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# palestine refugees in the west bank

## socio-economic trends and long-term opportunities

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April 2011

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## Introduction

This report is a pilot study on the socio-economic conditions of Palestine refugees in the West Bank for purposes of analyzing long-term livelihood opportunities.<sup>1</sup> The draft relies on: 1) the main and detailed results of the 1997 and 2007 censuses as provided by PCBS to UNRWA; 2) the labour force surveys for the period 2000-2009; 3) the Palestinian household expenditure and consumption survey for 2007, the last year for which data is available; 4) previous UNRWA reports on the socio-economic conditions in the West Bank and Gaza; 5) internal UNRWA data and; 6) several reports produced by FAFO since the late 1990s addressing the status of Palestine refugees in the host countries.

Whenever possible, the data and analysis refer to the registered refugee population. When this was not possible, the available data for all refugees in the West Bank was used. In several instances, only aggregate data from PCBS for the West Bank was available at the time of writing.

Frequently, detailed census results (e.g. on population pyramids or sex ratios) are based on the counted population only, i.e. those actually enumerated during the census process. As such, they exclude estimates of the persons missed during the census count. Some analyses in this paper—of necessity—use the counted population only while others use the counted population plus estimates of the uncounted population. Likewise, some estimates for refugees and registered refugees exclude the J1 portion of the Jerusalem governorate. Thus, some analyses must exclude refugees or counted refugees in occupied East Jerusalem (J1)—defined as the Israeli municipal boundaries as established in 1967—while others are able to include these.

The reader is advised to be cautious in interpreting the data and drawing conclusions based on these distinctions.

Section I covers a number of topics. First, the section reviews the census population and demographic data for both 1997 and 2007 as it relates to refugees. Second, the section presents a briefing on the socio-economic status of refugees including household income; household consumption levels and patterns; employment status; access to public services; estimates of the levels of external assistance received by OPT residents; and disabilities. Thirdly, the section reviews some of the evidence on the internal and regional migration patterns of refugees in the West Bank.

Section II provides a profile of refugees in the labour market with respect to economic activity and occupation for 2007; educational attendance and attainment; skills as implied by post-secondary study specialization; self-employment; and levels of poverty among refugees.

Section III seeks to project West Bank labour supply and demand into the near future based on the trends implied by the census data for 1997 and 2007. Specifically, the censuses are compared with respect to employment shares of the various economic activities; the growth shares of these activities in employment by sex; and changes in occupational structure and educational attainment by sex. The section ends with an assessment of future employment prospects.

Section IV provides some observations and conclusions based on the evidence provided in the report.

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<sup>1</sup> A comparable study for Gaza at the time of writing is not possible given the incomplete status of the 2007 PCBS census tabulations for that territory.

## Section I: Refugee Population and Demographics in the West Bank

### A. Population

#### 1. Age Pyramid

The counted registered refugee population in the West Bank, including East Jerusalem, totaled 581,730 persons at the end of 2007.<sup>2</sup> Table 1 indicates the age distribution of West Bank registered refugees was fairly young with about 41 percent of the population below age 15 and with 3.5 percent of the population 65 years of age or older. The registered refugee working age population—aged 15-64—was about 55.5 percent of the total population.

Table 1

Registered Refugee Population Pyramid, 2007<sup>3</sup>

Age Group	West Bank	Share
0-4	81,124	13.95%
5-9	79,482	13.66%
10-14	77,412	13.31%
15-19	67,834	11.66%
20-24	50,642	8.71%
25-29	43,280	7.44%
30-34	38,205	6.57%
35-39	33,792	5.81%
40-44	29,966	5.15%
45-49	22,264	3.83%
50-54	15,544	2.67%
55-59	11,724	2.02%
60-64	9,932	1.71%
65-69	6,615	1.14%
74 - 70	5,398	0.93%
79 - 75	3,664	0.63%
84 - 80	2,185	0.38%
89 - 85	1,049	0.18%
94 - 90	379	0.07%
95+	186	0.03%
Not Stated	1,053	0.18%
<b>Total</b>	<b>581,730</b>	<b>100.00%</b>

While 1997 age group data for registered refugees is not readily available, the demographic changes between the two censuses for all West Bank refugees are presumably indicative of those changes. These are presented in Table 2. The period between the two censuses saw the relative shares of the two youngest refugee age groups (0-4 years and 5-9 years) and the oldest (65+ years) decline significantly. The weight of the population below age 15 declined from about 44.3 percent in 1997 to 40.9 percent in 2007 implying reduced rates of population growth in the

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<sup>2</sup> The total number of refugees in the West Bank, including J1, in 2007 is estimated at 643,305. See UNRWA *West Bank and Gaza Strip Population Census of 2007; Briefing Paper*, January 2010, p. 10.

<sup>3</sup> Includes counted population during census, including J1, and excludes the uncounted population estimates from the post enumeration survey. PCBS data on registered refugees as provided to WBFO Research Office, February 2010.

future. At the same time, the 65+ cohort declined from 3.8 percent to 3.3 percent of the total population. There were more modest *decline* in the shares of the 25-29 and 30-34 years cohorts.

**Table 2**

**West Bank Refugee Population Pyramid, 1997-2007<sup>4</sup>**

Age Group	West Bank 1997	Share	West Bank 2007	Share	Relative Changes
0-4	73,245	17.32%	78,487	13.66%	-21.12%
5-9	64,478	15.25%	75,672	13.17%	-13.61%
10-14	49,745	11.76%	73,929	12.87%	9.40%
15-19	44,479	10.52%	69,205	12.05%	14.54%
20-24	39,365	9.31%	60,103	10.46%	12.40%
25-29	33,288	7.87%	41,766	7.27%	-7.64%
30-34	28,542	6.75%	36,903	6.42%	-4.82%
35-39	21,257	5.03%	32,261	5.62%	11.72%
40-44	14,804	3.50%	28,851	5.02%	43.47%
45-49	11,655	2.76%	21,561	3.75%	36.18%
50-54	10,710	2.53%	14,853	2.59%	2.09%
55-59	7,790	1.84%	11,309	1.97%	6.87%
60-64	7,428	1.76%	9,491	1.65%	-5.94%
65+	16,109	3.81%	19,112	3.33%	-12.66%
Not Stated	0	0.00%	968	0.17%	--
<b>Total</b>	<b>422,895</b>	<b>100.00%</b>	<b>574,471</b>	<b>100.00%</b>	

In relative terms, the fastest growing age segments among West Bank refugees were 40-44 and 45-49 years. The 40-44 years segment grew by an estimated 43.4 percent between the two censuses while the later grew by 36.1 percent. This raised the combined share of the two segments from 6.2 percent of the total population in 1997 to 8.7 percent in 2007.

The non-refugee demographic progression largely mirrored these changes with a few exceptions. First, the non-refugee 0-4 years age group's share decline was smaller indicating that refugees population growth—while higher than that of non-refugees—was decelerating at a faster rate than for non-refugees. Second, the non-refugee share in the 15-19 years age group's increased by only half the rate as for refugees indicating that segment of refugee youth was poised to grow more rapidly. The non-refugee share for 50-54 year olds grew much more rapidly than that of refugees suggesting faster growth in that segment among non-refugees.

A useful way to present the changing age distribution is to focus on key demographic groups, as illustrated in Table 3. In particular, the rates of growth of children, the school-aged population, youth, the working-age population and of the elderly are important indicators of demographic change. At the same time, the levels of—and changes in—these demographic segments are vital for social and economic planning in both the public and private sectors.

The number of refugee children in the West Bank aged 0-14 increased by 21.6 percent between the two censuses, or about 2.1 percent on an annual basis, a rate of growth well below the overall average and indicative of a declining total fertility rate.<sup>5</sup>

<sup>4</sup> Data are from PCBS database, includes only the counted population and excludes J1.

**Table 3**

**Growth of Key Demographic Groups among West Bank Refugees, End-1997-End-2007<sup>6</sup>**

<b>Demographic Group</b>	<b>End-1997</b>	<b>End-2007</b>	<b>Growth</b>
Children (0-14)	187,468	228,088	21.67%
Pupils (5-19)	158,702	218,806	37.87%
Youth (15-24)	83,844	129,308	54.22%
Working-Age (15-64)	219,318	326,303	48.78%
Retired (65+)	16,109	19,112	18.64%
<b>Total Population</b>	<b>422,895</b>	<b>574,471</b>	<b>35.84%</b>

The youth segment of the population (15-24 years) grew much faster than the population as a whole—54.2 percent versus 35.8 percent—in the ten years between the censuses. This has had, and will have, important ramifications for social and political development. For example, youth and refugee youth in the West Bank have consistently suffered significantly greater than average unemployment rates.<sup>7</sup> This suggests that policymakers focus more attention on social, educational and labour market policies for this crucial and potentially volatile segment of the refugee population. The broader young working segment of the refugee population—aged 15-34—grew at a rate of about 42.8 percent, also well above average. This segment represents the largest portion of the population entering the labour market and/or in the process of forming new households.

Rapid growth of the youth segment fueled the rapid growth of the refugee working-age population, which grew by 48.7 percent as between the two censuses. Growth in the number of people of working age exceeded that in the refugee population generally by about 13 percentage points. Explosive growth in the working-age population during 1997-2007 and more or less stable rates of refugee labour force participation resulted in rapid growth of the refugee labour force.

Yet, for 8 of 10 years between the censuses, the West Bank suffered a prolonged economic crisis characterized by a significant decline in access to jobs in Israel and major impediments to internal economic growth and job creation. Not least of these were debilitating mobility restrictions and Israeli military assaults on urban areas of the West Bank resulting in physical damage to infrastructure and private assets.<sup>8</sup> The result was that narrow refugee ILO

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<sup>5</sup> Fertility is defined as the average number of child births per woman of childbearing age. Experts note that there is a tendency for interviewed heads of households to round off the ages of children such that the 0-4 age group is underreported, while the 5-9 age group is over-reported.

<sup>6</sup> Data are from PCBS censuses. Data for demographic groups and total populations include the counted population only and excludes J1. Therefore, the growth rates of these demographic groups should be used with caution. In particular, J1 is estimated to have a large concentration of refugees which, when added to the total, would appreciably alter the growth rates of various refugee demographic groups.

<sup>7</sup> See the UNRWA series *Prolonged Crisis in the Occupied Palestinian Territory* available at [www.unrwa.org](http://www.unrwa.org).

<sup>8</sup> See UNRWA *Prolonged Crisis in the Occupied Palestinian Territory: Recent Socio-Economic Impacts* (Gaza, November 2006) for a review of the causes and main impacts of the crisis.

unemployment rates increased from about 12.4 percent in 2000 to 24 percent in 2005, declining to about 19 percent in 2008 with a parallel increases in poverty rates.

The growth rate of the 5-54 years refugee cohort in the West Bank—the one that will replace the working-age population in 2017—was about 43 percent during 1997-2007. Thus, it grew slower than the working-age population segment (54.2 percent) but faster than overall refugee population growth (35.8 percent). This presages a continuation of relatively rapid growth in the working-age population and a need for more attention to job creation on the part of policymakers in order to limit the extent of unemployment.

For the counted non-refugee population outside of J1, the growth rates for each demographic group in Table 3 were well below those for refugees. The rate of growth for children was 7.5 percentage points below that for refugees; for pupils 12.3 percentage points lower; for youth more than 30 percentage points below; for working-age population some 18 percentage points below and; for retired persons it was 7.5 percentage points below. Much of this difference is no doubt due to fact that the refugee population of J1 is missing from the data in Table 3. PCBS data suggests that growth rates for that population were well below average than for refugees as a whole. This would significantly reduce overall refugee growth rates as well as growth rates for the various demographic groups.<sup>9</sup>

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<sup>9</sup> See UNRWA *West Bank and Gaza Strip Population Census of 2007; Briefing Paper*, January 2010, Appendix I.

## 2. Gender

The sex ratio, the number of males relative to the number of females in the registered refugee population was 102.7 for end-2007<sup>10</sup> (compared to 102.0 for all refugees and 103.1 for the West Bank population as a whole) as indicated in Table 4. The average sex ratio is even higher—104.8—for the registered refugee population below age 50, while the ratio declines to an average of 85.5 for those above 50, due to earlier deaths among males.

