



## POVERTY

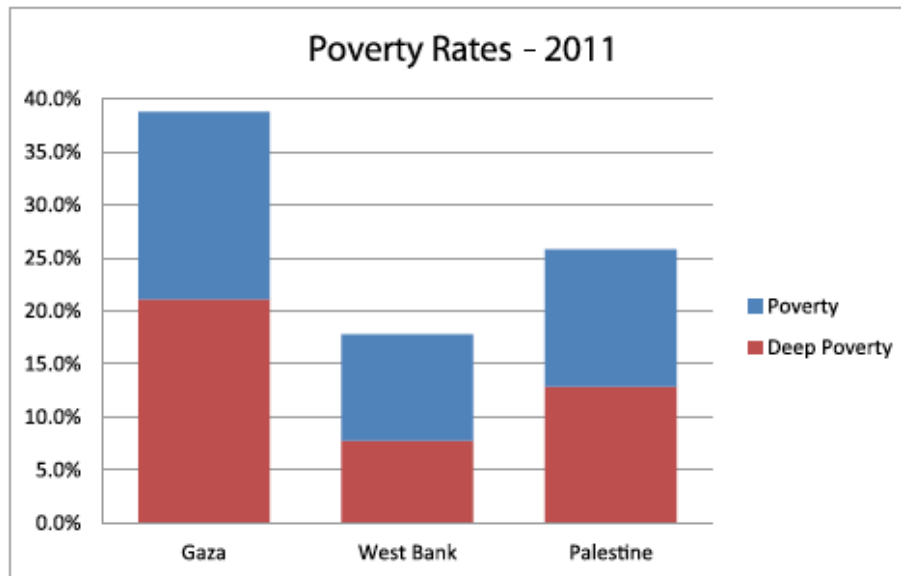
The poverty line by national standards for Palestine, as set by PCBS in 2011, is 2,293 NIS (\$637) per month for a family of two adults and three children. This line is based on the average consumption of essential food, clothing, housing, housekeeping and personal supplies, health care, education, and transportation. The most recent household survey shows that 25.8% of Palestine's population lives in poverty (17.8% in the West Bank and 38.8% in the Gaza Strip),<sup>1</sup> with 12.9% of individuals living in "deep poverty" – considered as living on a monthly income of NIS 1,832 (US \$509) or less per month for food, clothing, and housing (7.8% in the West Bank and 21.1% in the Gaza Strip).

The population of Palestine has become more impoverished in recent years. The highest incidence has consistently been in the Gaza Strip, with more than 700,000 people currently living in poverty. This trend mainly reflects the devastating impact of the Israeli-imposed siege and attacks on Gaza. Poverty rates are undeniably linked to political security and, specifically, Israeli-imposed blockades.

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<sup>1</sup> PCBS (2014) 'On the Eve of International Population Day', Press Release, 10 July 2014, available at [http://www.pcbs.gov.ps/portals/\\_pcbs/PressRelease/Press\\_En\\_IntPopD2014E.pdf](http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_IntPopD2014E.pdf).

