers are relatives, friends and neighbours.

Many shop-keepers encourage customers with outstanding debt to make small monthly payments whether in cash or sometimes in kind with olive oil. Shop-keepers' notions of success were frequently very relative. The owner of a small shop consid-

ers her shop to be quite successful and manages to pay about half of her household's expenses from the income she gets.

The decision to open, reopen and/or diversify small businesses stemmed in many instances from social and economic reasons such as job creation for unemployed sons, brothers, but also importantly as an attempt to recover outstanding debt and/or to recuperate capital which had previously been invested in goods. It should also be noted that many business people had to buy out a partner and also are indebted to former business partners. By closing one's shop, shop-keepers felt that they would never get their outstanding debt back. Also, older male relatives such as fathers and brothers who had a lot of goods, experience and networks but who were unable to recover their investments often opt to open a shop jointly with their sons or to support their sons to open a shop using these goods as start-up inventory.

Closure and mobility have different effects on local small business which can be positive or negative depending on the flow of movement of people and goods and how this affects trade in different sites. Small business people in smaller communities found that the volume of their business declined when local people were able to travel regularly to larger centres where they could select from a wider variety of goods while buying for slightly lower prices. In light of the higher prices reported particularly during the first half of 2008, shop-keepers complained that local people's purchasing power has decreased, and the consumer tendency is to focus on buying the more basic and essential goods (rather than luxury or other items).

In terms of the economic and other effects of the conflict, in Hebron, the market area, which had been the traditional trading centre of the city, has clearly relocated out of the Old City from H2 to H1<sup>22</sup>. Starting in 2000, a variety of contributing factors led directly or indirectly to the relocation of the trading centre,<sup>23</sup> including: lengthy periods of curfew and closure; economic stagnation (as a result of curfew and closure); practices of violence, intimidation and restrictions on movement at the hands of Israeli soldiers and settlers; military and court orders and decisions either preventing businesses from operating or declaring them as closed military zones; failure to protect the Palestinian population; and the selective application of law.

<sup>22</sup> Note, following 1993 Oslo Agreement, the Hebron Protocol was signed in 1997 so that Israeli settlers in the City of Hebron would not come under the jurisdictional control of the Palestinian security forces. The Hebron Protocol divided the city into two areas: Area H1 which was to be controlled by the Palestinians; and area H2 which was controlled by the Israelis. Palestinians living in H2 come under Israeli control. Today, however, there is an Israeli presence and frequent incursions into H1. (Source: The Temporary International Presence in the City of Hebron (TIPH), [http://www.tiph.org/en/About\\_Hebron/](http://www.tiph.org/en/About_Hebron/))

<sup>23</sup> Various human rights and other concerned organisations have published detailed reports on the effects of closure and violence in economic strangulation of the Old City of Hebron, including Al-Haq and B'Tselem.

The Old City, which lies in H2 under the responsibility and patrols of the Israeli forces, suffers from high levels of insecurity, which also has a variety of effects. However, the right of the Palestinian civilian population to protection is not upheld, and frequent breaches create an atmosphere of insecurity. When the second *intifada* erupted in 2000, Israeli forces implemented a very strict closure regime. Between 2000 and 2003, the Old City was under curfew for 600 days (HRC interview, Nov. 18, 2008).

Since 2000, of the 1829 shops and businesses which existed: 512 closed because of the economic effects, and 1141 had closed because of access problems like closed streets (related to the closures). All in all 76% of shops and businesses have closed since 2000. (Interview with the Director of the Hebron Rehabilitation Committee, Nov. 18, 2008).

Under these strict closures, most of the Palestinian population that had the means moved out of the Old City, and the entire city's economic centre also relocated outside of H2 into H1<sup>24</sup>. "In total, 169 families lived on the three streets [main streets of the Old City] in September 2000, when the *intifada* began. Since then, seventy-three families – forty-three percent – have left their homes"<sup>25</sup> The economic effects have been particularly devastating.

## Agriculture, Animal Husbandry and Income Generation

As stated earlier, precipitation levels in 2008 were low – meaning that farmers could not rely as much on local grasses and pasture to feed the animals. As a result, many had to buy animal feed this year which erodes profit margins. In many instances, the diversification of livelihood strategies in rural areas might also be viewed as a return or reinvigoration of traditional agriculture (such as cultivating olive trees and animal husbandry). In some cases, farmers participated in a well-known type of agreement where the farmer commits to clearing, planting and cultivating the land of another owner for a ten-year period. At the end of this period, the farmer who has invested labour and other resources will receive 50% of this cultivated land in return.

Some of these strategies also involved spatial strategies of actively using and cultivating land. Particularly in areas where Palestinians perceived the threat of land confiscation, farmers would cultivate the land with olive trees, for instance. With pasture lands which are accessed and used on a seasonal basis, large shepherd extended

<sup>24</sup> Today, however, there are more shops open than during the strict closures during 2003 and 2004.

<sup>25</sup> See page 8 of B'Tselem's 2003 report: *Hebron, Area H-2: Settlements Cause Mass Departure of Palestinians*.



families in some cases, decided to establish a more permanent household for some of their members on the site (so that it is clear that these are not empty or abandoned lands). There were also community-level projects to construct small roads and paths to facilitate access.

Other households and farmers broadened their livelihood bases by diversifying from raising only egg-laying chickens to also raise chicken for meat production thereby spreading risk. Many other households had invested in greenhouse projects to diversify their livelihood and income base. The mother in one household indicated that she works very often in the greenhouse despite the fact that she has a full-time teaching job and has been studying for Bachelor of Arts' degree. She picks cucumbers in the morning and afternoon/evening, and her husband drives the boxed vegetables to a nearby taxi stop where the taxis pick up fresh produce to send to dealers in a nearby city. The household grosses between 1,000-1,500 ILS (250-380 USD) monthly when harvesting but have about 700 ILS (178 USD) of monthly expenses.



## 7 Assistance to Households

Households may also receive cash or in-kind assistance from international, national and/or local sources, ranging from Western donor governments, Arabic governments, the Palestinian Ministry of Social Assistance and religious charitable organisations. While categorising assistance by source may be useful, since much of the assistance is delivered through local actors, these divisions and categories can become somewhat blurred (i.e., government funds which are channeled through an international non-governmental organisation to a Palestinian organisation). At the time of writing this report, a comprehensive analysis of the overall trends in international aid received in 2008 – that is, development aid, humanitarian aid and general foreign aid from the various sources – was not available. However, budget support to the PA

increased by nearly 80 percent from the 2007 level and at close to \$1.8 billion, [which] was equivalent to about 30 percent of GDP. The PA has used the donor largesse to pay salaries and clear arrears to public sector employees and the private sector that had accumulated during 2006 and 2007. (World Bank, 2009, 34)

Aid flows to the Palestinians over the past few years have also become rather complex particularly since the 2006 parliamentary elections when aid flows stopped and Israel froze the transfer of customs and value-added tax revenues to the PA. Following the assault on the Gaza Strip, humanitarian assistance to the Gaza Strip has also been prioritised for these purposes. As stated earlier, the PA has been struggling economically for some years now and has at different times been unable to pay public sector salaries and social benefits.