**Table 4**

### **Registered Refugee Population Pyramid in the West Bank, 2007<sup>11</sup>**

<b>Age Group</b>	<b>Males</b>	<b>Females</b>	<b>Male Distribution</b>	<b>Female Distribution</b>
0-4	41,459	39,665	14.06%	13.83%
5-9	40,517	38,965	13.74%	13.58%
10-14	39,493	37,919	13.39%	13.22%
15-19	34,771	33,063	11.79%	11.52%
20-24	26,386	24,256	8.95%	8.45%
25-29	22,033	21,247	7.47%	7.41%
30-34	19,398	18,807	6.58%	6.56%
35-39	17,215	16,577	5.84%	5.78%
40-44	15,499	14,467	5.26%	5.04%
45-49	11,460	10,804	3.89%	3.77%
50-54	7,594	7,950	2.58%	2.77%
55-59	5,902	5,822	2.00%	2.03%
60-64	4,386	5,546	1.49%	1.93%
65-69	2,780	3,835	0.94%	1.34%
74 – 70	2,328	3,070	0.79%	1.07%
79 – 75	1,486	2,178	0.50%	0.76%
84 – 80	852	1,333	0.29%	0.46%
89 – 85	453	596	0.15%	0.21%
94 – 90	167	212	0.06%	0.07%
95+	88	98	0.03%	0.03%
Not Stated	574	479	0.19%	0.17%
<b>Total</b>	<b>294,841</b>	<b>286,889</b>	<b>100.00%</b>	<b>100.00%</b>

## 3. Marital Status

Data from the 2007 census and reproduced in Table 5 indicate that 51.3 percent of females aged 12 years and above were married, another 6.3 percent were widowed, and 1.4 percent were either divorced or separated. In all, 59 percent of females 12 years of age and above were

<sup>10</sup> According to PCBS data, the sex ratio for all West Bank refugees—both registered and non-registered—in the 1997 census was 105.9.

<sup>11</sup> Includes population counted during census and excludes the uncounted population estimates from the post enumeration survey. PCBS data on registered refugees as provided to the WBFO Research Office, February 2010.

married or had been married at end-2007. For males that ratio was 50.5 percent. Ten years earlier, the 12 year and older female “ever married” ratio had been 60.6 percent while that for males had been 53 percent. Thus, marriage rates have declined somewhat among refugees in the West Bank. The median age of marriage for male refugees increased from 24 to 25 between the two censuses while that for females remained unchanged at 19.

**Table 5**

**West Bank Refugees 12 Years and Over  
by Marital Status, End-2007<sup>12</sup>**

<b>Never Married or Legally Engaged</b>		
Male	92,076	48.83%
Female	75,606	40.48%
<b>Married</b>		
Male	93,522	49.60%
Female	95,797	51.29%
<b>Divorced</b>		
Male	554	0.29%
Female	2,256	1.21%
<b>Widowed</b>		
Male	1,051	0.56%
Female	11,741	6.29%
<b>Separated</b>		
Male	133	0.07%
Female	447	0.24%
<b>Not Stated</b>		
Male	1,216	0.64%
Female	938	0.50%
<b>Totals</b>		
Male	188,552	100.00%
Female	186,785	100.00%
<b>Median Age at First Marriage</b>		
Male	25	
Female	19	

The corresponding data for non-refugees indicates that, of females aged 12 years and above, approximately 68.2 percent were either married, widowed, separated or divorced at the end-2007—about 9 percentage points higher than for refugees. The aggregate non-refugee male rate was 57.5 percent, some 7 percentage points greater than for refugee males. On the face of it, refugees—both males and females—were less likely to marry than non-refugees. The 1997 census data indicates the same relationship but differences in ratios widened as between the two census counts. (It should be mentioned that the lack of data from J1 biases these results.)

#### 4. Household Size

As shown in Table 6, the average size household among registered refugees in 1997 was 5.9 persons. This fell to about 5.4 persons in 2007, a decline of about 9 percent and slightly below the West Bank average of 5.5 persons. The number of registered-refugee households in 2007

<sup>12</sup> Data refers to all counted refugees, both registered and non-registered and excludes J1. Data provided by PCBS as a summary of the 2007 census, Autumn 2009.

was 56.2 percent greater than in 1997 while the registered refugee population grew by about 35.4 percent.<sup>13</sup> More rapid growth in the number of refugee households relative to the number of refugees—a continuing process manifest throughout the West Bank (and Gaza) between the censuses—suggests greater nuclearization of household structure.

**Table 6**

**West Bank Registered Refugee Households by Size, 2007<sup>14</sup>**

Number of Persons	Number of Households	Share of Households	Weight
1	4,432	4.14%	0.0414
2	10,920	10.20%	0.2040
3	10,806	10.10%	0.3029
4	13,713	12.81%	0.5125
5	15,542	14.52%	0.7260
6	16,066	15.01%	0.9006
7	13,904	12.99%	0.9093
8	9,456	8.83%	0.7068
9	5,890	5.50%	0.4953
10	3,027	2.83%	0.2828
11+	3,279	3.06%	0.3370
<b>Totals</b>	<b>107,035</b>	<b>100.00%</b>	<b>5.42</b>

5. Population Growth Rates

The total population in the West Bank, including J1, is estimated to have grown from about 1.87 million to 2.35 million persons between 1997 and 2007, or 25.4 percent. This implies an annual average growth rate of 2.5 percent as presented in Table 7.1.

**Table 7.1**

**Total Population Growth in the West Bank, 1997-2007<sup>15</sup>**

Populations	Census 1997	Census 2007	Absolute Change	Percentage Change	Average Annual Change
West Bank	1,873,476	2,350,583	477,107	25.47%	2.55%
<i>of which: Jerusalem (J1)</i>	<i>210,209</i>	<i>225,416</i>	<i>15,207</i>	<i>7.23%</i>	<i>0.72%</i>

<sup>13</sup> The data for the number of registered refugee-headed households and the number of registered refugees for both 1997 and 2007 include only counted populations and excludes J1.

<sup>14</sup> Includes population counted during 2007 census and excludes the uncounted population estimates according to post enumeration survey. PCBS data on registered refugees as provided to WBFO Research Office, February 2010.

<sup>15</sup> Includes counted population plus estimates of uncounted population. The counted population figures have been inflated by the average rate of under coverage for each territory. PCBS census data for 2007 as provided to UNRWA. PCBS data for the J1 component of the Jerusalem governorate are based partly on enumeration but mainly on estimates as the Israeli authorities in the occupied city have repressed PA activity there.

The West Bank *registered refugee* population is estimated to have grown to nearly 600,000 in 2007 from about 483,200 in 1997, an estimated annual rate of growth of 2.4 percent, somewhat below the overall population growth rate (see Table 7.2).

**Table 7.2**  
**Registered Refugee Population Growth in the West Bank, 1997-2007**<sup>16</sup>

	Census 1997	Census 2007	Absolute Change	Percentage Change	Average Annual Change
<b>Registered Refugee Populations</b>					
West Bank	483,199	599,436	116,237	24.06%	2.41%
<i>of which: Jerusalem (J1)</i>	<i>74,890</i>	<i>50,963</i>	<i>-23,927</i>	<i>-31.95%</i>	<i>-3.19%</i>

The J1 component of Jerusalem is estimated to have grown by only 7.2 percent over the decade, or about 0.7 percent per year on an average annual basis (see Table 7.1). The J1 registered refugee population, on the other hand, is estimated to have declined by 31.9 percent as between the two censuses, or an average of 3.1 percent per year (refer to Table 7.2). In 1997, refugees were an estimated 39.6 percent of the Jerusalem governorate's population (39.1 percent of the J1 population; 40.6 percent of the J2 population). By 2007, refugee density in the governorate had declined to 31.4 percent (29.6 percent of the J1 population; 34.2 percent of the J2 population).

More than 91.1 percent of refugees in the Jerusalem governorate were registered as such at end-1997, totaling 118,734 persons.<sup>17</sup> The total number of *registered* refugees declined to 95,276 by end-2007, a decrease of 19.7 percent. The decline in J1 was particularly sharp, some 31.9 percent. The 2007 data indicates that, while 93.4 percent of J2 refugees were registered, only 76.2 percent of J1 refugees were registered.<sup>18</sup>

#### 6. Residence by Governorate and Type of Locality

The PCBS divides localities into three types: urban, rural and camp. In general, an urban locality is defined as one whose population amounts to 10,000 persons or more. However, regardless of population size, each governorate or district center is also considered an urban locality. In addition, the designation "urban" is given to any locality with a population of 4,000--9,999 persons and which possesses at least four of the following elements: public electricity network, public water network, post office, health center with a full-time physician and a school offering a

<sup>16</sup> Includes counted plus estimates of uncounted populations. Registered refugee population was calculated as the sum of the counted registered refugees and the registered refugees' "share" of uncounted refugees as a whole. PCBS data for the J1 component of the Jerusalem governorate are based partly on enumeration but mainly on estimates as the Israeli authorities in the occupied city have repressed PA activity there. PCBS census data for 2007 as provided to UNRWA.

<sup>17</sup> As PCBS was not able to conduct any enumeration activities in J1 in 1997, the simplifying assumption used here is that the proportion of registered refugees in J1 is equal to that in J2. "Registered refugees" are defined as those who reported that they possessed UNRWA family registration cards during the census enumeration.

<sup>18</sup> The sharper decline in registered refugees in J1 may be due to the lack of data on registered refugees there in 1997 and the possible overestimation of their numbers. The 2007 estimate of J1 registered refugees is the difference between the PCBS estimate for total registered refugees for the Jerusalem governorate and those for J2.

general secondary education certificate. Excluding the J1 portion of the Jerusalem governorate, there were 96 urban localities in the West Bank.

A rural locality is defined as one with less than 4,000 persons or one whose population ranges between 4,000--9,999 persons but does not have at least four of the aforementioned amenities. There were 393 such localities in the West Bank excluding the J1 portion of Jerusalem. A camp is defined by PCBS as any locality referred to as a refugee camp and administered by UNRWA.<sup>19</sup>

Table 8.1 contains estimates of the number of registered refugees living in each type of locality in each of the 11 West Bank governorates at the end of 2007. Some 57.8 percent of the registered refugee population in the West Bank lived in urban localities with 21.3 percent residing in camps and 20.7 percent living in rural localities.

In absolute terms, the Jerusalem governorate was home to the greatest number of registered refugees with an estimated 95,275, followed by Hebron with some 88,460. At the other end of the spectrum, the Salfit and Tubas governorates had the fewest with 4,660 and 7,360 respectively.

**Table 8.1**

**West Bank Registered Refugee Population by Governorate and Locality Type, 2007<sup>20</sup>**

Governorate	Total Refugee Population	<i>of which:</i>			<i>urban share</i>	<i>rural share</i>	<i>camp share</i>
		<i>urban</i>	<i>Rural</i>	<i>camp</i>			
Jenin	80,263	40,853	30,070	9,340	50.90%	37.46%	11.64%
Tubas	7,362	1,190	921	5,251	16.16%	12.51%	71.33%
Tulkarm	50,926	29,879	5,076	15,971	58.67%	9.97%	31.36%
Nablus	81,182	35,721	16,210	29,251	44.00%	19.97%	36.03%
Qalqiliya	38,737	34,614	4,123	0	89.36%	10.64%	0.00%
Salfit	4,660	1,792	2,868	0	38.45%	61.55%	0.00%
Ramallah	73,189	45,158	14,040	13,991	61.70%	19.18%	19.12%
Jericho	19,137	7,063	3,909	8,165	36.91%	20.43%	42.67%
Jerusalem	95,276	57,880	19,412	17,983	60.75%	20.37%	18.87%
Bethlehem	46,539	24,362	10,446	11,731	52.35%	22.45%	25.21%
Hebron	88,461	60,556	14,336	13,569	68.46%	16.21%	15.34%
<b>Total</b>	<b>585,732</b>	<b>339,068</b>	<b>121,411</b>	<b>125,252</b>	<b>57.89%</b>	<b>20.73%</b>	<b>21.38%</b>

The highest urban share of registered refugees was in the Qalqiliya governorate with 89.3 percent, a governorate without a single refugee camp. Tubas had the lowest share of registered refugees residing in urban locations with only 16.1 percent and with the highest share residing in camps at 71.3 percent. Tubas also had the second lowest number of registered refugees. The

<sup>19</sup> Definitions of localities are provided in PCBS, *Population, Housing and Establishment Census 2007, Main Indicators by Locality Type* (Ramallah: January, 2009), p. 19.