Figure 1: Poverty rates in Palestine by region



Source: PCBS

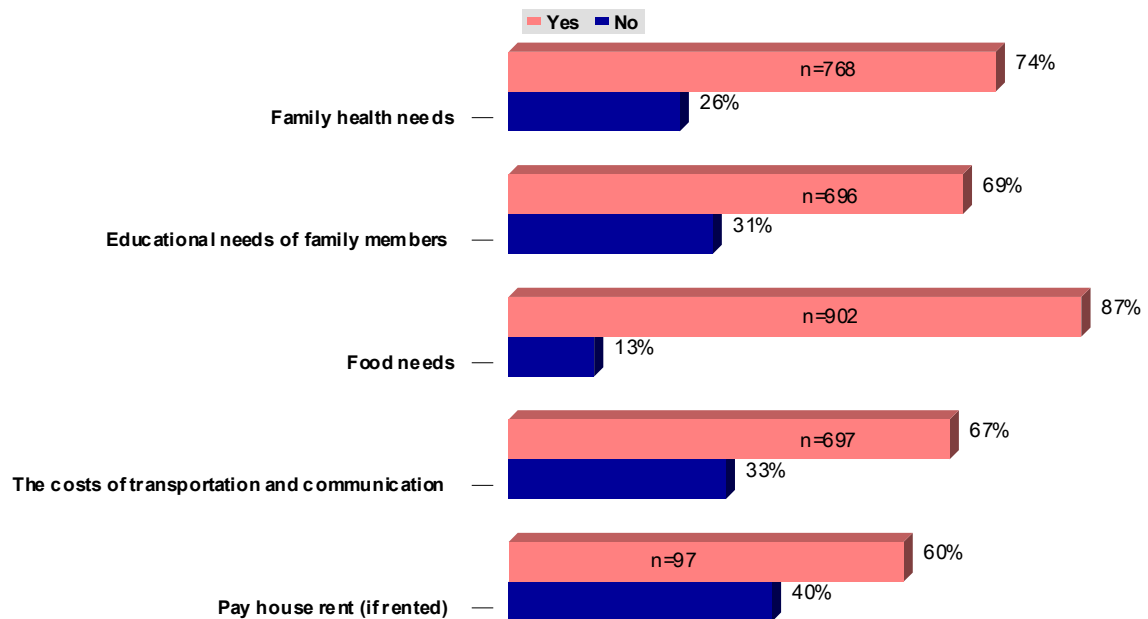
For Palestinians living in Jerusalem, poverty is widespread. A 2014 report released by the Association for Civil Rights in Israel (ACRI) found that more than 75.3% of the residents of East Jerusalem – and 82.2% of children – lived in poverty by international standards by the end of 2013.<sup>2</sup> The report pointed to the contribution of the separation barrier to poverty, as well as the systemic social, economic, and institutional marginalization of Palestinian residents.

To cope with poverty, Palestinians have adopted a wide range of strategies. Aid agencies play a major role in addressing immediate needs of households during times of crises, especially in Gaza, but households also employ a diverse mix of coping mechanisms, including relying on friends and extended family and prioritizing saving for higher education at an early stage in a child's life.<sup>3</sup>

<sup>2</sup> ACRI (2013) 'Situation Report: The State of Human Rights in Israel and the OPT 2013', available at <http://www.acri.org.il/en/wp-content/uploads/2013/12/SituationReportEng2013.pdf>.

<sup>3</sup> Laura E. Mitchell (2009) 'Making Ends Meet: Gender and Household Coping Strategies in the West Bank', Fafo-report 2009:48, available at [http://www.fafo.no/media/com\\_netsukii/20138.pdf](http://www.fafo.no/media/com_netsukii/20138.pdf).

**Figure 2: Public Perception – “Is the economic situation of your family in the current period able to meet needs?”**



Women face additional barriers to getting out of poverty. In its cross-sectoral strategy for gender equality, UN-Women found that discriminatory legislation, cultural norms governing issues such as property-ownership and employment opportunities, and the concentration of female employment in certain sectors contribute to the economic marginalization of women in Palestine.<sup>4</sup> These factors impede the economic empowerment of women, thus making them more vulnerable to poverty.

In many cases, women continue to be discouraged from working outside the home and are expected instead to focus on child rearing, housekeeping, and cooking.<sup>5</sup> This stigma keeps women from entering the labour force and poses yet another barrier to ending the cycle of poverty. There is evidence, however, that this stigma is becoming less widespread. A study by the Fafo Institute for Applied International Studies found that significant social change has occurred in the West Bank surrounding women’s roles over recent decades.<sup>6</sup> Both young and married women were found to be more likely to be encouraged to pursue higher study and

<sup>4</sup> UN Women/Palestinian National Authority Ministry of Women’s Affairs (2011) ‘Cross-Sectoral National Gender Strategy: Promoting Gender Equality and Equity 2011-2013’, available at <http://www.unwomen.org/~media/headquarters/media/publications/en/unwomenoptfullpalestiniangenderstrategy2011.pdf>

<sup>5</sup> ACRI (2012) ‘Policies of Neglect in East Jerusalem: The Policies that created 78% Poverty Rates and a Frail Job Market’, May 2012, available at [http://www.acri.org.il/en/wp-content/uploads/2012/05/The-Poverty-Policy-in-East-Jerusalem\\_ACRI\\_May-2012\\_ENG.pdf](http://www.acri.org.il/en/wp-content/uploads/2012/05/The-Poverty-Policy-in-East-Jerusalem_ACRI_May-2012_ENG.pdf)

<sup>6</sup> Laura E. Mitchell (2009) ‘Making Ends Meet: Gender and Household Coping Strategies in the West Bank’, Fafo-report 2009:48, available at [http://www.faf.no/media/com\\_netsukii/20138.pdf](http://www.faf.no/media/com_netsukii/20138.pdf).

seek public sector employment in 2009 compared to twenty years earlier. Financial pressure on households has contributed to this shift in norms, as few households can rely on a single source of income.