At the community and household level, the perceptions and experiences are that levels of development assistance and humanitarian aid have decreased in the communities we surveyed. Few of the households or people we interviewed had received any food aid although PA employees received their salaries. Among the registered refugee population, many reported not having received food aid for over a year. UNRWA has been experiencing challenges over the past few years in securing adequate funding both for the Agency's ongoing Education, Health and Relief and Social Services, as well as for its Emergency Programmes in the West Bank and Gaza Strip<sup>26</sup>. In the communi-

<sup>26</sup> UNRWAs webpages indicate the difficulties the Agency has experienced in recent years in securing sufficient financial pledges from donor countries for both their ongoing work and the emergency work in

ties we researched, UNRWA continues to provide primary health care and certain other medical expenses, as well as operating primary schools. Particularly vulnerable households also reported significant delays in being paid their monthly allowances from the Ministry of Social Affairs.

When humanitarian and food aid programs such as Food-for-Work (FFW) stop, struggling households can no longer depend on these programs to provide them with flour and must redirect scarce household resources to meeting these basic needs and forego paying for other expenses. Also, when the price of staples such as flour rises considerably in markets (such as from 110 to 200 ILS or 28 to 50 USD for a sack) and food aid stops, cash-strapped households find themselves before an even larger challenge of finding the resources to buy flour.

After FFW stopped in his community and food prices went up, one man shared that household expenses and life became more difficult. "I cannot buy proper clothes for my wife and my children." Buying flour and paying tuition fees were frequently cited by men as the major challenges for them to cover in terms of regular household expenses. Stopping the Food-for-Work programs was viewed as being particularly detrimental to women since it offered many an opportunity to work – even if for a few months each year.

A few of the communities surveyed also experienced a freezing of donor funding for local projects following the municipal elections. These local bodies were informed that development programs were either suspended or halted because of the election of a majority of local Hamas councillors. These municipalities and village councils were informed that foreign organisations could no longer collaborate with them. In some cases, however, local, grassroots NGOs and coordination committees were set up in some communities to serve as channels for funding.

*Zakaat* or alms continue to be a source of assistance within Islam to vulnerable groups such as widows and people with disabilities and ranges from 20 to 40 JD (or 28 to 56 USD) per month. To receive such assistance, interested parties must register through their local mosque. The alms are distributed through a local committee – or a *zakaat* committee – which is usually affiliated with the local mosque. These committees are not however government welfare agencies, and those in need are encouraged to apply for government support. *Zakaat* committees and the relevant government authorities often coordinate their assistance.

*Zakaat* was also offered in the form of debt forgiveness by some business people:

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the WBSG. This situation has led to some measures to reduce implementation of planned activities. In 2008, the shortfall in pledges for their ongoing work was according to their website \$62.4m, while their emergency programmes received \$128.3m against their total appeal of \$263.5m. <http://www.un.org/unrwa/finances/index.html>

Total credit [owed to me] now is 14,000 ILS [3,560 USD] – both old and new debt. For awhile I've been dealing with [outstanding] credit in another way; as I have to pay *zakaat*, rather than paying it to organisations or going to give it to people, I check the names I have and cross off some of their credits depending on how much the amount is. I asked the religious people if I can do it this way, and they confirmed it to me.

In the Old City of Hebron, the *Zakaat* committee organises a soup kitchen which was established in the 12<sup>th</sup> century during Salah ad-Din's<sup>27</sup> time to feed Muslim pilgrims on their way to the *hajj* or pilgrimage in Mecca. The soup kitchen is open for a few hours each morning, and on Mondays and Fridays offers a warm meal. Local residents come early to queue up and to collect their soup bringing their own large, covered plastic containers.

<sup>27</sup> Salah ad-Din “(c. 1138 – March 4, 1193), known in the Western world as ‘Saladin,’ was a Kurdish Muslim who became the Sultan of Egypt and Syria. He led Muslim opposition to the European Crusaders in the Levant. At the height of his power, he ruled over Egypt, Syria, Iraq, Hejaz and Yemen. He led the Muslims against the Crusaders and eventually recaptured Palestine from the Kingdom of Jerusalem. <http://en.wikipedia.org/wiki/Saladin>



## 8 Household Strategies for Managing Resources and Assets

Households use a variety of strategies to manage their resources and assets which are frequently material resources but also include social networks. In times of crisis and scarcity, a household's asset base can serve as an important cushion against shocks and stresses to the household economy. In studying how households are coping during times of crisis, it is important to examine how household resource management strategies affect the resource or asset base and whether such usage significantly reduces or imperils the household's future abilities to cope and manage.<sup>28</sup>

In terms of some of the particularities of the Palestinian-Israeli conflict, violence and destruction at the hands of settlers and the army in the West Bank also serve to destroy and sometimes appropriate the assets of Palestinian households – acts which serve to deplete household resources. Households in some communities had their olive trees burned by settlers, while in other instances, Palestinians have been unable to access their olive trees to harvest and prune their trees particularly when the trees are located near an Israeli settlement – thereby denying the owners the proceeds of their assets and letting the trees waste away.

As stated earlier, Howell (1995) devised a typology for classifying household coping strategies during crises, namely: **reductive strategies; depletive strategies; maintaining strategies; and regenerative strategies.**

In the above typology, only the regenerative strategies are sustainable, and where the household asset base is being renewed (whether partially or otherwise). For their part, reductive and maintaining strategies do not necessarily diminish the household asset base and in that regard, are less damaging to a household's long-term ability to sustain itself. Resources, however, are not homogeneous and also need to be disaggregated between those that are productive, like land, an orchard and livestock, and the non-productive, like household effects, clothing and furniture. In urban centres, households generally have little, if any, access to productive assets such as land where

<sup>28</sup> This approach is influenced by the concept of 'sustainability' which has been imported into the social sciences from environmental studies. A central tenet has to do with "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (1987 Brundtland Commission, definition cited on the European Environment Agency's webpage: <http://www.eea.europa.eu/environmental-time-line/1980s>).

crop cultivation and food production are possible. Although urban households may have access to waged labour through urban labour markets, they are often more dependent on buying their food in local markets.

Household members also have differential opportunities depending on the individual member's age, gender, formal education, physical and mental abilities and so on. In Palestinian and many Arabic societies, the public and private spheres are in many ways gendered spheres. Even as some of the boundaries of these spheres are being challenged by women's pursuit of higher education and job opportunities, the public sphere remains very much the domain of men, and particularly, markets. The private sphere or the home and household are very much the domain of women, and particularly older women. As formally-educated women pursue higher education and enter the labour market, there are gender-based constraints on that participation. Public sector employment particularly in the areas of health and education are deemed as acceptable for women socially and in terms of their household-related care responsibilities. However, women who wish to open a business and work in the market or private sector face particular challenges – with the exception sometimes of those who work in the family business<sup>29</sup>. These tendencies are raised to highlight the challenges women face in working outside the public sector to earn a livelihood.

The majority of household coping strategies observed during the 2008 fieldwork were, however, reductive strategies, such as: reducing or stopping the consumption of meat and more expensive food stuffs, buying cheaper goods, and mixing cheaper grades of flour when making bread. However, depletive strategies were also quite common – particularly the selling of women's gold and in some cases, the selling of land. A handful of regenerative strategies were also observed; however, in many of these cases, the household had to initially mobilise resources and take on the risk of losing those resources (should the venture be unsuccessful) and even becoming indebted and further eroding their asset base. In terms of maintaining strategies, virtually all households bought food on credit and made payments at the end of the month. However, the prevalence of food aid and humanitarian assistance was not very common, and many households reported that food aid has diminished over the last year. Many UNRWA-registered refugees in the communities we visited indicated that in 2008, they had not received any UNRWA food aid at all.