<sup>20</sup> Total registered refugee population by governorate was provided by PCBS to WBFO Research Office, February 2010. Estimates of registered refugee population by locality type are from PCBS census data for 2007 as provided to UNRWA, Autumn 2009. Includes counted population and uncounted population as estimated by post enumeration survey. Data for Jerusalem includes J1 where, for lack of estimates from PCBS, the UNRWA RSSD count for the Shu'fat Camp—10,936 at end-2007 was used as a proxy for camp population.

governorate with the greatest rural concentration of registered refugees was Salfit with 61.5 percent, but also the governorate with the smallest number of such refugees. Jenin had the second highest rural concentration with 37.4 percent. After Tubas, the Jericho governorate had the highest camp concentration of refugees with 42.6 percent. After this, 36 percent of Nablus registered refugees resided in camps.

As indicated in Table 8.2, the share of non-refugees residing in West Bank urban areas was below that of refugees—52.1 percent versus 57.8 percent. On the other hand, some 47.2 percent of non-refugees lived in rural localities relative to only 20.7 percent of refugees. Finally, while about 21.3 percent of refugees lived in camps, only 0.6 percent of non-refugees were reported to have resided in camps in 2007. In general, refugees are more urban in residence patterns and far less rural than non-refugee counterparts in the West Bank.

**Table 8.2**

**West Bank Non-Refugee Population by Governorate and Locality Type, 2007<sup>21</sup>**

<b>Governorate</b>	<b>Total Population</b>	<i>of which:</i>			<i>urban share</i>	<i>rural share</i>	<i>camp share</i>
		<i>urban</i>	<i>rural</i>	<i>camp</i>			
Jenin	174,071	105,046	68,097	928	60.35%	39.12%	0.53%
Tubas	42,722	32,213	10,059	450	75.40%	23.55%	1.05%
Tulkarm	105,383	75,380	28,983	1,020	71.53%	27.50%	0.97%
Nablus	237,715	140,127	96,166	1,422	58.95%	40.45%	0.60%
Qalqiliya	49,579	18,569	31,010	0	37.45%	62.55%	0.00%
Salfit	54,690	19,733	34,957	0	36.08%	63.92%	0.00%
Ramallah	202,919	97,316	103,484	2,119	47.96%	51.00%	1.04%
Jericho	21,630	14,322	5,435	1,873	66.21%	25.13%	8.66%
Jerusalem	248,834	227,244	19,956	1,634	91.32%	8.02%	0.66%
Bethlehem	128,105	69,238	57,834	1,033	54.05%	45.15%	0.81%
Hebron	456,046	98,183	356,995	868	21.53%	78.28%	0.19%
<b>Total</b>	<b>1,721,694</b>	<b>897,371</b>	<b>812,976</b>	<b>11,347</b>	<b>52.12%</b>	<b>47.22%</b>	<b>0.66%</b>

More generally, registered refugee population density in the West Bank, defined as the proportion of registered refugees in the total population, was 25.5 percent at end-2007, as indicated in Table 9. Jericho remained the most registered refugee dense governorate in the West Bank at 47.2 percent of its population, followed by the Qalqiliya governorate at 43.7 percent. (Paradoxically, there are no refugee camps in the Qalqiliya governorate.) This was followed by the Tulkarem and Jenin governorates at 32.4 percent and 31.8 percent, respectively. The most refugee sparse governorates were Salfit, Tubas and Hebron with 7.9 percent, 15.2 percent and 16.4 percent respectively.

<sup>21</sup> Data excludes J1 portion of Jerusalem governorate and includes the counted population only. Non-refugees in this table are defined as the total population minus the registered refugee population. Data are from PCBS census 2007 as provided to UNRWA.

Table 9

**Registered Refugee Population Density in West Bank Governorates,  
1997 and 2007<sup>22</sup>**

Governorate	Registered Refugee Population Density 1997	Registered Refugee Population Density 2007	Relative Changes
Jenin	26.41%	31.87%	20.68%
Tubas	15.35%	15.26%	-0.60%
Tulkarem	29.80%	32.49%	9.03%
Nablus	23.98%	25.68%	7.10%
Qalqiliya	37.73%	43.70%	15.80%
Salfit	7.02%	7.92%	12.93%
Ramallah	26.95%	27.73%	2.92%
Jericho	46.26%	47.25%	2.15%
Jerusalem	36.11%	26.18%	-27.51%
Bethlehem	26.82%	27.36%	2.00%
Hebron	15.42%	16.42%	6.48%
<b>Total</b>	<b>25.79%</b>	<b>25.50%</b>	<b>-1.12%</b>

Overall registered refugee population density in the West Bank declined by a fraction of a percentage point or by about 1.1 percent in relative terms between 1997 and 2007. The Jenin governorate experienced the most rapid growth in such density in the West Bank, rising 20.6 percent in relative terms. The density of the Qalqiliya governorate grew by 15.8 percent in relative terms. In addition, the Salfit, Tulkarem, Nablus and Hebron governorates experienced growth significantly above average. On the other hand, Jerusalem saw a 27.5 percent relative decline in registered refugee population density, falling from 36.1 percent to 26.1 percent of the population.<sup>23</sup>

#### 7. Disabilities

PCBS defines a handicapped or disabled person as one suffering from "a clear and evident weakness in performing certain activities due to continuous difficulties emanating from a physical, mental or health state that has lasted for more than six months."

Table 10.1 below indicates that some 8,531 registered refugees suffered some type of disability at the end of 2007 with visual disabilities accounting for 50 percent; mobility disabilities accounting for 27.7 percent; hearing disabilities accounting for 16.2 percent and about 3 percent each accounted for by cognition and communications disabilities.

<sup>22</sup> The total registered refugee population is estimated by inflating the number of counted registered refugees for each governorate by the estimated rate of census undercoverage for each governorate. Data for the Jerusalem governorate includes J1.

<sup>23</sup> The number of total registered refugees in this table is estimated by inflating the number of counted registered refugees for each governorate by the estimated rate of overall census undercoverage for each governorate. Data for the Jerusalem governorate includes J1. The reader is cautioned that results for J1, and therefore for the Jerusalem governorate as a whole, are subject to measurement error.

**Table 10.1**

**Disabilities Among Registered Refugees in the West Bank by Type of Disability, 2007<sup>24</sup>**

<b>Disability</b>	<b>Disabled Persons</b>	<b>Share of Total</b>
Visual	4,266	50.0%
Hearing	1,386	16.2%
Mobility	2,360	27.7%
Cognition	260	3.0%
Communication	259	3.0%
<b>Total Disabled</b>	<b>8,531</b>	<b>100.0%</b>

PCBS uses specific definitions for these disabilities. Visual disability includes blindness in one or both eyes or any weakness of vision even after the use of special devices. A visually-disabled person is one who does not suffer from any other disability. A mobility-disabled person refers to one suffering from difficulty in walking, climbing stairs, bending, bowing and kneeling provided he/she does not suffer from any other disability.

A hearing-disabled person is one who is deaf or who suffers from auditory problems even after using special devices and provided he/she does not suffer from any other disability. A cognition disability refers to difficulties with concentration, memory, decision-making, understanding speech, reading, identifying persons or places along with difficulties in using a map or in basic math, reading and thinking.

A communication disability refers to an inability to exchange information and ideas with others and to deal with them through the use of speech, or sign or movement or to write the information they want to share with others, which may be the result of the inability of hearing or speech, or lack of the mental capacity to understand or interpret what others say, whether signals, words or movements.<sup>25</sup>

Excluding the J1 portion of the Jerusalem governorate, about 1.6 percent of the counted registered refugee population (a total of 532,907 persons) had some type of physical disability or difficulty at end-2007, as shown in Table 10.2. This compares to a 5.2 percent disability rate in the population at large as indicated in the final census results for the West Bank—a significant difference.<sup>26</sup>

<sup>24</sup> PCBS data on registered refugees as provided to WBFO Research Office, February 2010. Table 10.1 includes only counted disabled registered refugees in the West Bank excluding J1.

<sup>25</sup> PCBS *Census Final Results in the West Bank: Summary (Population and Housing)*, August 2008, p. 23.

<sup>26</sup> PCBS *Population, Housing and Establishment Census 2007: Census Final Results in the West Bank, Summary (Population and Housing)*, August, 2008, Table 13, p. 88. There was a total of 107,785 persons counted with disabilities relative to a counted population of 2,056,298. In both cases, the population excludes Palestinians in the J1 portion of the Jerusalem governorate.

Table 10.2

**Disabled by West Bank Governorate Among  
Registered Refugees, 2007<sup>27</sup>**

Governorate	Total Disabled	Total Registered Refugees	Disabled Share
Jenin	1,301	80,263	1.62%
Tubas	132	7,362	1.79%
Tulkarem	1,056	50,926	2.07%
Nablus	1,641	81,182	2.02%
Qalqiliya	744	38,737	1.92%
Salfit	106	4,660	2.27%
Ramallah	912	73,189	1.25%
Jericho	252	19,137	1.32%
Jerusalem (J2)	709	42,451	1.67%
Bethlehem	755	46,539	1.62%
Hebron	923	88,461	1.04%
<b>West Bank</b>	<b>8,531</b>	<b>532,907</b>	<b>1.60%</b>

Among West Bank governorates, Salfit registered the highest frequency of disabilities among registered refugees, despite the fact that it had the smallest absolute number of refugees and the smallest proportion of refugees to total population of any governorate. The governorate with the lowest share of disabled was Hebron with 1.04 percent. The variance in rates of disability may be due to the level or quality of health care available to people in the different governorates and/or to injuries sustained in *intifada*-related incidents.

## B. Socio-Economic Conditions of Refugees in the West Bank

### 1. Household Income

Per capita GDP, the most generalized measure of income used in international comparisons, in the West Bank was stagnant for the decade between the 1997 census and the 2007 census. In real terms, as indicated in the table below, per capita GDP in 2007 was virtually unchanged relative to 1997. Relative to 1999, the last full year before the beginning of the second *intifada*, per capita GDP in the West Bank in 2007 was down 16.1 percent (refer to Table 11). Per capita GNI, which includes income earned by West Bank labour and capital outside the territory—mainly the wage incomes of West Bankers employed in Israel and settlements—was down by more than 19 percent in real terms in the same interval. The decline in per capita incomes, according to the evidence in Table 11, was halted in 2002 and such incomes began a recovery in 2003. Preliminary PCBS estimates indicate real per capita GDP and GNI grew by 8.7 percent and 7.3 percent respectively in 2008.<sup>28</sup> The rebound in per capita incomes was, no doubt, related to significant levels of external assistance provided to the PA, assistance which has fed the growth of public sector employment and domestic spending. Recovery in the West Bank income can also be attributed in part to the partial easing of internal mobility restrictions in 2008.

<sup>27</sup> Disabled by governorate are from PCBS data on registered refugees as provided to WBFO Research Office, February 2010. Total population estimates are from PCBS *Census Final Results in the West Bank: Summary (Population and Housing)*, August 2008, Table 6, p. 68 for counted registered refugees excluding J1.

<sup>28</sup> PCBS *National Accounts in Current and Constant Prices, 2007-2008*, March 2010.