Women's empowerment is an indispensable tool for getting households out of poverty and for human development, in general. Education both empowers women to become aware of and act on their fertility choices, and increases the chances of stable employment.<sup>7</sup> While nearly universally valid, the predicament and challenges facing Palestinian women are especially compelling, as captured by the World Bank Managing Director Caroline Anstey when she said:

*“Women the world over are still fighting for change but Palestinian women face economic and political challenges that make this battle even harder.”*

*- World Bank Managing Director Caroline Anstey. May 15, 2013<sup>8</sup>*

Linked to poverty levels, the degree of food security enjoyed by a people must be considered as an indicator of human development. The Food and Agriculture Organization (FAO) defines food security as existing when “all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.”

Food insecurity in Palestine is very high: in 2013, the majority of households spent more than half of their income on food, and one third of all households were classified as food insecure.<sup>9</sup> This was up from 27% in the 2009-2011 period. UNRWA is the largest food aid provider in the oPt and is responsible for providing food aid to the refugee population while the World Food Programme (WFP) is the largest food aid provider to non-refugees. In their June 2014 joint press release, the PCBS, FAO, UNRWA, and WFP found that high rates of poverty caused by unemployment (due largely to the lack of economic empowerment under occupation), high food prices, lower levels of aid, and a slowing of economic growth since 2011 were the main drivers of food insecurity.<sup>10</sup>

<sup>7</sup> Population Action International (2010) ‘The Effects of Age Structure on Development: Policy and Issue Brief’, available at [http://populationaction.org/wp-content/uploads/2012/01/SOTC\\_PIB.pdf](http://populationaction.org/wp-content/uploads/2012/01/SOTC_PIB.pdf).

<sup>8</sup> World Bank (2013) ‘World Bank Managing Director Emphasizes Gender and Inclusive Development in Palestinian Territories’, Press Release, 15 May 2013 available at <http://www.worldbank.org/en/news/press-release/2013/05/15/world-bank-managing-director-emphasizes-gender-and-inclusive-development-in-palestinian-territories>

<sup>9</sup> These latest statistics were found through a 2013 survey conducted by the PCBS, UN agencies and the food security sector. Study forthcoming. See PCBS/FAO/UNRWA/WFP (2014) ‘Food Insecurity in Palestine Remains High’, Joint Press Release, available at [http://www.pcbs.gov.ps/portals/\\_pcbs/PressRelease/Press\\_En\\_FoodSecuir2014E.pdf](http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_FoodSecuir2014E.pdf).

<sup>10</sup> PCBS/FAO/UNRWA/WFP (2014) ‘Food Insecurity in Palestine Remains High’, Joint Press Release, available at [http://www.pcbs.gov.ps/portals/\\_pcbs/PressRelease/Press\\_En\\_FoodSecuir2014E.pdf](http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_FoodSecuir2014E.pdf).

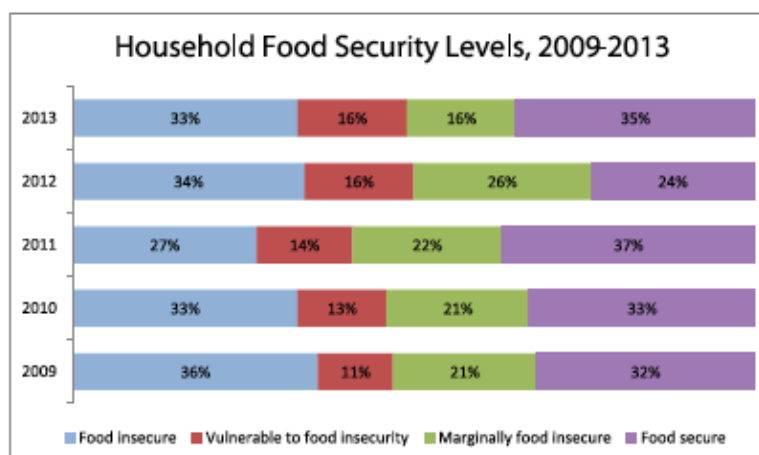
*“Food insecurity in Palestine can only be sustainably improved by addressing the root causes of the crisis, such as the on-going blockade on Gaza and access restrictions in the West Bank.”<sup>11</sup>*

*- PCBS, FAO, UNRWA, and WFP Joint Press Release. June 2014.*

Again, because trends in the West Bank and the Gaza Strip have taken different trajectories, it is critical to regionally disaggregate the data. In the West Bank, 19% of the population is food insecure. In Gaza, more than half of the population (57%) is food insecure, with the Israeli blockade of the Strip being the main explanatory variable in this regard.