One woman respondent described the situation for households as follows:

<sup>29</sup>In some instances, where households have a number of businesses to manage, daughters sometimes serve as a surrogate son – that is, they can substitute for the absence or shortage of sons in their family's business. In these instances, households may opt to have a daughter working in and even running a women's clothing store since she can be depended upon and is unlikely to steal. At the same time, the family may view such employment as staying within the protective environment of the family and its business.



Everything is very expensive, we try harder to reduce the consumption, but it's useless, there are basic and necessary things you ought to have, spending on food and paying the bills, how much we can reduce!!! ... because our two businesses are closed now, I no longer get income from the [sale of] chickens, and we survive only on my husband's income. We economise a lot in our expenses. In the kitchen, I depend mainly on cooking vegetables without meat or chicken or I use frozen meat.

I control the consumption of everything at home. I wash the clothes twice a month to reduce the consumption of water, electricity and cleaning materials; I make bread at home. Even though I used to bake bread every two days in the oven, I now do it weekly and put the bread in the fridge. Instead of baking in the [gas] oven, we go to the field to collect wood for that.

The children take their lunch to school and don't take pocket money. I also prepare [sandwiches with] *labaneh* or olive oil and *za'tar*<sup>30</sup> instead of buying it from the cafeteria there. I do the same also for my husband....

In the evening, we sit and gather in one room to reduce the electricity [bills]. I also discourage my daughter from cleaning the home [too often], and I have to observe them [the children] all the time to not consume too much water or cleaning material. I have to keep my eyes open and watch everything.

I don't like to have any [outstanding] credits; I have to make sure we live with the income [we have]. I still have to pay two electricity bills for 380 ILS [95 USD], and I'm feeling bad that I haven't paid yet. The whole time I keep thinking, 'when will I pay these bills?' It's like a huge weight on my shoulders.

During emergency and humanitarian situations, the immediate and short-term needs of households are understandably prioritised by governments and aid agencies. When such crises extend over several years, however, the longer-term needs of households— such as more-costly investments like a university education, the construction of housing or the cost of a wedding – are seldom considered or supported by government agencies. One male head of household stated that the main challenges for him are buying flour [170-200 ILS or 43-50 USD each month] and paying for his son's university tuition (420 JD or 600 USD per semester) – that is, his two main challenges are a short-term or monthly expense like flour and a large expense which he pays twice a year. These larger investments generally require years of saving by most households, and in cash-strapped environments, saving the necessary funds takes even more time. Section 9 will examine these long-term investments in greater depth.

<sup>30</sup> *Labaneh* is a strained, thick version of yoghurt used as a sandwich spread. *Zatar* is a mixture consisting mainly of dried thyme and roasted sesame seeds which Palestinians often eat on bread with olive oil. It is often produced at home by women but can be purchased in the markets.

Social networks also constitute a key resource for households. However, family, neighbour and kinship structures, which have been instrumental in mobilising resources, appear to becoming increasingly frayed by the social and financial strain they are placed under and in some cases, eroded by social isolation as a result of closure, fragmentation and poverty. Such strain can also be hard to detect or measure both because of the invisibility of such strain and social networks.

Fafo's 2007 coping report found that one of the main coping strategies was reliance on assistance from family and friends. However, in light of the deterioration of the Palestinian economy during and following the second *intifada*, the report also found that extended family and social networks are less able to support one another (Hasselknippe and Tveit, 2007, 107-108). In preparing this report, we also found evidence that social networks continue to experience social and financial strain. These circumstances varied considerably from, for instance, male breadwinners who simply stay at home to avoid going out and seeing friends and family to whom they owe money. While social networks can mobilise resources which members can draw on, members are also expected to contribute resources for important life events such as weddings, major holidays and so on. As such, social networks and the obligations, which accompany them, were sometimes described by male breadwinners in particular as a source of stress and a financial burden.

Many households admitted to travelling and visiting relatives and friends less frequently outside their own communities to reduce expenses but weakening the bonds between people. In terms of the isolation experienced by some households, in communities where there are issues of strict closure, insecurity and violence from settlers and the army, few households were visited by friends and relatives because of limited or no access to either one's own house, neighbourhood or community. Relatives and friends also refrain from visiting out of the fear of settler violence and the Israeli army. Being unable to visit and spend time together gradually weakens the relationships between people.

## 8.1 Reductive Strategies

The following reductive strategies were reported and/or observed during the fieldwork. Note that many of these strategies have been practiced over the last few years and not all are necessarily new.

- **Reducing household consumption of foodstuffs and staples:** Rather than buying a few chickens and storing them, for instance, some households reported opting to buy a single chicken when needed. Also noted earlier, as the price of staples

increased, a number of households reduced purchases of items such as clothing and footwear.

- **Buying in smaller quantities:** Buying such staples as flour, lentils and rice in bulk allows for economies of scale; however, when cash is hard to come by, many households opted to buy these foodstuffs in smaller quantities. While this short-term strategy is useful when cash flow is particularly low, households actually end up spending more money on key foodstuffs.
- **Substituting one's own labour or home production:** Many instances were found where men had resorted to doing their own ploughing (rather than paying someone to do this). With little exception, women gather wood to fire up outdoor ovens (instead of using gas) for baking bread.
- **Reducing the use of paid transportation services:** Many households reported travelling less often to visit relatives and friends in other communities, as well as making special shopping trips to nearby urban centres to economise<sup>31</sup>. The strategy of visiting one's relatives and friends elsewhere also threatens over the long-term to undermine the household's social networks and in this sense, may increase a kind of social isolation. Friends and family can be a source of joy and social connection, and reducing such social visits may also have the effect of reducing the fun and enjoyment of household members (particularly as vacations are rare for most households). Some household members reported that they walk more frequently to reduce transportation costs. Both regular and irregular migrant labourers into Israel also reported travelling less frequently and opting to stay on longer inside Israel and be away from their families for longer periods. Part of the motivation in such cases is to reduce transportation costs, as well as the time and effort involved but also for those who are irregular migrants, to also lower the chances of being apprehended.
- **Purchasing less-expensive and/or lower-quality goods:** Many, if not most households, opt for buying cheaper or even the cheapest items – ranging from soaps and detergents to cooking oil to buying frozen meat rather than fresh meat. In several reported cases, households also would mix lower-quality local wheat with the imported one to stretch resources.
- **Using cheaper and/or 'free' sources of energy:** There has been a widespread shift to using wood (rather than natural gas) to bake bread with. This switch may have some gender and environmental impact, namely: for the women who must now gather the wood, additional work is required; and in terms of the environment,

<sup>31</sup> Note, however, that respondents also indicated that sometimes closures, checkpoints and the general atmosphere of insecurity also affected their decisions to travel to other communities.

if a large quantity of wood resources are being used very quickly, then, there may be problems with sustainability (leading eventually to deforestation for instance). Secondly, many households who had had their electricity cut off because they had unpaid bills either extended a line from a neighbouring relative's home or took electricity from the network.