Table 11

**Per Capita GDP and GNI in the West Bank at  
Current and Constant Prices, 1997-2007<sup>29</sup>**  
(in USD with base year 1997)

Year	Current Prices		Constant Prices	
	GDP Per Capita	GNI Per Capita	GDP Per Capita	GNI Per Capita
1997	1,553.4	1,789.8	1,553.4	1,789.8
1998	1,614.7	1,928.0	1,699.1	2,011.4
1999	1,711.3	2,016.9	1,854.1	2,165.9
2000	1,683.0	1,950.4	1,661.9	1,920.1
2001	1,486.1	1,635.3	1,432.7	1,575.1
2002	1,263.2	1,353.4	1,200.1	1,288.4
2003	1,320.0	1,412.1	1,280.2	1,373.1
2004	1,457.1	1,546.8	1,457.1	1,546.8
2005	1,477.4	1,618.3	1,451.1	1,587.1
2006	1,565.0	1,736.1	1,459.8	1,620.5
2007	1,599.1	1,814.3	1,555.3	1,750.7
<b>Changes</b>				
1997-2007	2.94%	1.37%	0.12%	-2.18%
1999-2007	-6.56%	-10.05%	-16.12%	-19.17%

It is important to point out that these macroeconomic measures of national output and income are aggregate averages. They give a rough measure of the relative productivity of the factors of production (labour and capital) in the Palestinian economy relative to other economies. As such, the size of the GDP is one determinant of household incomes but insufficient in explaining wide disparities in such incomes.

A better reading of household income can be estimated on the basis of the level of monthly household expenditures. In 2007, the West Bank average refugee household—consisting of 6.3 persons—had about USD 995.8 in monthly expenditures.<sup>30</sup> (This was slightly higher than for non-refugee households who had average monthly expenditures of USD 979.8.) On an annual basis, the average refugee-headed household in the West Bank would therefore have spent about USD 11,950. Based on this, it assumed that refugee-headed households, on average, generated income at this amount in 2007 (less any debt contracted to support expenditures).<sup>31</sup>

<sup>29</sup> PCBS national accounts data from website.

<sup>30</sup> This estimate comes from the 2007 PECS survey and pertains to refugee-headed households in the West Bank. The difference between household *expenditures* and household *consumption* (discussed below) is that the former refers to actual cash outlays for goods, services and taxes while the latter is a measure of the value of all goods and services absorbed whether or not cash was paid for these. As indicated below, monthly household consumption for the average household was about USD 100 greater than household expenditures in 2007, the difference mainly accounted for by imputed rent, i.e. the consumption of (owned) housing.

<sup>31</sup> To more accurately measure the level of average household income would require information on the level of savings during the relevant period (net of taxes, money income = expenditures + savings). If the assumption is made that the level of average household savings is low, then consumption expenditures would closely approximate household income.

## 2. Household Consumption Patterns

Estimates of household consumption are based on PCBS household expenditure and consumption surveys (PECS). The surveys include detailed information on what households consume—whether or not consumption entails monetary expenditures. Table 12 below provides an overview of average monthly household consumption for refugee-headed household in 2007, the last year for which data is available.

**Table 12**  
**Refugee-Headed Household Consumption in the West Bank, 2007<sup>32</sup>**

	Nominal NIS	Nominal USD	Shares
<b>A. Food Consumption</b>	<b>1,453.2</b>	<b>350.17</b>	<b>31.89%</b>
1. Breads and Cereals	202.1	48.71	4.44%
2. Meat, Poultry and Fish	395.7	95.36	8.69%
3. Dairy Products and Eggs	123.8	29.82	2.72%
4. Oils and Fats	54.5	13.14	1.20%
5. Fruits, Vegetables and Nuts	309.1	74.49	6.78%
6. Sugar, Confections, Salt, Spices	149.7	36.08	3.29%
7. Beverages	70.0	16.86	1.54%
8. Restaurant/Take Out Food	101.9	24.56	2.24%
9. Own-Produced Foods	46.3	11.15	1.02%
<b>B. Non-Food Consumption</b>	<b>3,103.1</b>	<b>747.73</b>	<b>68.11%</b>
1. Clothing and Footwear	280.8	67.65	6.16%
2. Housing	321.3	77.42	7.05%
3. Medical Care	169.9	40.93	3.73%
4. Education	172.3	41.51	3.78%
5. Transport and Communications	648.0	156.14	14.22%
6. Household Operations	81.6	19.67	1.79%
7. Personal Care	105.1	25.33	2.31%
8. Furniture and Utensils	187.0	45.06	4.10%
9. Recreation	95.8	23.09	2.10%
10. Tobacco	186.8	45.01	4.10%
11. Other Non-Food	223.2	53.78	4.90%
12. Own-Produced Non-Foods	631.4	152.14	13.86%
<b>C. Total Household Consumption</b>	<b>4,556.30</b>	<b>1,097.90</b>	<b>100.00%</b>

The data is divided into food and non-food components. Half of the non-food consumption items consist mainly of services (items B2-B5, B7 and B9). Except for the “own-produced” items—A9 and B12—consumption is equal to monetary expenditures. These two items entail consumption without expenditures. A9 includes a range of goods from olive oil and vegetables produced from household-owned land and gardens to eggs, milk and cheese from household-owned livestock, etc. “Own-produced non-foods” (item B12) is almost entirely the imputed rental value of

<sup>32</sup> The average NIS/USD rate in 2007 was 4.15.

household-owned housing.<sup>33</sup> Item B11—"other non-food"—consists of expenditures on financial, legal, translation, copy and printing services, transportation costs for travel outside the country and purchases of jewelry.

Using the average 2007 NIS/USD exchange rate, it is estimated that the average refugee-headed household consumed USD 1,098 in goods and services per month in 2007. Of this amount, food accounted for an average of some 31.8 percent of all consumption; housing for about 21 percent; clothing for 6.1 percent; education for 3.7 percent; health care for 3.7 percent; and transportation and communications for 14.2 percent. In all, these six basic items accounted for an average of about 77 percent of total consumption. With an average household of 6.3 persons, per capita monthly consumption was an average of USD 174.2—about USD 5.8 per person per day. The non-refugee household consumption pattern was not appreciably different from that of refugees.

### 3. Employment Status

The 2007 census revealed that 34.2 percent of the registered refugee population 10 years of age and older were *economically active*, i.e. were working; were unemployed, had worked in the past and were seeking work or; were unemployed and seeking work for the first time. Of these, about 83.7 percent were employed while 16.3 percent were unemployed.

Registered refugees aged 10 and above and not economically active accounted for 65.7 percent of that population. Of these, 52.6 percent were in schools or undergoing training, another 34.7 percent were engaged in housekeeping activities of some sort and 9.1 percent were aged, disabled or ill.

The share of economically-active non-refugees was slightly below that of refugees at 33.2 percent. The corresponding share that was not active, the census found, was 66.8 percent. The share of economically active non-refugees who were employed was 86.4 percent, 2.7 percentage points higher than for refugees. The share that was unemployed was 13.6 percent, about 2.7 percentage points below that for refugees. Of the non-refugee, non-active (66.8 percent of that population), the proportions who were studying, housekeeping, or disabled were very similar to those of refugees.

Using the standardized ILO definition of labour force—those 15 years of age and above who were either working or seeking work, the refugee labour force numbered an average of about 187,000 persons (including East Jerusalem) in 2008 (both registered and non-registered). Of these, about 149,700 (80 percent) were employed and about 37,300 were unemployed (20 percent), according to the standard ILO definitions. The corresponding non-refugee labour force was about 418,350, of whom 340,675 (81.4 percent) were employed and 77,675 (18.6 percent) were unemployed.

### 4. Housing Tenure

As indicated by Table 13.1 below, both censuses found that the bulk of refugee households resided in owned housing units. The rate of habitat ownership rose from about 69.6 percent in 1997 to more than 80 percent in 2007. At the same time those renting increased in absolute terms but, as a proportion of all households, those renting unfurnished habitats declined

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<sup>33</sup> Based on standard international practice, the household consumption surveys estimate the value of "housing services" consumed by homeowners as being equal to what the dwelling would rent for in the local market. Rents paid by households who do not own their dwellings are included in item B2.

markedly such that, in 2007, only 5.2 percent of refugee households fell into that category of tenure. The rental of furnished units grew in absolute and relative terms more quickly than any other tenure category in the decade between the censuses.

**Table 13.1**

**Progression of Housing Tenure Among  
West Bank Refugee Households,  
1997 and 2007<sup>34</sup>**

<b>Tenure of Housing Unit</b>	<b>Number of Households 1997</b>	<b>Share of Households 1997</b>	<b>Number of Households 2007</b>	<b>Share of Households 2007</b>	<b>Changes Number</b>	<b>Changes Relative</b>
Owned	50,543	69.65%	82,179	80.18%	62.6%	15.12%
Rented Unfurnished	11,526	15.88%	12,124	11.83%	5.2%	-25.50%
Rented Furnished	556	0.77%	966	0.94%	73.7%	22.08%
Without Payment	9,193	12.67%	6,365	6.21%	-30.8%	-50.99%
For Work	250	0.34%	398	0.39%	59.2%	14.71%
Others	171	0.24%	236	0.23%	38.0%	-4.17%
Not Stated	329	0.45%	231	0.23%	-29.8%	-48.89%
<b>Total</b>	<b>72,568</b>	<b>100.00%</b>	<b>102,499</b>	<b>100.00%</b>	<b>41.2%</b>	<b>--</b>

Most significantly, the absolute number and proportion of households not paying for housing declined sharply. This may suggest that refugee households originally residing in camps who formally did not own and did not pay rent have bought housing outright or moved into rented accommodations. Census data also indicates that 59 percent of refugees lived in flats (apartments) in 2007, with 39.2 percent of refugees living in individual homes.<sup>35</sup> The trajectory in housing tenure suggests concrete economic ties to the West Bank for a broad swath of refugee households resident there.

In 1997, non-refugee households were more likely to own their habitats, and less likely to rent their housing than were refugees, as indicated in Table 13.2. The 1997 found that 77.4 percent of non-refugee households owned their own housing as compared to 69.6 percent for refugee households. By 2007, the gap was nearly eliminated as the non-refugee household ownership share rose to 81.3 percent as compared to 80.1 percent for refugee households. Growth in the share of households owning was faster for refugee households.

<sup>34</sup> Data exclude households in the J1 portion of the Jerusalem governorate and pertain to counted households only. Data for 1997 are for registered and non-registered refugee headed households. Data for 2007 pertain to registered-refugee headed households only.

<sup>35</sup> PCBS data on registered refugees as provided to WBFO Research Office, February 2010.

**Table 13.2**

**Progression of Housing Tenure Among  
West Bank Non-Refugee Households,  
1997 and 2007<sup>36</sup>**

Tenure of Housing Unit	Number of	Share of	Number of	Share of	Changes Number	Changes Relative
	Households 1997	Households 1997	Households 2007	Households 2007		
Owned	147,221	77.48%	221,522	81.39%	50.5%	5.05%
Rented Unfurnished	18,863	9.93%	21,345	7.84%	13.2%	-21.05%
Rented Furnished	972	0.51%	1,677	0.62%	72.5%	21.57%
Without Payment	21,254	11.19%	17,363	6.38%	-18.3%	-42.98%
For Work	570	0.30%	967	0.36%	69.6%	20.00%
Others	293	0.15%	372	0.14%	27.0%	-6.67%
Not Stated	827	0.44%	8,917	3.28%	978.2%	645.45%
<b>Total</b>	<b>190,000</b>	<b>100.00%</b>	<b>272,163</b>	<b>100.00%</b>	<b>43.2%</b>	<b>--</b>

Likewise, the decline in the share of households renting (whether furnished or unfurnished units) was more rapid for refugees. In 1997 about 16.6 percent of refugee households rented their housing (either furnished or unfurnished) as compared to 10.4 percent for non-refugees. By 2007, renters accounted for 12.7 percent of refugee households, a decline of about 23 percent in the relative share. The renting share of non-refugee households declined to 8.4 percent, a decline of about 20 percent in relative terms. Like refugees, there were significantly fewer non-refugee households reporting that they paid nothing for housing in 2007.

5. Access to Public Services

Data from the census indicates that of 97,627 counted registered refugee households (excluding J1), about 51.1 percent were connected to water, electricity and sewage services. An additional 36.3 percent were connected to water and electricity only. Thus, 87.5 percent of registered refugee households were connected to both water and electricity, as suggested by Table 14

Additional numbers of households were connected to one or another public services, including 9.9 percent connected only to electricity. This data suggests that about 12 percent of registered refugee households were not directly connected to a source of water and about 2.5 percent were not connected to electricity while about 48 percent were not connected to sewage facilities.