Overall rates of food insecurity in Palestine did not change from 2012 to 2013. Refugees in the West Bank, however, experienced some improvement, with rates of food insecurity dropping from 23% to 20% -- only somewhat higher than those for the West Bank non-refugee population (19%). In the Gaza Strip, food insecurity rates are significantly lower amongst the refugee population when compared to non-refugees (54% versus 63%). This is likely due to the humanitarian assistance provided by UNRWA.

**Figure 3: Food security levels in Palestinian households, 2009-2013**



*Source: PCBS*

Food security statistics may suggest that the wealth gap in Palestine is in fact growing: though food insecurity has deepened over past years, the number of households defined as being food “secure” has also increased: from 24% in 2012 to 35% in 2013. Other data suggest that the gap between the rich and the poor in Palestine remains relatively stable. The latest figures from the World Bank, using data from the period of 2004-2009, show that income distribution ratios have remained comparable - with the richest 20% of the population holding between 41%-45% of the wealth, and the poorest 20% holding 6.5%-7.5% of the

<sup>11</sup> PCBS/FAO/UNRWA/WFP (2014) ‘Food Insecurity in Palestine Remains High’, Joint Press Release, available at [http://www.pcbs.gov.ps/portals/\\_pcbs/PressRelease/Press\\_En\\_FoodSecuir2014E.pdf](http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_FoodSecuir2014E.pdf).

wealth. Differences in the availability, use, and type of coping mechanisms may contribute to increasing food security, despite a relatively unchanging income distribution.

### Empowering women and youth through Microwork

In work done by both the ILO and the joint task force of WFP/UNRWA/FAO, two key priorities for the Palestinian development agenda relating to poverty and food security were highlighted: 1) pursuit of gender equality in the workforce and 2) improved competitiveness of the Palestinian economy in global markets.<sup>12,13</sup> “Microwork” in the digital economy is a burgeoning field that could at once significantly address both of these priorities.

Microwork is defined as small, online business tasks from market research or data entry to graphic design. A 2013 World Bank feasibility study highlights the potential for microwork to create up to 55,000 part-time jobs in Palestine in the next five years.<sup>14</sup> The study reveals great employment opportunity for the country’s women and youth, on the strength of high levels of tech-literacy and Internet access. As it is based on online, digital products and services, microwork can be performed remotely, anywhere, anytime – therefore providing viable jobs despite the Israeli-imposed restrictions on labour-related movement. Jobs in microwork could thus address the high levels of under- and unemployed women outside of Palestine’s cities, especially.

*“Microwork’s unique value proposition is that it can be performed anywhere at any time across geographical boundaries, using commonly available computers and Internet connections. It is particularly relevant to the Palestinian Territories as it enables local youth and women to access jobs in the global knowledge economy.”*

*Siou Chew Kuek, ICT Policy Specialist at the World Bank*

<sup>12</sup> ILO (2012) ‘The situation of workers of the occupied Arab territories’, Report of the Director-General (Appendix), Conference Paper, June 2012, available at [http://www.ilo.org/ilc/ILCSessions/101stSession/reports/reports-submitted/WCMS\\_181071/lang--en/index.htm](http://www.ilo.org/ilc/ILCSessions/101stSession/reports/reports-submitted/WCMS_181071/lang--en/index.htm).

<sup>13</sup> PCBS/UNRWA/FAO/WFP (2012) ‘Socio-Economic and Food Security Survey 2012: West Bank and Gaza Strip, Palestine’, available at [http://unispal.un.org/pdfs/UN-PCBS\\_SocEconFoodSecSurvey2012.pdf](http://unispal.un.org/pdfs/UN-PCBS_SocEconFoodSecSurvey2012.pdf).

<sup>14</sup> World Bank (2013) ‘Feasibility Study: Microwork for the Palestinian Territories’, available at <http://siteresources.worldbank.org/INTWESTBANKGAZA/Resources/Finalstudy.pdf>.