- **Reducing and/or stopping the consumption of certain nonessential goods:** Most households have significantly reduced their consumption of red meat and chicken. However, a number of women also intimated that they carefully control the use and frequency of detergents, energy and water related to cleaning the household, doing laundry and even cooking and baking. There were also a few cases where men quit smoking in part due to the high cost of cigarettes.
- **Taking children out of daycare:** this strategy may have other unseen effects related to child development and welfare and therefore might have a somewhat detrimental effect on small children in households.
- **Reducing and/or stopping contributions to extended family:** Muslim men in particular have a religious duty to provide for female family members and minors (such as one's wife, daughters, and unmarried sisters, aunts and so on). Some men respondents indicated that they do not visit extended family members as often since they are unable to make financial or in-kind contributions. This strategy may have a detrimental effect on the household's family and social networks over the long term by eroding these bonds. Also, for those who used to be the recipients of this support (for example, elderly relatives, single aunts and so on), such phenomenon suggest that their social safety net is also eroding.
- **Stretching medication and reducing the prescribed dosages or foregoing medical treatment:** A number of cases where household members were suffering from mental illness went without any treatment or attention at all. It is difficult to know whether these cases are a reflection of taboos related to seeking out help with mental health issues or a reflection of the tight cash flow facing households or both.

In one impoverished household with a chronically-ill father who does not have medical insurance, the family reported that to make ends meet they stretched out the use of a bottle of medicine by using one table per day rather than the prescribed three tablets.

Regarding the medicine, we don't have any health insurance, each pack contains 30 tablets and costs 45 ILS (11 USD). He has to take it three times a day, but as it's expensive, he takes once or twice a day. We have to buy it from Ramallah using our own money – as it's not available in the clinic here or in the Ministry of Health. The medicine that we took from the Ministry of Health didn't suit him; when he took it [the Ministry-provided medicine], his body became covered with red

spots, and that medicine is the only kind they supply. So we have to buy a different medicine from the pharmacy.

Such instances and trends are alarming as using inadequate dosage of medication may cause other health problems and even a premature worsening of one's condition – depending on the condition.

## 8.2 Depletive Strategies

When women get married in the West Bank, the man and his family are required to buy gold for the bride. For Muslims in the West Bank, the amount of gold has been 300 grams; however, with rising gold prices since the mid 2000s<sup>32</sup>, this figure has sometimes been dropped to 200 grams. We found that with very few exceptions, women have sold some and often all their gold. While gold is not a productive asset, it does serve to provide women with a valuable resource which rarely devalues, which is portable (and can be worn and with them) and can be easily monetised during emergencies in local gold markets. Gold is often sold by the woman when she and her husband want to build onto their home or for emergencies. However, there is the understanding that when the household economy improves, this gold should be replaced (much akin to depositing savings into a bank account). We found, however, that while most women interviewed had sold most or all of their gold, that when the household was doing better economically, this gold was not being replaced.

Selling off one's gold is not however necessarily always a depletive strategy. To determine whether in selling their gold, women are depleting their resource base would require examining how they use the funds. In situations where women sell their gold to invest in other assets such as land, housing, paying their university tuition fees and so on, the resource or asset base might not be diminished. However, if women are selling their gold to pay off household debt or to cover household consumption, for instance, then, women's asset bases are being eroded and depleted.

According to a woman who has worked for many years with local women in the southern West Bank, women are selling off their gold within the first month of marriage so that the husband can pay back some of the debts from the wedding. While such occurrences may indicate a transfer of economic responsibility onto the bride for the cost of marriage, further study is needed and should be located within the broader

<sup>32</sup> While world gold prices fluctuate daily, since 2002, gold prices have on the whole been increasing. In Jan. 2002, world gold prices were approx. \$280USD per ounce by Jan. 2005, the price reached \$420USD and \$850USD by Jan. 2008. Historical gold price charts. [www.kitco.com/scripts/hist\\_charts/yearly\\_graphs.plx](http://www.kitco.com/scripts/hist_charts/yearly_graphs.plx)

examination of the various financial exchanges between the bride and her family on the one side, and the groom and his family on the other.

Men also sell off productive assets such as land, livestock or a business, which can generate income and resources. As discussed above, depending on how men invest the monies from this sale of resources, they may or may not be fully or partially depleting their resource base. The case of a household where the male breadwinner has been unemployed for a number of years is particularly illustrative. The man used to own a 900-square-metre plot of land, but sold it last year for 3,600 JD (or 5,100 USD). The man sold it because he owed a lot of money to local shops. In August of last year, he used these funds to pay: his household's debts (500 JD or 700 USD) in a local shop; his daughter's university tuition fees (420 JD or approx. 590 USD); and buy six adult goats to try to generate some income.

The man's use of funds from the sale of land initially partially diminished his resource base (by selling the only productive land that he and his household owned) but also, converted part of the funds from the sale of land into other productive assets, namely, the six goats. The payment of his daughter's education might also be seen as an investment in the future at least for her – provided she can complete her education and use it to find paid work at some point in the future. Unfortunately, two of the goats got sick and cost him more than 200 ILS (50 USD) medicine, and two of them died while they were delivering their young. In the end, he sold the remaining goats with a sizable loss – indicating a depletion of his and his household's resource base. Despite having sold land to pay off outstanding credits to shops, the household owes the same shop owner 7,000 ILS (approx 1,790 USD).

### **8.3 Maintaining Strategies**

As stated earlier, maintaining strategies are short-term survival strategies for meeting household needs. A wide range of maintaining strategies was reported. One of the most important maintaining strategies involves buying on credit from local shops and making a payment at the end of the month; as previous Fafo coping studies have indicated, this practice appears to be widespread. While shop-owners have reported stopping the extension of credit with some customers and/or reducing the amount of credit they will extend, the practice continues, and as a number of shop-keepers indicated, they must extend credit to customers (otherwise, customers will shop elsewhere).

Reliance on the extended family and even neighbours remains another important maintaining strategy. Particularly-vulnerable households may sometimes rely on extended family visits for support with goods such as clothes or shoes. In other cases, households which have not paid their electricity bills, may also rely on the households

of neighbouring relatives to extend them a line of electricity. While receipt of remittances did not emerge very often during interviews, there are some transfers from male relatives in other parts of the West Bank (i.e., from male relatives in the West Bank who work for the PA) and occasionally from Jordan. In a few cases, extended families also played an important role in assisting households with university tuition albeit with the expectation that the funds borrowed would be repaid after graduation once the graduate finds a job.

While food aid has reportedly decreased in the communities visited, households appear to accept food aid when it is available. In some communities where the World Food Program had implemented Food-for-Work programmes, some households had members who benefitted from participating. Some households complained however that they did not need food aid as much as employment. Some communities also felt that FFW programmes were beneficial to women by providing them with a few months of paid work. Many households complained that the distribution of food aid is unreliable making it hard to plan their resources.

Some households had received financial assistance from the Muslim *zakaat* or alms committee. One particularly impoverished household was recently given 500 ILS (125 USD) which a local woman had raised for them as a one-time support.

## 8.4 Regenerative Strategies

Regenerative strategies, as stated earlier, increase a household's resource base and expand its sources of regular income. These strategies may involve securing a job or work opportunities in the private or public sector, diversifying food and agricultural production or business development. Apart from finding wage labour opportunities in the West Bank, however, these strategies frequently involve start-up capital, meaning that: the household either has this capital and is willing to take the risk of investing it; or is able to secure capital by borrowing either from one's social networks or from a formal financial institution (in which case, collateral is generally also required).