<sup>36</sup> Data exclude households in the J1 portion of the Jerusalem governorate and pertain to counted households only. Non-refugee households in 1997 are all households minus all refugee-headed households. Non-refugee households in 2007 are all households less registered-refugee-headed households.

**Table 14****Occupied Houses of Registered Refugee Heads of Households in the West Bank by Availability of Water, Electricity and Sewage, 2007<sup>37</sup>**

<b>Public Services</b>	<b>Number</b>	<b>Frequency</b>
Water Only	759	0.78%
Electricity Only	9,662	9.90%
Sewage Only	9	0.01%
Water & Sewage	87	0.09%
Electricity & Sewage Only	658	0.67%
Water & Electricity Only	35,453	36.31%
Water, Electricity & Sewage	49,973	51.19%
Not Connected	1,004	1.03%
Not Stated	22	0.02%
<b>Total Households</b>	<b>97,627</b>	<b>100.00%</b>

By comparison, only 77.3 percent of non-refugee households in the West Bank (excluding J1) were connected to two or three of these public services. Only about 27.5 percent were connected to water, electricity and sewage services, while 49.8 percent were connected to water and electricity only. Registered refugee households were far more likely to have all three services than non-refugee ones.

#### 6. International Assistance Levels

In aggregate terms, transfers (i.e. grants) to government and non-government entities (including UNRWA) in the OPT has been significant since the mid-1990s. Estimates indicate that in the 2000-2008 period alone, average annual transfers were more than USD 1.5 billion as indicated in the table below. With an average population of 3.2 million persons (excluding the J1 portion of the Jerusalem governorate), total transfers per capita are estimated at USD 466.2 annually in that period.

Disaggregation of this data suggests that external assistance in support of the Palestinian Authority—mainly to cover recurrent budget and mainly for public employee wages—grew eight-fold from less than USD 0.25 billion in 2000 to USD 1.97 billion in 2008<sup>38</sup> (see Table 14). Such assistance averaged USD 809.4 million per year during 2000-2008 with per capita assistance via the PA estimated at about USD 243.1, quite high by international standards. Except for the wages of some 67,000 PA employees, very little donor support has reached Gaza since mid-2007. By implication, per capita official assistance in the West Bank has been even higher than indicated in Table 15.

<sup>37</sup> Includes the counted households headed by a registered refugee in the West Bank, excluding the J1 portion of the Jerusalem governorate.

<sup>38</sup> About USD 1.8 billion was recurrent budget support and about USD 0.2 billion in capital expenditures. See IMF *Macroeconomic and Fiscal Framework for the West Bank and Gaza: Third Review of Progress*, February 2009, p. 21. Such assistance in 2009 is estimated at USD 1.35 billion in recurrent budget assistance plus about USD 400 million in development spending. IMF *Macroeconomic and Fiscal Framework for the West Bank and Gaza: Staff Report for the Meeting of the Ad Hoc Liaison Committee*, Madrid, 13 April 2010, pp. 10-11.

Table 15

**Estimates of Current Transfers to Government and  
Non-Government Entities in the OPT, 2000-2008<sup>39</sup>**  
(transfers in USD millions; per capita transfers in USD)

Year	Current Transfers to Government	Current Transfers to Other Entities	Total Current Transfers	Mid-Year Population	Per Capita Transfers to Government	Per Capita Transfers to Other Entities	Total Transfers Per Capita
2000	243.5	517.9	761.4	2,839,953	85.7	182.4	268.1
2001	329.8	746.8	1,076.6	2,923,519	112.8	255.4	368.3
2002	419.4	776.2	1,195.6	3,008,942	139.4	258.0	397.3
2003	667.1	256.8	923.9	3,096,540	215.4	82.9	298.4
2004	535.6	359.8	895.4	3,187,851	168.0	112.9	280.9
2005	957.8	341.6	1,299.4	3,286,837	291.4	103.9	395.3
2006	1,101.4	521.6	1,623.0	3,388,976	325.0	153.9	478.9
2007	1,053.0	1,452.4	2,505.4	3,494,645	301.3	415.6	716.9
2008	1,977.6	1,593.0	3,570.6	3,599,799	549.4	442.5	991.9
<b>Average</b>	<b>809.4</b>	<b>729.5</b>	<b>1,539.0</b>	<b>3,203,007</b>	<b>243.1</b>	<b>223.0</b>	<b>466.2</b>

Strictly speaking, compensation for employment cannot be considered external assistance from the point of view of the employee. From the macro perspective, however, so much donor support has been to allow the PA to cover budget deficits caused in large part by the bloated public sector wage bill. Refugees—and non-refugees—in the West Bank have therefore directly benefited from such assistance to the extent that they have been employed in the public sector. Refugees accounted for about 30 percent of the public sector work force in the West Bank during 2000-2008, a somewhat higher proportion than their share in the total population. In first-half 2009, an estimated average of 25,380 West Bank refugees were employed by the PA.<sup>40</sup> In addition, many refugee households benefit from the provision of education, health, social service and other services provided by public sector employees but measuring this is difficult.

Transfers to non-government entities in the OPT (individuals, private firms, charitable societies, NGOs, UNRWA) averaged USD 729.5 million per year during the 2000-2008 period or about USD 223 in per capita terms. The sources of these transfers were family members living abroad, donor governments, foreign charitable societies, foreign NGOs and foreign businesses.<sup>41</sup> Measuring refugee benefits from such transfers is difficult for at least two reasons. First, such transfers may accrue indirectly, e.g. through assistance or services provided by a local charitable

<sup>39</sup> Data on transfers are from balance of payments accounts produced by PCBS and the Palestinian Monetary Authority. Regional breakdowns for the data have not been published. Data in the table exclude the J1 portion of the Jerusalem governorate. In addition to current transfers estimated in this table, the balance of payments measures “capital transfers,” part of which are transfers from relatives abroad used to finance house buildings costs. In 2008, these were estimated at about USD 86.2 million in the OPT. See PCBS and Palestine Monetary Authority *Balance of Payments in the Palestinian Territory, 2008; Preliminary Results*, March 2010.

<sup>40</sup> PCBS labour force data base provided by special arrangement. Total public sector employment in the West Bank is estimated at 90,500 persons for first-half 2009.

<sup>41</sup> In addition to current transfers used for consumption purposes, the balance of payments measures “capital transfers,” part of which are transfers from relatives abroad used to finance house construction costs. In 2008, these were estimated at about USD 86.2 million. See PCBS and Palestine Monetary Authority *Balance of Payments in the Palestinian Territory, 2008; Preliminary Results*, March 2010.

society with funds from a foreign entity. Second, the data do not distinguish the type of entity, let alone the refugees status, of recipients these transfers.

More easily quantified is the value of current transfers provided by foreign donors to registered refugees—the bulk of all refugees—via UNRWA. Presumably most registered refugees in the West Bank receive some services and/or in-kind or cash assistance from UNRWA. Internal UNRWA data indicates that the 3,100-person strong UNRWA education staff in the West Bank provided educational services to 56,384 pupils and technical/vocational school 1,354 students in the 2008/2009 school year, spending about USD 47.8 million in the process. Likewise, the 793 UNRWA health staff serviced about 1.7 million visits to UNRWA health facilities in the West Bank spending about USD 20.8 million in 2009. The 125 relief services staff distributed and administered in-kind and cash assistance to some 32,958 special hardship cases (SHC) in the West Bank in 2009 spending about USD 8.2 million.<sup>42</sup>

### C. Migration Patterns of West Bank Refugees

#### 1. Place of Origin

Strictly speaking, all registered refugees were either themselves born in the area of Mandate Palestine incorporated into Israel in 1948 (about 3 percent of living registered refugees) or are the children, grandchildren, great grandchildren or great, great grandchildren (patrilineally-determined) of those born there. This would also apply to the 8.5 percent of the West Bank registered refugee population who were born outside of the OPT.

According to the *Demographic Survey*, conducted jointly by PCBS and Fafo in 1995, of Palestinians born before 1948 and living in the West Bank, more than 70 percent were born in the West Bank and still lived in the region in which they were born. The majority of those not born in the West Bank were born in the portion of Mandate Palestine that was incorporated into Israel in 1948-1949. The portion of this cohort born in the former Palestine ranged from 9 percent in the Hebron area and 13 percent in the Jerusalem area to 46 percent in the Jericho area. This suggests limited internal migration among the pre-1948 born cohort, although about 30 percent were forced migrants from Mandate Palestine.<sup>43</sup>

There was even less internal migration among the cohort born during 1949-1967 with 80-90 percent born during this period living in their birth region and even less internal migration among those born after 1967 with more than 90 percent living in their birth region.<sup>44</sup>

Local and regional migration within the West Bank as between 1987 (the reference year) and 1995 (the year in which the *Demographic Survey* was conducted) was dominated by women aged 15-35 suggesting that these movements were due mainly to marriages to men from other

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<sup>42</sup> See “UNRWA in Figures, 2009” 31 December 2009. Preliminary data for 2008 suggests UNRWA social safety net assistance in the West Bank totaled some USD 40.2 million, including USD 12.9 million in SHC and Emergency Appeal food distributions; USD 9.9 million in SHC and Emergency Appeal cash assistance; and USD 17.3 million in wages paid to participants in the Emergency Appeal job creation programme. Social safety net assistance rendered by UNRWA in the OPT as a whole is preliminarily estimated at about USD 122 million in 2008. To this must be added the value of health, education, social welfare and sanitation services provided to refugees in Gaza.

<sup>43</sup> See Sara Randall “Migration” in Jon Pedersen, et al (eds.) *Growing Fast: The Palestinian Population in the West Bank and Gaza Strip* (Fafo Institute for Applied Social Science, 2001), p. 161.

<sup>44</sup> *Ibid.*, pp. 161-162.

parts of the West Bank.<sup>45</sup> Overall, only about 4.5 percent of the population surveyed had changed residences within the West Bank as between 1987 and 1995. Another 4.8 percent reported that they were abroad in 1987, having returned after that year. An average of 90.6 percent of the West Bank population reported that they had neither migrated internally nor internationally as between 1987 and 1995.<sup>46</sup> Presumably, these patterns were equally manifest among refugees as among non-refugees.

## 2. Duration of Residence

As suggested by the above information and data, the population of the West Bank, refugees included, at least until the mid-1990s were mainly static in regards to internal migration (whether local or regional). The relatively “fixed” pattern of residence over time was due in part to restrictions on such movement imposed by the occupation authorities who controlled (and still control) the population register and, therefore, have the power to approve or disapprove a legal change of residence. Cultural factors, such as commitment to—and social support from—family and extended family tend to discourage distance migration. A third factor would be the relative costs and benefits of such migration in terms of employment, income and housing.

Another indication of the fixity of residence is the pattern of housing tenure among registered refugees. As indicated by the 1997 and 2007 censuses (see Table 13.1), refugee household ownership of housing has grown and is very similar to that of non-refugee households. By 2007, 80.1 percent of refugees in the West Bank lived in owned housing as compared to 81.3 percent for non-refugees households.

## 3. Place of Birth

Table 16 below indicates that about 45,325 or 7.7 percent of counted West Bank registered refugees were born outside of the West Bank. This compares to a foreign-born population about 4.9 percent for the non-refugee population.<sup>47</sup> Foreign-born registered refugees were concentrated in two main groups. First, those born in Arab countries—about 25,351 or about 56 percent of the foreign-born—were the largest group. Those born in Jordan accounted for about half of these. Second, those born in parts of Mandate Palestine taken by Israel in 1948—all of them 60 years of age or above—were estimated at about 15,532 or 34.2 percent of the “foreign-born” and about 2.9 percent of the total registered refugee population.

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<sup>45</sup> Ibid., pp. 163-165.

<sup>46</sup> Ibid., pp. 166-169.

<sup>47</sup> PCBS *Population, Housing and Establishment Census 2007; Census Final Results in the West Bank*, August, 2008, Table 14, p. 92; Table 6, p. 68. There were a total of 125,581 persons counted excluding Palestinians in the J1 portion of the Jerusalem governorate.

Table 16

**Foreign-Born Registered Refugees in the West Bank by  
Place of Birth and Age Group, 2007<sup>48</sup>**

Age Group	Place of Birth							Other Arab Countries		Totals
	1948 Palestine	Israel	Jordan	Syria	Lebanon	Egypt	Gulf Arab Countries	Others		
<1	0	6	33	0	0	0	7	1	18	65
1-9	0	148	536	2	3	14	240	27	18	988
10-19	0	79	3,304	74	26	43	3,267	528	350	7,671
20-29	0	115	3,899	236	238	66	4,259	476	620	9,909
30-39	0	172	2,567	166	118	84	1,385	148	298	4,938
40-49	0	388	1,628	114	174	60	487	58	192	3,101
50-59	0	1,661	596	86	110	44	33	16	86	2,632
60-69	8,573	0	59	10	14	21	4	4	18	8,703
70-79	4,952	0	25	1	4	16	3	2	14	5,017
80-89	1,701	0	10	10	4	4	-	4	8	1,741
90+	292	0	1	2	0	0	1	0	8	304
Not Stated	14	33	25	0	1	1	12	1	1	88
<b>Total</b>	<b>15,532</b>	<b>2,602</b>	<b>12,683</b>	<b>701</b>	<b>692</b>	<b>353</b>	<b>9,698</b>	<b>1,265</b>	<b>1,631</b>	<b>45,325</b>

#### 4. Family Links Regionally and Internationally

In a joint FAFO/PCBS study, 61 percent of household heads in the West Bank reported they had siblings, parents, children or a spouse living abroad. The labour migration of that period (as opposed to permanent settlement abroad) was largely to the Arab Gulf countries and seen as temporary; the expectation was that such migrants would eventually return home. Among refugee heads of household the proportion with close relatives abroad was 66 percent with 26 per cent of refugee household heads reporting close relatives in the Gulf Arab states. Non-refugees reported the same proportion of close relatives in the Gulf states.<sup>49</sup> Thus, the phenomenon of labour migration outside of the West Bank was not a peculiarity of refugees, at least up to the mid-1990s.

In general, Palestinians in the OPT had relatives abroad in numerous countries, including all the Arab countries. The majority of overseas relatives lived in Jordan, especially for West Bank Palestinians. This was true of relatives who never had an Israeli ID card (because they either fled the West Bank and Gaza in 1967 or because they were born in Jordan), as well as relatives with an Israeli ID card (i.e. OPT out-migrants).

Except for Jordan, there were few relatives of OPT Palestinians living in neighbouring countries (e.g. Lebanon, Syria and Egypt) and few of these ever possessed an Israeli ID card indicating they were not OPT out-migrants. There were substantial numbers of relatives of OPT Palestinians in Gulf Arab countries, especially Saudi Arabia and the UAE. In both places, a

<sup>48</sup> PCBS data on registered refugees as provided to WBFO Research Office, February 2010. Includes population counted during the period of 1-16 December 2007 and does not include uncounted population estimates according to post enumeration survey. The count excludes registered refugees in the J1 portion of the Jerusalem governorate.

<sup>49</sup> Are Hovdenak, et al *Constructing Order: Palestinian Adaptations to Refugee Life* (Fafu Institute for Applied Social Science, 1997), p. 14.

sizeable proportion of these were not OPT out-migrants, never having possessed an Israeli ID card. There were smaller concentrations of relatives in other Arab countries, in Europe, North America, Australia and elsewhere. Refugee status had little effect on the propensity to out-migrate, nor on the pattern of international relationships.<sup>50</sup>

## 5. Remittances

Remittances are transfers of money by family members living abroad. Because some portion of such intra-family transfers occur informally (e.g. transported by friends or family in cash), it is difficult to track remittances with accuracy. There are at least four further complications in assessing the magnitude and effect of remittances.

First, there is no way to distinguish between funds transferred by family members abroad and funds transferred by other entities abroad to persons in the OPT. Thus, charitable organizations, political organizations or individuals who seek to support Palestinians living under occupation could send funds through banks to individuals in the OPT. Such assistance, while received by an individual, may be intended to support the work of community, religious or political organizations. Separating out what is ultimately received by individuals as economic support from that received by other entities is not possible, given current balance of payments data.

Second, the balance of payments data does not distinguish refugee from non-refugee recipients of remittances in the OPT. Third, there is no separation of data on remittances received by West Bank residents from that received by Gaza residents. Finally, the data lump together transfers received by such entities as UNRWA and that received by other non-government entities, including individuals, charitable societies, NGOs and businesses.

With these limitations in mind, the preliminary data indicate that the average annual inflow of transfers to non-government entities (and in nominal terms) was an average of USD 729.5 million during 2000-2008—about USD 223 in per capita terms—as indicated in Table 14 above.

## 6. Citizenship and Nationalities

While data on registered refugee citizenship/nationalities was not available, the census data indicates that 99.9 percent of the total counted census population (excluding J1) reported having Palestinian nationality/citizenship. Only 1,745 persons were recorded as having other than Palestinian citizenship/nationality in a total count of 2,056,298 in the West Bank (excluding J1).<sup>51</sup>

Using the data on places of birth of registered refugees, and assuming that all those born in Israel (post-1949), in Jordan and in non-Arab foreign countries possess foreign passports, this would amount to 16,883 persons. (Of these 12,680 persons would hold a Jordanian passport.) On the other hand, if the assumption is made that all those born before 1988, the year the Hashemite Kingdom of Jordan (HKJ) government relinquished all responsibilities for the West Bank to the PLO, then about 80 percent of the registered refugee population could be in possession of a Jordanian passport.

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<sup>50</sup> See Sara Randall "Migration" in Jon Pedersen, et al (eds.) *Growing Fast: The Palestinian Population in the West Bank and Gaza Strip* (Fafo Institute for Applied Social Science, 2001), pp. 154-156, 160.

<sup>51</sup> See PCBS *Population, Housing and Establishment Census 2007; Census Final Results in the West Bank*, August, 2008, Table 4, p. 66.

## 7. Refugee Economic Ties to Israel

With regard to refugee employment in Israel and Israeli settlements, in the 2000-2008 period, the annualized average level of refugee employment there was about 16,615 persons. In 2008, the average was about 25,200 persons, about the same as that estimated for the year 2000.<sup>52</sup> Given the Israeli separation policy, present and future employment levels for refugee and non-refugee Palestinians from the West Bank are not expected to be as significant as they were in the 1980s and 1990s. Presumably, this would not apply to Palestinians in J1—both refugee and non-refugee—who now have relatively unfettered access to the Israeli labour market. The significant numbers of refugees in East Jerusalem or with access to East Jerusalem suggests that a link to the Israeli labour market will persist.

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<sup>52</sup> Refugees include both registered and non-registered refugees. Estimates include refugees residing in the J1 portion of the Jerusalem governorate. Data are from PCBS labour force surveys by special request.

## Section II: West Bank Refugee Employment and Skills Profile

### A. Employment by Activity and Occupation

As noted above, annualized labour market data for 2008 indicate that the refugee labour force (both registered and non-registered and including the J1 portion of the Jerusalem governorate) numbered about 187,000 persons under the narrow ILO definition. Of these, about 149,700 (80 percent) were employed and about 37,300 were unemployed (20 percent), according to the standard ILO definitions.

Census data for 2007 provide a more detailed and disaggregated snapshot of economic activity distribution of the population. These are presented in Table 17. Of the 120,454 *registered* refugees who were employed or who had ever worked in the past at the end of 2007, the largest share were involved in construction activities—18.3 percent—followed by wholesale and retail trade, manufacturing, public administration, education, transport and communications, agriculture and health and social work.

**Table 17**

**Employed and Unemployed Ever Worked Registered Refugees  
(10 Years and Over) in the West Bank by Economic Activity, 2007<sup>53</sup>**

<b>Economic Activity</b>	<b>Totals</b>	<b>Share</b>
Construction	22,155	18.39%
Wholesale and Retail Trade	20,420	16.95%
Manufacturing	14,805	12.29%
Public Administration and Defense	14,263	11.84%
Education	13,766	11.43%
Transport, Storage and Communication	6,779	5.63%
Agriculture, Hunting and Forestry	6,669	5.54%
Health and Social Work	4,030	3.35%
Other Community Social and Personal Service Activities	3,915	3.25%
Real-Estate, Renting and Business Activities	2,896	2.40%
Hotels and Restaurants	2,397	1.99%
Extraterritorial Organizations and Bodies	1,913	1.59%
Financial Intermediation	1,454	1.21%
Electricity, Gas and Water Supply	392	0.33%
Mining and Quarrying	286	0.24%
Private Households with Employed Persons	147	0.12%
Fishing	3	0.00%
Not Stated	4,164	3.46%
<b>Totals</b>	<b>120,454</b>	<b>100.00%</b>

In the aggregate, 36.7 percent of registered refugees were involved in productive activities (mining, manufacturing, construction, production of utilities), about 16.9 percent in commerce (wholesale and retail trade) and 42.8 percent were involved in private and public services (e.g. public administration and defense, education and health and social work.)

<sup>53</sup> Includes the counted registered refugee population of the West Bank but excludes the J1 portion of the Jerusalem governorate.

The non-refugee activity distribution showed slight variations. In particular, the proportion of employed non-refugees engaged in construction activity was almost 4 percentage points greater than for refugees. At the same time, the proportion of non-refugees employed in public administration and defense was about 3.5 percentage points lower than for refugees. Non-refugees were a bit more likely to be found in manufacturing while refugees were a bit more likely to be employed in education (perhaps due to the effect of employment in UNRWA).

Occupation, as defined by the ILO, refers to the kind of work done during the reference period by the employed person, or the kind of work done previously if ever employed, irrespective of the employment status or economic activity of the person. Occupations are grouped together mainly on the basis of the similarity of skills required to fulfill the tasks and duties of the job. Occupation groups listed in the table below are classified according to the International Standard Classification of Occupations (ISCO 1988).

With respect to the occupational distribution—rather than the economic activity distribution—Table 18 indicates that about one-fifth of registered refugees were crafts and related workers, about one-fifth were services and sales workers and one-fifth were involved in elementary occupations. These were followed by professionals; technicians and associate professionals; plant, machine operators and assemblers with smaller concentrations as clerks; legislators and managers and skilled agricultural and fishery workers.

**Table 18**

**Employed and Unemployed Ever Worked Registered Refugees  
(10 Years and Over) in the West Bank by Main Occupation, 2007**

<b>Main Occupation</b>	<b>Employed and Ever Employed</b>	<b>Occupation Share</b>
Crafts and Related Workers	26,430	21.94%
Services and Sales Workers	22,910	19.02%
Elementary Occupations	22,757	18.89%
Professionals	15,189	12.61%
Technicians and Associate Professionals	9,482	7.87%
Plant, Machine Operators and Assemblers	8,762	7.27%
Clerks	4,206	3.49%
Not Stated	3,840	3.19%
Legislators and Managers	3,510	2.91%
Skilled Agricultural and Fishery Workers	3,368	2.80%
<b>Total</b>	<b>120,454</b>	<b>100.00%</b>

There was no substantial difference between the occupational distribution and rankings of registered refugees and non-refugees in the West Bank.<sup>54</sup> However, non-refugees were more somewhat more likely to be employed as crafts persons; as machine operators and assemblers; as skilled agricultural workers; and in elementary occupations. Refugees, on the other hand, were a bit more likely to be employed as technicians and associate professionals and as services and sales workers.

<sup>54</sup> See PCBS *Population, Housing and Establishment Census 2007; Census Final Results in the West Bank*, August, 2008, Table 11, p. 82.

## B. Educational Attainment

As indicated in Table 19, about 5.3 percent of the West Bank registered refugee population aged 10 and above was illiterate. About 28 percent had completed at least a secondary school education, 12.6 percent had completed some post-secondary education and 7.3 percent had completed a bachelor's degree or more in 2007. The education profile of registered refugee males was somewhat better in general, with a smaller proportion of illiterates and higher ratios of achievement at all levels of education relative to females.