As already mentioned, the outcome of a risk-taking venture determines whether the strategy can be termed 'regenerative' (in the case of success – a broadening of the household's resource base) or 'depletive' (in the case of failure – a reduced resource base). For those who are unsuccessful in such endeavours, what was undertaken as a regenerative strategy then becomes a depletive strategy.

Sometimes, regenerative strategies also necessitate the mobilization of other non-monetary types of resources, such as: gaining access to (through kin and social networks) and using or leasing a suitable piece of land; renting a well-located shop; the

confidence and backing of extended family members; trade and marketing networks; and so on.

For women, the wage labour opportunities are generally rather restricted due to social norms about what constitutes 'acceptable' employment for women (namely, public sector employment). As stated earlier, while women's labour force participation rates have increased 118 times since 1999 (World Bank, 2009, 32) and represents a sizable increase, their labour force participation rates remain low (15.4%) when one looks beyond the Middle East. In the private sector, women's opportunities to become independent business people remain rather restricted.

There were a number of income-generating projects in the smaller communities, such as the construction of plastic greenhouse structures for the cultivation of vegetables (especially tomatoes, cucumbers and some beans). These ventures required households to mobilise half of the cost of construction of these structures in cash, and the remainder of the costs was reimbursed on a monthly basis. Some households took out bank loans or borrowed money from extended family to mobilise the start-up funds. However, these households also had to have access to relatively-flat, productive land on which to build.

Some of the income-generating projects involved a return to traditional agriculture such as clearing land of stones, terracing the land, and planting olive trees or animal husbandry activities such as raising sheep and goats.

In terms of small business development, some small businesses had diversified the services and range of products they offered with the goal of expanding their client base. A textile workshop also was founded in a neighbouring city.

Labour migration to the Gulf States was also a regenerative strategy for a handful of recently-graduated men engineers who had been recruited by companies from the Gulf after graduation.

## **8.5 Nuancing Approaches to Household Coping Strategies**

The previous four sub-sections focused on the four main household coping strategies. While each strategy has been presented separately for the purpose of clarity, in daily life, these strategies are sometimes intertwined and in some cases, played off of one another strategically like cards in a card game. As the previous four sub-sections have demonstrated, a more-nuanced approach to household coping strategies is necessary because the different strategies interact in various ways with the household's resource base and its ability to care for its members whether in the short-term or more distant future. While households may appear on the surface to be 'coping,' managing or getting



by, particular coping practices are in fact eroding and reducing the range of coping strategies and options which will be available in the future. Short-term maintaining strategies were also witnessed such as buying on credit from local stores and paying off the accumulated debt later; for many households, however, maintaining strategies can become depletive strategies – as with households which are unable to pay down growing debts and who subsequently sell off land, for instance, to pay down debt. The following quote from one of the women we interviewed summarises well the situation in many households:

People are constantly trying to find ways of reducing their consumption by buying cheaper goods, buying less things or only the most important things. They save by not cooking every day, by travelling less frequently between cities, and by buying products from the nearest city which is slightly less expensive. Some cleaning is now done less often – like the laundry – to use less detergent, cleaning products, water and electricity. Most households stopped using gas to bake bread and use wood-burning ovens weekly or biweekly [and freeze the bread for the week] – but women must also go to the field and collect the firewood. They also freeze the vegetables for the off-season.

In many other cases, households relied on reductive coping strategies ranging from reducing their consumption to buying cheaper, lower-quality goods. However, several of the reductive strategies, which were observed, might also be characterised as depletive, such as the case of the chronically-ill man who reduces the daily dosage of his medicines to stretch out the amount of time each bottle of pills lasts him. Such practices threaten a key resource – that of, the man's health – and may aggravate his condition which may also result in the need for more resources and greater care from other members of the household. To take another example, reductive strategies can also have a depletive effect on resources like social and kinship networks. Those households, where travel to visit relatives and friends in other communities, is less frequent, risk undermining their social networks, while increasing their own social isolation. Withdrawing children from daycare may reduce household expenses in the short-term, but may also threaten child household members' abilities to integrate more easily into the school system and affect the foundational early years of their schooling. Only one of the above four strategies – the regenerative strategies – renews the household's resource base.

The next section of the report looks more closely at the regenerative strategies which households use over the long-term to save and invest for the future.



## 9 Saving and Investing for the Future

Household coping studies, as mentioned in the previous section, frequently focus on the immediate household consumption during emergencies and humanitarian crises. However, households also have needs beyond the immediate ones, and to meet these needs, households rely on longer-term strategies which relate to how they manage, mobilise and generate resources for the future – whether cash, social networks, livestock, land, etcetera. When a crisis extends several years, however, longer-term needs and coping strategies for meeting those needs risk becoming invisible, neglected and eroded – such as the more-costly investments such as a university education, the construction of housing or the cost of a wedding. These investments generally require years of saving by most households and may divert resources from other investments. When the saving is being done by poorer households, saving the necessary funds takes even more time because cash is so limited and one's social networks will need assistance more frequently (Singerman, 2007, 15). While these coping strategies come under the regenerative category in Howell's typology, they are treated here in a separate section specifically to examine when resource regeneration and mobilization relate to meeting long-term needs (as opposed merely to more immediate and short-term needs as much of the above section deals with).

The pressure on the Palestinian economy, closure and severe restrictions on internal and external movement of Palestinian goods and people, coupled with the lack of access to external markets and being gradually shut out of the Israeli labour market, have not only failed to stimulate economic growth but have brought about a man-made humanitarian crisis after 2002 (Le More, 2008, 5). As already stated, between 1967 and the early 1990s, many Palestinian men worked inside Israel and managed to generate savings and capital to build a house, start up one's own business and/or get married. However, since access to more-highly-remunerated work in the Israeli labour market has become so difficult, those seeking employment in the West Bank now view public sector jobs as the most desirable of options – since they provide a decent, albeit unsteady income. Most public sector jobs, however, require higher education apart from jobs in the security apparatus, which are only open to men (Jad, 2005). Several respondents expressed the difficulties of finding steady work and being able to save money for such events. One father of four children in his mid-forties explained:

If a young man wants to start a family, he has to build a house and have a stable income. This was much easier before, because then everybody could go to Israel and save up some money for their marriage. But this has become difficult now. The wall is the problem for us now. Before we could go to Israel illegally, but we can't do that anymore. So the situation for the boys [young men] has become very difficult.

In terms of youth coping strategies, Singerman's work on the economic imperatives of marriage has pointed out that as youth throughout the Arab World are faced with longer school-to-work transitions and high youth unemployment, they rely on the only remaining coping strategy – that of delaying marriage. Delaying marriage is problematic in Arabic society for two particular reasons: transition out of the youth phase and into adulthood (and citizenship) occurs when one marries; and secondly because sexuality has been linked to marriage in Arab societies (Singerman, 2007, 5). Despite the difficult economic prospects before many young men, there remains considerable social pressure on them to marry. In the words of another father:

I want to tell you a story; when I was getting married I was already 27 years old – so everybody was asking all the time why I was not married, since everybody else had got married before they were 25. But if you look around now, there are many who are more than 27 years old before they get married, and even more than 30. The responsibility for getting enough money to get married is shared with the parents, but the boy has to find a job and start to save some money, and if he cannot make it, it is my duty as a father to help him if he can't save enough by himself.

During our fieldwork, we observed considerable despair and even hopelessness amongst young men related to their work and life prospects, the economic situation, the conflict and the internal political crisis. As one young man expressed it: "I feel like a dead person since I stopped working. But I am living, and if I had a job, I would have been fine." Another young, unmarried man who acknowledged the serious risks he was taking by sneaking into Israel to find work explained, "with such risk in work, we [young men] cannot build our future and get married." As the 2009 World Bank report cited earlier indicated, faced with grim, diminishing employment prospects and poor wages, Palestinian men have retreated from the labour force and public sphere and struggle with their feelings of disempowerment.

Some households did manage to save for the future. Most of the households we visited considered investing in higher education as a long-term coping strategy. While Palestinians have valued education for several decades, higher education has become even more important to people in the West Bank. In this section, long-term household coping strategies are presented.

## Saving cash or in-kind

Some households were able to generate a surplus through their various livelihood activities<sup>33</sup>. This surplus was sometimes generated in cash and reinvested in one's business, land, productive assets, and/or income-generating activities, for instance. In other cases, farmers managed to raise and keep a few more livestock.

Another way of saving for the future involved essentially investing one's labour and some resources into agricultural cooperation agreements for a ten-year period. For those who are able to make such agreements with the property owners, these individuals must clear the land of stones, prepare terraces, and plant and cultivate the land with olive trees for ten years. In return, these individuals are entitled to half of this cultivated land, while the other half remains with the original owner. An older man who had worked inside Israel for many years explained:

I started to work more and more in agriculture [after it became very difficult to work inside Israel]. That means that I started to work on my land. I started to plant olive trees. I did this for the whole family, which includes my three brothers, my father and my uncle. I planted 200 trees all together. My parents had planted 300 trees already; they did this when they were young. It takes 10-15 years before the trees start to carry some amounts of olives. So from the trees I have planted, we are starting to get some fruit. The planting project cost me about 5,000 ILS [1,270 USD]. This includes the water and fertiliser needed to let the trees grow. My effort comes in addition to this. I didn't plant all the trees at the same time. I planted 50 trees at a time. I took my savings and planted trees, then, I would work to save more money before I planted more trees. So when it started to be difficult to work in Israel, I invested in the olive trees to get an alternative source of income. It is quite demanding to plant olive trees, and I mostly did it after I came from work, so it was done over a period of four years. I did it when I had been able to save some money.

## Higher Education

Palestinians have traditionally valued higher education, while viewing it as a resource which cannot be taken away from them or confiscated. As one mother stated, "I will pay for his [my son's] education. For us refugees, since we don't have land, education

<sup>33</sup>The life cycle of the household and its needs also play a determining factor in the household's expenses and ability to save money or other resources. For those households with members in university, for instance, it is very difficult to save since tuition and transportation costs are high.

is very important for us. We need a job to survive, since we don't have anything else." Today, in the West Bank, households place even more importance on obtaining higher education than in previous decades as evidenced by increased university enrollment rates. Between the academic years of 1979/1980 and 2000/2001, enrollment rates at universities in the WBGs have increased significantly – ranging from doubling and tripling at Birzeit and Bethlehem Universities to five and six-fold increases at Najah and Hebron Universities (Romani, 2003, 4).

As the 2007 Fafo coping report indicated, Palestinians "spend a significantly larger portion of their money on education compared to 1998, with a rise from 3 percent in 1998 to 11 percent in 2006" (Hasselknippe and Tveit, 2007, 81). This increased investment in education happened while the total average monthly household consumption decreased by 20 percent from 1998 to 2006 (ibid). Despite the financial crisis, increases in the number of impoverished households and cost of pursuing higher studies, we found that West Bank households make tremendous sacrifices so that their members can get an education. The investment in higher education is also not restricted to one's sons or male family members. The 2005 Gender Parity Index of 1.03 indicates that Palestinian women university students are slightly overrepresented compared to men (UNESCO, 2009).

Marriage preferences across the ideological spectrum have also changed to reflect these new norms. According to a woman activist, "today, there are many cases where the young woman's parents insist that she continues studying even after she marries and where the husband and his family must pay for her to study. Most families believe in this in fact today." Most of these agreements between the bride and groom's families are verbal in nature (albeit stated before several witnesses from both sides); however, there were also a number of cases where the bride's family and sometimes the bride herself insisted that this condition be written into the marriage contract in the Islamic court.

In terms of the groom's family, both men who are seeking a bride and their families are keen to find a bride who is pursuing higher studies. In fact, having a university degree and stable employment were reported as two key criteria for many men seeking a bride. For younger women, they generally appear to continue their studies after marrying and even after giving birth – with mothers-in-law and other extended family members helping to care for babies and small children.

The pursuit of higher education is not, however, limited to younger women and brides-to-be. Married women in their thirties and forties with several children are also pursuing higher education. One woman activist who is married with five children and in her forties recently graduated with a Bachelor's of Arts degree explained,

I'd cook at night and wake up at 4 or 4:30am to clean the house – since my daughter was doing her *taujibi* [final high school exams and could not help]. ... It wasn't easy,

you know. I have five kids and ten sheep and a house. It wasn't easy. I had to sit alone in another room and study by myself until 11 or 12pm every night. During exams, I'd only sleep two hours. I'd go to bed at midnight and get up at 2am. My sister and family saw that many times I felt so bad and sad that I couldn't sit or be with them. Then, it was hard when I graduated because I had no job.

Part of the emphasis on higher education for women appears linked to the changed macro-economic situation in which West Bank households require two salaries in order to survive. However, the economic and career incentives were not always the prime motivating forces for women pursuing higher study. We also interviewed married women with several children who had jobs or work but still pursued higher education out of sincere interest and a wish to develop themselves.

[Interviewer:] How did you manage to study? With four small children, your husband in prison, and a full-time job?

[Six months ago,] I was really tired. My husband was still in prison, and I had to be both Mom and Dad for our kids. The kids needed me; my husband was away. My kids understood. I have good kids, and they're good at school. I also needed to work and make money. But I always had something [like a feeling] inside me which made me want to study. I passed my *tawjihi* and got married and then, studied for two years for my diploma [but still wanted to pursue my studies]. ... My husband also cooperates and helps a lot. When I feel like doing something, I put my mind to it and do it. Also I saw my mother raise us five kids and put us through school, and she was a model for me." [The respondent's father has been a political prisoner since the time she was a young girl, serving a life sentence.]

Parents were also motivated to support their daughters' higher education so that they might gain knowledge, respect and social status.

My daughter is very smart, and she wanted very much to go to the university. So I buy nothing for myself, no shoes, no clothes, nothing. I give everything to my daughter. She is not married; she does not want to get married before she has finished her studies. If she can find work afterwards is difficult to say. In this country there are few job opportunities to find work. But it is still very important that she gets a university degree. We have lost the hope that our sons will find work, but it is very important for me that my daughter gets a university education, because it makes her more respected in our society, and she will get a higher status among people. When she has education, she will know more about what is happening around here, you know, she will know more about political and economic issues, and it will be better for her.

In small and rural communities, women have very few paid-work opportunities outside public sector work in health or education. Without higher education, women cannot find public sector work (since working in the security apparatus where higher study is not a pre-requisite is not open to women). When one young man was asked why his sister studies and not him, his answer was, 'girls have no other choice than studying because they cannot do work if they're not educated.'