**Table 19**

**Registered Refugees (10 Years and Over) in the West Bank  
by Sex and Educational Attainment, 2007<sup>55</sup>**

<b>Educational Attainment</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>	<b>Male Rates</b>	<b>Female Rates</b>
Illiterate	5,594	16,916	22,510	2.64%	8.14%
Can Read and Write	26,632	26,865	53,497	12.55%	12.93%
Elementary	53,230	48,483	101,713	25.07%	23.33%
Preparatory	65,963	58,305	124,268	31.07%	28.06%
Secondary	32,826	31,628	64,454	15.46%	15.22%
Associate Diploma	10,891	11,551	22,442	5.13%	5.56%
Bachelor	14,069	12,822	26,891	6.63%	6.17%
Higher Diploma	365	203	568	0.17%	0.10%
Master	1,904	675	2,579	0.90%	0.32%
Ph.D.	611	64	675	0.29%	0.03%
Not Stated	206	268	474	0.10%	0.13%
<b>Total</b>	<b>212,291</b>	<b>207,780</b>	<b>420,071</b>	<b>100.00%</b>	<b>100.00%</b>

Non-refugee educational attainment profile is not substantially different. Refugees were somewhat more likely to have completed the preparatory level and to have obtained associates diplomas. On the other hand, non-refugees were more likely to have completed secondary school.

The data in the Table 20 suggests that the advantage held by males in terms of educational attainment will be reduced in the future as educational attendance rates of female registered refugees through age 24 exceeded that of males. This suggests that females were more likely to be enrolled in post-bachelor degree studies than males. Even in the 25-29 year age group, female representation was very close to that of males.

The non-refugee school attendance profile mirrors that of registered refugees. Overall attendance for refugees between the ages of 5-29 was 65.5 percent for that cohort, exactly the non-refugee ratio. Refugee males in this cohort had an attendance ratio of 63.6 percent as compared to 64.1 percent for non-refugees. Refugee females had a corresponding 67.5 percent ratio as compared to 66.9 percent for non-refugee females.

<sup>55</sup> Includes the population counted during the census and excludes the population estimated in the post enumeration survey. Data also J1 portion of Jerusalem governorate.

Table 20

**Registered Refugees (5 Years and Over) in the West Bank  
by Sex and Educational Attendance, 2007<sup>56</sup>**

Age Group	Males Attending School	Females Attending School	Male Attendance Rates	Female Attendance Rates	Total Attendance Rates
5 – 9	30,752	29,535	83.18%	83.31%	83.25%
10 – 14	34,921	33,997	96.69%	98.04%	97.36%
15 – 19	21,070	24,140	65.69%	79.26%	72.30%
20 – 24	6,800	6,976	28.07%	31.37%	29.65%
25 – 29	1,568	1,356	7.79%	7.02%	7.41%
30 – 34	581	583	3.26%	3.40%	3.33%
35 – 39	425	359	2.71%	2.38%	2.55%
40 – 44	250	113	1.76%	0.85%	1.32%
45 – 49	97	40	0.92%	0.40%	0.67%
50 – 54	22	7	0.32%	0.10%	0.20%
55 – 59	8	5	0.15%	0.09%	0.12%
60 – 64	4	--	0.10%	--	--
<b>Totals</b>	<b>96,498</b>	<b>97,111</b>	<b>43.08%</b>	<b>45.12%</b>	<b>44.08%</b>

### C. Refugee Skills

Of the 420,000 registered refugees aged 10 years and above, there were about 48,975—11.6 percent—with associates diplomas or higher educational degrees. As Table 21 indicates, the most common specialty—at about one-fifth of the total—was business administration. This was followed by education and teacher training, the specialty of 17.7 percent of the “skilled” registered refugee population; culture with 14.6 percent; health and social services at 10.2 percent; sciences, math and computing at 10.1 percent; social sciences at 9.4 percent; construction at 8.3 percent; and production at 4.4 percent.<sup>57</sup> Refugee and non-refugee specialization distributions were largely equivalent. The main differences were that education and teacher training and health and social services ranked higher in the refugee distribution while sciences and social sciences ranked lower relative to the non-refugee population.

The character of non-refugee post-secondary education and training was very similar to that for refugees. The only noticeable differences were that refugees were more likely to have degrees in education and teacher training while non-refugees were better represented among those holding degrees in the humanities. Other than this, there was little difference between the two groups regarding areas of specialization.

<sup>56</sup> Includes the population counted during the census and excludes the population estimated in the post enumeration survey. Data exclude J1 portion of Jerusalem governorate.

<sup>57</sup> Education includes basic programs, literacy, personal development and education and teacher preparation. Culture includes arts, humanities and journalism and information. Sciences includes life sciences, natural sciences, mathematics and statistics and computing. Construction includes architecture and building as well as half of engineering occupations. Production includes the other half of the engineering occupations, manufacturing and processing, agriculture, forestry and fishing and veterinary sciences.

Table 21

**Registered Refugees in the West Bank with  
Associates Diploma or Higher, 2007**

<b>Specialization</b>	<b>Count</b>	<b>Share</b>
Business and Administration	9,837	20.09%
Education	8,670	17.70%
Culture	7,196	14.69%
Health and Social Services	5,020	10.25%
Sciences, Math, Computing	4,948	10.10%
Social Sciences	4,641	9.48%
Construction	4,068	8.31%
Production	2,175	4.44%
Law and Jurisprudence	939	1.92%
Personal Services	571	1.17%
Transport and Security Services	201	0.41%
Not Stated	711	1.45%
<b>Total</b>	<b>48,976</b>	<b>100.00%</b>

#### D. Self-Employment and Microenterprise

During the period 2000-2008, an average of 24.3 percent of the employed refugee labour force in the West Bank was self-employed, i.e. they neither employed others nor were employed by others.<sup>58</sup> While this reflects the informal character of the West Bank economy, to some extent it indicates entrepreneurial activity.

Registered refugee employment, as revealed by the 2007 census (see above), includes a number of activities in which self-employment may be prominent. These include retail trade, transportation and restaurants. In addition to that point-in-time reading, labour force data for West Bank refugees as a whole over a nine-year period (see Table 22) confirms the importance of retail trade and restaurants in refugee employment, accounting for an average of 22 percent of all employment (with public and private services accounting for the plurality of employment).

Table 22

**Average Activity Distribution of Refugee Employment  
in the West Bank, 2000-2008<sup>59</sup>**

<b>Economic Activity</b>	<b>Employment Share</b>
Agriculture	9.40%
Manufacturing, Mining	13.80%
Construction	12.97%
Commerce, Hotels, Restaurants	22.02%
Transportation, Communication	6.51%
Other Public and Private Services	35.30%
<b>Total</b>	<b>100.00%</b>

<sup>58</sup> PCBS labour force data by special request.

<sup>59</sup> PCBS data by special request.

Another measure of entrepreneurship among refugees is the extent of UNRWA MD lending. Among other products and services, the MD offers a range of loans for small businesses and microenterprises, typically to support capital investment, modernisation and market expansion. There are also special loan products designed for women entrepreneurs, including one for home-based enterprises. At end-2009 UNRWA had 42,830 in past or outstanding micro-loans in the West Bank valued at USD 55,746,290.<sup>60</sup> While the loans and assistance is available to the population as a whole, refugees presumably are disproportionately represented in the activities of UNRWA's MD.

Another measure of entrepreneurship amongst the population is the extent of UNRWA MD lending for small businesses and microenterprises. At end-2009 UNRWA had 42,830 in past or outstanding micro-loans in the West Bank valued at USD 55,746,290. Refugees receive an estimated one-third of UNRWA's MD loans.

### E. Poverty and Coping Strategies

The definitions of poverty used by the PCBS are based on household expenditures and consumption—and not on income. Such an approach is considered more accurate in measuring actual living levels and needs.<sup>61</sup> The two poverty lines used—official poverty and deep poverty—were developed in 1998 by the Palestinian National Commission for Poverty Alleviation on the basis of actual average consumption expenditures of Palestinian households.<sup>62</sup> The household was defined as a *representative household* including six persons—two adults and four children—based on then prevailing demographic conditions.

The official poverty line was established taking into account nine categories of goods and services consumed by Palestinian households: food, clothing, housing, utensils and bedding, housekeeping supplies, health care, personal care, education and transportation. Adjusting for size, households are then ranked from highest to lowest on the basis of monthly expenditures for these items. Those households whose consumption of these items is below the average household in the 30th percentile (from the lowest) and adjusted for household size are defined as the official poor.

In 2007, PCBS estimated the official poverty line to be NIS 2,362 in monthly consumption expenditures for the representative six-person household.<sup>63</sup> At the prevailing average NIS/USD exchange rate of 4.15, the poverty line for such a household is estimated at USD 569.1. The *per capita* poverty line would therefore be USD 94.8 in monthly consumption or USD 3.1 in daily per capita consumption expenditures. Adjusting for household size, households or individuals living below this consumption level are considered to lack some of the material requirements for a minimally dignified life.

The deep poverty line is calculated with consideration for household consumption of only levels in three categories of goods and services: food, clothing and housing. Households are ranked from highest to lowest with respect to monthly expenditures for these basic sets of items. After

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<sup>60</sup> See "UNRWA in Figures," 31 December 2009. While loans are available to all comers, these were taken mainly by refugees.

<sup>61</sup> For a discussion on the relative merits of a consumption approach, refer to UNRWA *Prolonged Crisis in the Occupied Palestinian Territory: Recent Socio-Economic Impacts* (November 2006).

<sup>62</sup> See PNA National Commission for Poverty Alleviation *Palestine Poverty Report*, 1998.

<sup>63</sup> Data provided by PCBS by special request.

adjusting for household size, households whose consumption of the basics is below the average household in the 30th percentile (from the lowest percentile) are defined as deep poor.

The 2007 deep poverty line for the representative household is estimated by PCBS to be NIS 1,886 in monthly consumption expenditures or about USD 454.4. On the basis of the representative family, this translates into a deep *per capita* poverty line of about USD 76.7 per month or about USD 2.5 per day. Households or individuals consuming below this level are considered unable to meet basic needs.

In the West Bank, the refugee household official poverty rate was estimated at 23.8 percent in 2007, about 4 percentage points higher than that for non-refugee households. Table 23 also indicates that deep household poverty among West Bank refugee households was estimated at 12.9 percent. Despite the fact that external assistance—whether from UNRWA or other sources—increased in 2007, this was not sufficient to stem the growth of refugee poverty in the West Bank. (Poverty rates in the West Bank had more than doubled since 2000.)

**Table 23**

**Estimates of Post-Assistance Household Consumption Poverty in the West Bank, 2007<sup>64</sup>**

<b>West Bank</b>	<b>2007</b>
Official Household Poverty Rates	19.10%
refugee households	23.80%
non-refugees households	19.70%
Deep Household Poverty Rates	9.70%
refugee households	12.90%
non-refugees households	8.20%

Since the beginning of the prolonged socio-economic crisis in late-2000, Palestinian households have relied on a spectrum of coping mechanisms. Fafo found that Palestinian households in the earlier part of the crisis had relied mainly on wider sharing of wage incomes of the employed; reducing household savings and expenditures; selling off household assets (e.g. gold, land) and; greater labour market effort. This was augmented later by borrowing from friends, relatives and local merchants;<sup>65</sup> changing the types of food purchased and; postponing the payment of rents and of electricity and water bills. Later, this was accompanied by greater reliance on day, temporary and/or informal labour, on animal husbandry and agriculture;<sup>66</sup> and on greater levels of external assistance, including that from the expanded UNRWA aid effort that reached about 25 percent of the West Bank population in 2006.<sup>67</sup>

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<sup>64</sup> PCBS data provided by special request, September 2008.