Distance education programmes offered by the Open University have been particularly important in making higher education accessible to people outside the major urban centres and when closure is strict and mobility and access to university campus is restricted. Distance-learning students at the Open University can also work and study at the same time, and therefore, pay themselves for their studies. Paying tuition fees each semester remains a real challenge for many households. As one father with three daughters studying at university said, "I used to hate registration day because I had to try to come up with the money for their tuition."

Many women have sold their gold in order to study themselves or to put their own children through university. Many men work without permits inside Israel and live in difficult and dangerous conditions so that their children can get an education. As stated earlier, some women participated in women's savings and credit associations. A number of women reported that while it was frequently hard to save some money each month, they used these associations to borrow the money necessary to pay university tuition fees (which are a major challenge for households with university students).

While the emphasis on and investment in higher education for young women is striking, one mother complained that girl students with high marks are being directed exclusively into studies that will allow them to become teachers (rather than from a broader range of academic disciplines which would lead to a broader range of career possibilities). "There are many [girls] here in the camp that have a high score on their high school exams. But they never get a chance to study medicine or other prestigious subjects. They are only studying to be teachers."

## **Building Housing**

As there is no government-subsidised housing available to Palestinians in the West Bank and relatively few private developers outside the main cities, families must build their own housing incrementally. Both land and the construction itself in the West Bank are quite costly and frequently require several years for households to save these funds. One man in his early thirties indicated that he had worked inside Israel for six years to be able to save enough money to build housing and to afford to get married. The general trend in the West Bank is to save and build housing before getting married –



although there are cases where newly-married couples and their young families save and build after marrying. In these cases, however, the process frequently takes even longer. In one of the households surveyed, both parents were teachers and claimed it took them 14 years to save and build their new apartment. They also borrowed 10,000 JD (14,145 USD) from a relative who was working in the Gulf and managed to build without taking any bank loans. During these 14 years, they all stayed in a small room in the home of the man's family. However, the household has not been able to save any money to eventually send their children to university.

In constructing housing, Palestinians very often build bit by bit when they have the time and money. Fluctuations in the price of construction materials also play an important role and may delay building and one's wedding. Another example is that of a 24-year-old man who wants to get married and began building his apartment one year ago. The construction has temporarily been suspended, however, due to a rise in the price of construction materials. The man has to choose between delaying the wedding until the housing is finished or having to live with his bride-to-be in his family's home until they finish building.

Another 19-year-old man explained that he works without a salary in his household's greenhouse:

My work and efforts here [in the greenhouse] are the same if my father is in prison or not. I hope, *insh Allah* [God willing], that I will get married, but it is difficult to do for my family economically. We have to do it step by step. This summer we finished a new floor on the top of my parents' house. This new apartment is for me when I get married. So maybe next summer. The money I get from the work here goes to the family not to me personally, but since it is used to build the apartment for me, it is a way of saving my salary for my future house.

While the duty to save and building housing lies largely with the son, this responsibility is also shared with his parents who should help him should he be unable to manage this on his own. One mother expressed frustration with being indebted and unable to assist her son with the cost of either constructing housing or getting married. Her household had not managed to pay back a loan they had taken a few years ago to start a shop which failed. The household has now been indebted 1,500 ILS (380 USD) for nearly two years, and the prospects of marrying her son who is in his early twenties remain removed. "How can I marry my son off – if I can't even build him a room?"



## 10 Debt and Indebtedness

The levels of debt which households carry remain disconcertingly high. While the 2007 Fafo coping study clearly depicted many households as having incurred considerable debt particularly to shopkeepers and for unpaid utilities, during the fieldwork for this round of the study, we have observed that PA employees and their households now are also indebted to banks. As a number of respondents indicated, when the PA was unable to pay public sector salaries following the Hamas electoral victory and the ensuing stopping of transfers and international aid to the PA, many PA employees took on bank loans but have not been able to repay these loans. Many of the PA employees interviewed who had bank loans shared that half or more of their salary went to pay off their bank loans. While many households continue to be indebted to local shopkeepers and have not paid their utility bills, becoming indebted to banks appears to be a relatively recent development. (Note that household debts to shop owners have been discussed in the section on small business).

During the fieldwork, however, we did not focus a great deal on how the debts of PA employees in particular were accumulated and for what types of expenses (e.g., to cover immediate consumption needs versus to cover tuition fees) and the choice to seek out a bank loan (as opposed to other forms of credit). Hence, it is difficult to analyse the intersection between what appears to be a growing debt load amongst public sector employees and how these debts affect the household's resource base. Do these loans assist PA employees and their households to consolidate different loans and get out of debt, for instance? Are the terms for borrowing better than other available sources of funding? Bank loans can sometimes provide capital which can enable households and their members with a particular venture; however, households which become heavily indebted to financial institutions can also find themselves in situations where they are unable to get out of this debt.

A few of the interviews with PA employees did reveal that there are households which are only servicing their debt and had accumulated a few loans in the process. The following case is that of a household with a woman business person and a policeman. The woman's monthly earnings (after expenses and deductions) from her shop range between 2000-2500 ILS (510-635 USD) which is enough to survive.

It's hard work [in the shop] but it's enough to survive – about 400-500 ILS/week [100-125 USD]. I can't really save money but am able to cover the household

expenses. We use all of my husband's PA salary to cover the monthly bank loan payments – and actually, I also have to chip in about 300 ILS [75 USD] each month to cover these loan payments.

We initially took a loan to build our house, and then, during the second intifada, we had to take another loan out on top of the first loan to make ends meet a few years ago. Every month, my husband pays 2,000 ILS [510 USD] for the first loan and 1,800 ILS [460 USD] for the second loan, but his salary is 3,500 ILS [890 USD] – so I chip in the additional 300 ILS [75 USD] to cover the payments. Many people in the PA took loans out to get married and/or build a house, and most of the PA salaries go to pay off these loans.

This respondent considers borrowing money from banks to be “a big mistake” and says she will never do it again. Nonetheless, she considers herself and her household fortunate because, apart from these two bank loans, they do not have any other debts.

The social effects of being indebted on households and people, however, were a source of stress, concern, tension and depression. The combination of living with debt and few decently-paid work opportunities weighs heavily on both men and women and has begun to pervade their social relationships. Some couples and households reported that they frequently felt tense and argued about money and expenses. One father shared that he feels the economic effects are quite serious in his own family. Sometimes he says, “I don't know where to get the money to pay for everything.” In these moments, he becomes very quiet and keeps to himself (rather than discussing the problem with his wife or brothers). Another man shared an incident where his wife had asked him more than four times to buy laundry detergent, and he remembered but acted as if he had forgotten – to try to avoid buying it since he didn't have money. When he has work, however, he claimed to always fulfill such demands right away.

Staying at home and not going out was another strategy some men adopted: “My husband isn't even going out these days because he owes money to so many people. He is afraid if they see him they will ask for the money that he doesn't have.” Retreating from the public and one's community may be a coping strategy for dealing with debt; however, such strategies risk leaving their users increasingly isolated socially and may even result in eroded social networks. As Unni Wikan's (1980) work with poor households in Cairo suggests, as many households and men, in particular, are unable to provide the resources for inter-household transfers, they tend to visit extended family less often to avoid facing this reality. As one Palestinian man we interviewed put it, “It's not just the price increases which are difficult; it's also the social obligations like weddings, visits, *Eid*' and so on.”

Some young men also share a form of indebtedness to younger siblings. In many large households, the older sons will receive the majority of the resources to enable them to get a higher education, start a business, build housing and/or get married.

However, very often, these young men are expected to put their younger siblings through these key life events such as going to university, getting married and so on. These family obligations are often invisible to the outside eye but can constitute a tremendous weight.



## 11 Conclusions

Palestinian households rely on a variety of short- and long-term coping strategies for meeting their members' needs. As this report has demonstrated, coping strategies are not homogeneous and should not be treated equally as some may be detrimental to a household's resource base and ability to care and provide for its members over the long-term. During emergencies and humanitarian crises, the immediate, short-term needs of households understandably are the main focus of aid agencies. However, when conflicts endure for many years as with the Israeli-Palestinian conflict, the longer-term and often more-costly needs – such as for housing, higher education and getting married which involve years of saving – require attention as do, the ways in which the conflict affects households' livelihoods and strategies for meeting those needs. Since the outbreak of *Al-Aqsa Intifada* in 2000, people in the West Bank have lived with almost a decade of intensified socio-economic and political crises and colonising practices (albeit with some fluctuation in the degree and force of conflict, closure and violence). While access to the Israeli labour market has diminished greatly, the Palestinian economy, which might have grown to absorb some of these workers, has also been tightly restrained. This prolonged period of crisis has afforded households few, if any opportunities, to recover from the stress and shocks to which they have been exposed.

Given that the majority of West Bank households (56%) are now classified as being below the poverty line, this report sought to better understand how West Bank households are coping in 2008. Those households which have the means and resources are diversifying and building up their resource base; a few have even returned to more traditional forms of agriculture such as rehabilitating land and cultivating olive trees. However, the predominant household coping strategies observed can be characterised as reductive in nature – that is, involving reduced consumption and substitution of cheaper alternatives – while many households also relied on coping strategies which depleted their resource base. Given that previous Fafo coping studies demonstrated how the household resource base had already been seriously diminished after several years of heightened hostilities since the outbreak of the second *intifada*, the reliance on depletive strategies is disconcerting. These reductive and depletive strategies in particular reflect in part the broadening and deepening of poverty in the West Bank, as well as the continued pressure on Palestinian economy and livelihoods from the conflict and its effects. The assets of West Bank households were also affected by violence, destruction and confiscation at the hands of settlers and the army: in some

communities, olive trees were burned by settlers; in other instances, Palestinians were not allowed to access their olive trees in order to harvest and prune them. These acts and practices also erode and deplete the asset base of the households in question.

In terms of household-level debt in 2008, as stated earlier, 65% of West Bank households are indebted, and a quarter of households have debts of over 20,000ILS (approximately \$5,160USD)<sup>34</sup>. While the public sector has frequently been viewed as the backbone of the West Bank economy, its workers have become significantly indebted to financial institutions and struggle to repay bank loans. One respondent explained, “most of the PA salaries go to pay off these bank loans.” Household debt and the cycle of its accumulation require further, in-depth study.

Debt levels, combined with uncertain economic and political prospects for the future, weigh heavily on households and their members. Many people felt nervous and anxious and complained of arguing more frequently within households. Unable to fulfill various social obligations, many reported staying home more often and visiting friends and family less frequently to avoid facing both people one is indebted to and relatives whom one should be supporting financially. These practices damage the social fabric and erode households’ social networks.

The gender-differentiated effects and strategies can be loosely grouped into two (even though some strategies relate to both groups): those which are related to the conflict and those which are of a more general nature. The pursuit of higher education by young women, for instance, also mirrors regional trends by Arabic women in tertiary education. However, even as women pursue this strategy and proceed to attempt to find stable public sector work and become potential income earners, this series of coping strategies is also used by women to deal with the dire economic situation resulting from the conflict.

In terms of the conflict-related, gender-differentiated effects and strategies, the conflict’s stranglehold on the Palestinian economy is borne out in various ways at the household level. All household members experienced pressure: from male breadwinners who can no longer provide for their household’s needs to women who struggle to find other sources of income, balance more home-based production and caring responsibilities, as well as, in some cases, full-time work. Women’s social roles have broadened to some degree allowing many women the opportunity to pursue higher education and public sector work even though they still bear a number of responsibilities for the household such as care-giving, child-rearing, cooking and cleaning. However, this broadening of roles and increased workloads for women also merits further study in terms of the effects on women’s health, welfare and well-being.

<sup>34</sup> Refer to Tables 4.11 and 4.12 of the Tabulation Report for Household Economy, available at: <http://www.fao.no/ais/mideast/opt/opinionpolls/2008-4%20Household%20economy.pdf>



Many men and particularly young men however are in a state of desperation and have even retreated from the labour force and the public sphere more broadly, as they struggle with feelings of disempowerment (World Bank, 2009, 32). Many men are unemployed with few economic prospects and also experience the pressure of social roles and expectations that they earn money to help their parents, build housing, get married, and start their own families. Despite the challenging economic environment, the social roles and expectations of men as income earners do not appear to have eased although this matter requires further study. Some men risked travelling without permits into Israel to work for better wages and earn money despite the risk of high penalties and prison sentences.

While households have reduced their consumption since 2000, interestingly, they continue to prioritise investing in higher education for their children and members – despite the widespread indebtedness of many households. While Palestinians have historically placed a high value on education, higher education appears to have increased in its importance over the past few decades. University enrollment rates in the West Bank have increased significantly over the past few decades. Despite the high cost of university tuition, West Bank households continue to struggle to educate their members. Both young men and women are pursuing higher education, as are a number of married women in their thirties and forties.

The prevalence of young Palestinian women in higher education is particularly interesting and constitutes a significant social change in West Bank society compared to two decades ago (as some of the statistics on university enrollment rates of men and women in the West Bank and the gender parity index cited earlier indicate). Marriage preferences have clearly changed regardless of political affiliation, class background or where one's household is located (i.e., whether in urban, rural areas or refugee camps). Today, when a man decides to marry and seeks a bride, he and his family clearly express a preference for finding a bride who is pursuing or has completed her higher education and ideally has a public sector job. The onus on higher education and changed marriage preferences are linked partly to the hope that a woman graduate will be able to eventually find a local, public-sector job with a stable salary and benefits. However, apart from the security apparatus which employs only men, all other public sector positions require a Bachelor's degree contributing partly to the onus on higher education. Given the difficult economic situation, many West Bank households today need two incomes.

Economic motives are not, however, the only driving force behind the push for higher education. The parents of many young women clearly indicated that higher education would allow their daughters an opportunity to become more knowledgeable, offer them the possibility of finding public sector work and be better able to take care of themselves should they need to in the future. For the married women who were in their thirties and forties and who had several children, many want to become educated

and develop themselves through their studies – despite the substantial sacrifices and cost of such an investment. Further study into the return on tertiary education for men and women in different areas of the West Bank and in different areas of study is also warranted.

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# Making Ends Meet: Gender and Household Coping Strategies in the West Bank

Since 2000, the hostilities in the Israeli-Palestinian conflict have re-emerged and escalated, and mobility restrictions on people and goods remain in place. The Palestinian economy remains fettered, Palestinian households in the West Bank are becoming poorer and more indebted. This report investigates how Palestinians are adapting at the household level both by focusing specifically on the gender differences within households, and by examining how the coping strategies employed affect the household's resource base. While most households attempt to manage by reducing their consumption, many are also depleting their resource base.



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