<sup>65</sup> For the West Bank as a whole, the most important source of external assistance six years into the second intifada was relatives, often in the form of food and/or olive oil. Gro Hasselknippe and Marianne Tveit *Against the Odds; How Palestinians Cope through Fiscal Crisis, Closures and Boycott* (Fafo Institute for Applied Social Science, 2007), pp. 74-75. Another Fafo report indicates that upwards of 65 percent of West Bank households were indebted with one-quarter of households having debt in excess of USD 5,000 in 2008. See Laura Mitchell *Making Ends Meet: Gender and Household Coping Strategies in the West Bank* (Fafo Institute for Applied Social Science, 2009), p. 7.

<sup>66</sup> *Ibid.* pp. 33, 36-58.

<sup>67</sup> *Ibid.*, pp. 58-61.

In addition to UNRWA food and cash assistance, the sources of aid included the Ministry of Social Affairs, food for work or food for training programmes (including those operated by the World Food Programme), the job creation and micro-finance programmes of UNRWA and political and religious organizations.<sup>68</sup> Bartering of services and goods for labour also became a widespread phenomenon in the West Bank.<sup>69</sup>

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<sup>68</sup> Ibid., pp. 62-74.

<sup>69</sup> Ibid., pp.76-78.

## Section III: Socio-Economic Opportunities for West Bank Refugees

### A. Projecting Labour Force Growth

Based on the average refugee population growth rate implied by the censuses of 1997 and 2007 (2.33 percent per year on average), the number of West Bank refugees (including J1) will grow from an estimated mid-year population of 635,400 in 2007 to 782,000 by 2015.<sup>70</sup> At the same time, applying the estimated working-age population growth rate for the West Bank as a whole (3.54 percent per year on average) yields a refugee working-age population of about 507,500 in that year. Assuming the average refugee labour force participation rate during 2000-2009 (about 43 percent) persists through 2015, the estimated refugee labour force—labour supply—would be 217,400 in that year.

If the average ILO refugee employment rate of 80.7 percent in 2007-2009 persists to 2015, the average number of employed refugees would be 175,500. This also assumes that the average ILO unemployment rate—19.3 percent during 2007-2009—continues with about 42,000 unemployed refugees in 2015, as compared to about 34,200 in 2007. Under the above assumptions, to maintain an unemployment rate of 19.3 percent through 2015 would require about 5,800 more jobs for refugees be created and sustained each year after 2009.

Under the same assumptions, to reduce the refugee unemployment rate to 12 percent—the average rate in the Middle East and North Africa, a region which has had the highest unemployment rate of any region in the world for most of the past decade<sup>71</sup>--would require the creation and maintenance of about 14,500 jobs for refugee each year after 2009. To reduce the unemployment rate further—to just 6 percent—would require 26,500 new jobs for refugees each year after 2009. These projections compare to an estimated net loss of some 12,500 jobs for refugees in 2009.

### B. Projecting Sources of Employment Growth

To anticipate possible future sources of employment for West Bank refugees it is useful to consider the relative importance of various economic activities and occupations in employment growth in the decade between the censuses. The growth and composition of labour demand in the near future might be glimpsed from the experiences of this recent period. This could be combined with some assumptions about the economic potential of the West Bank under different political scenarios to produce educated guesses as to what can be expected in terms of the quantity of and quality of employment.

The census provides a broader measure of work experience—and therefore labour demand—than do the labour force surveys. First, the census asks about the work experience of every person in the population aged 10 years and above while the labour force survey is based on a random sample of households and asks about persons 15 years and above. Moreover, the census asks about those who “ever worked.” i.e. the employed and those not working but who had worked in the past. Using this broad definition, a comparison of data from the two censuses provides interesting insights regarding the relative importance of specific economic activities and specific

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<sup>70</sup> Using a more sophisticated approach, but based on the 1997 census data, Fafo projected a 2015 West Bank refugee population estimate of between 666,000 (lower estimate) and 742,000 (upper estimate). See Kristin Dalen and Jon Pedersen *The Future Size of the Palestinian Population of the West Bank and Gaza Strip* (Fafo Institute for Applied Social Science, 2004), p. 18.

<sup>71</sup> See UNRWA, *Socio-Economic Developments in the oPt in 2008, The West Bank Labour Market in 2008 and the Gaza Strip Labour Market in 2008*.

groups of occupation in the overall employment and employment growth in the West Bank as between 1997 and 2007.

### 1. Economic Activities

A simple ranking of economic activities from most important to least important in total employment in the West Bank reveals that construction retained its top billing in 2007 relative to 1997. Manufacturing dropped from second to third position, while commerce rose from third to second in rank. Agriculture fell two positions in the rankings, from fourth to sixth, while education gained two positions, rising from sixth to fourth. Other activities that rose in the rankings include community and personal services; real estate and business services and employment in foreign organizations. Others that fell in the rankings include hotels and restaurants and; quarrying and mining. Public administration; transport and communications; health and social welfare; financial intermediation and; utilities provision (electricity, gas and water) all maintained their relative positions in the rankings.

**Table 24**  
**Employment Share of Economic Activities for West Bank Palestinians**  
**Aged 10 Years and Above, 1997 and 2007**<sup>72</sup>

<b>Economic Activity</b>	<b>Shares 1997</b>	<b>Shares 2007</b>	<b>Relative Changes</b>
Construction	28.28%	22.83%	-19.28%
Manufacturing	15.71%	14.19%	-9.67%
Wholesale and Retail Trade (Commerce)	14.33%	17.02%	18.75%
Agriculture, Hunting and Forestry	10.94%	7.05%	-35.59%
Public Administration and Defense	8.22%	10.02%	21.87%
Education	7.83%	10.69%	36.45%
Transport, Storage and Communication	4.45%	5.41%	21.41%
Health and Social Work	2.75%	3.01%	9.53%
Hotels and Restaurants	2.07%	1.90%	-8.24%
Other Community, Social and Personal Services	1.76%	2.91%	65.50%
Real Estate, Renting and Business Services	1.53%	2.30%	50.15%
Financial Intermediation	0.97%	1.14%	17.94%
Mining and Quarrying	0.55%	0.50%	-10.11%
Extraterritorial Organizations and Bodies	0.30%	0.68%	128.61%
Electricity, Gas and Water Supply	0.23%	0.25%	9.57%
Private Households with Employed Persons	0.06%	0.10%	70.00%
Fishing	-	-	-
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	

Table 24 provides a more refined look at changes in the relative importance of economic activities. Relative to 1997, construction activity remained by far the single most important source of employment experience, but it was less important in 2007. This seems to be the result of two phenomena. First, the increasing severity of Israeli-imposed border closures markedly reduced the flow of West Bank Palestinians' employment in Israel where the bulk of such workers

<sup>72</sup> Because the 1997 census data on labour force characteristics of refugees are not readily available, data in this table pertain to the West Bank population as a whole. As noted elsewhere in this report, the labour force characteristics for the refugee and non-refugee populations are substantially comparable. Data in this table and in the following analysis are for the counted population only and exclude those who did not state an employment activity. The data also exclude the Palestinian population in J1.

had been employed in construction.<sup>73</sup> Second, for most of the decade after 1997, there were depressed economic conditions and general pessimism about possibilities for a final agreement with the Government of Israel, both of which tend to reduce construction activity.<sup>74</sup>

It is noteworthy that strategic private sector activities such as manufacturing, agriculture and hotels and restaurants (a barometer of tourist activity in the country) declined in importance. At the same time, those activities associated with the public sector (and significant levels of external donor aid), e.g. public administration and defense, education and health and social welfare increased in importance. So too did other activities associated with donor aid, e.g. extraterritorial organizations (multilateral organizations and foreign NGOs for the most part) and community and social services (local NGOs many of which funded by external donors).

Another way to anticipate the future of labour demand is to consider each activity with respect to its contribution to the growth of work experiences of the West Bank population. Table 25 summarizes these for the period 1997-2007.

**Table 25**

**Growth Share of Various Activities in Employment Experiences of West Bank Palestinians Aged 10 and Above, 1997-2007**

<b>Activity</b>	<b>Share of Growth</b>
Wholesale, Retail Trade (Commerce)	26.33%
Education	22.27%
Public Administration	16.55%
Transport, Communication	8.85%
Community, Social, Personal Services	7.90%
Real Estate, Business Services	5.55%
Health, Social Work	3.61%
Manufacturing	3.48%
Extra-Territorial Organizations	2.41%
Financial Intermediation	1.74%
Hotels and Restaurants	0.63%
Household Employees	0.27%
Utilities (Electricity, Gas, Water)	0.31%
Mining, Quarrying	0.11%
<b>Total</b>	<b>100.00%</b>

While construction remained the leading source of employment in the West Bank, its importance contracted in absolute terms in this period. Commerce—wholesale and retail trade—on the other hand, was the third most important activity in 1997 but the single most important source of *growth* in stated work experiences in the decade after 1997. Commerce accounted for 26.3

<sup>73</sup> PCBS labour force data from 1997 indicates that 53.7 percent of West Bank workers employed in Israel and settlements were active in construction. This compared to about 11 percent of West Bank workers employed in the West Bank. By 2007, the respective shares were 44.5 percent and 9 percent. See PCBS *Labour Force Survey, Annual Statistics* series.

<sup>74</sup> According to the ILO definitions used by PCBS construction activity includes site preparation; building of complete structures or parts of structures; civil engineering; building installation; building completion; renting of construction or demolition equipment with operator. See <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=17>.

percent of total growth in work experience for West Bankers. This was followed by education (public, private and UNRWA) with 22.2 percent and public administration (central and municipal government) with 16.5 percent. Transport and communications activities accounted for 8.8 percent of the growth, reflecting the growth in population and telecommunications services and the demand for transport services in an environment of restricted internal mobility.

Community, social and personal services<sup>75</sup> contributed almost 8 percent share of growth and real estate and business services<sup>76</sup> accounted for another 5.5 percent. The growth shares of health and social work and manufacturing were, respectively, 3.6 percent and 3.4 percent while multilateral organizations accounted for 2.4 percent of growth. Despite a period of rapid growth in banking activity—in which the number of banks in the OPT grew from a few to more than 20—financial intermediation contributed only 1.7 percent of the increase in work experiences of the West Bank labour force.

The picture that emerges in Table 25 is that commerce, including informal petty commerce activities, was the single largest factor in work experience growth in the period between the censuses. In 1997, commerce was the third largest source of work experience in the West Bank. Construction—the largest employment activity in both census years—made no contribution to growth in the work experiences of the West Bank population as between those two years. Agriculture, responsible for more than one-tenth of all employment in 1997 and of strategic importance in private sector employment generation, likewise detracted from growth. The contributions of other strategic private sector activities such as transport and communications, manufacturing and hotels and restaurants were relatively small. On the other hand, activities closely associated with the public sector and assistance from foreign donors (i.e. education; public administration; community and social services; health and social work; extraterritorial organizations) accounted for somewhat more than half of the growth in work experience in the decade after 1997.

For West Bank women aged 15 years and above, labour force participation rates rose 26.2 percent in relative terms (from 14.5 percent to 18.3 percent) between 1997 and 2007. On the other hand, men's average labour force participation rate declined from 71.4 percent in 1997 to 69.4 percent in 2007, a drop of 2.8 percent in relative terms.<sup>77</sup> In general, growth in both men's and women's work experiences was highly concentrated. In the case of men, four activities accounted for about 75 percent of employment growth while for women four activities accounted for 83 percent of growth. Three of the four top activities for men and women were identical—education, commerce, public administration—although with significant differences in the degree of importance of each as shown in Table 26.

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<sup>75</sup> These include the activities of membership organizations and clubs (professional, trade union, religious, political, cultural, educational, sporting, health, recreational), as well as cinemas, film production, radio and television programme production and distribution, theatrical productions, laundries, hairdressing and beauty care, shoe repair, watch repair, funeral services, etc.

<sup>76</sup> In addition to the sale/purchase of land and real property, this category includes a broad range of activities: computer hardware and software consulting and publishing; database activities and data processing; maintenance and repair of office, accounting and computing machinery; legal, accounting, bookkeeping and auditing activities; tax consultancy; market research and public opinion polling; business and management consulting; architectural services; engineering services; advertising and marketing services, etc.

<sup>77</sup> Labour force participation rates come from the PCBS annual labour force surveys for 1997 and 2007 which cover those 15 years of age and above.

Education accounted for more than half the increase in women's work experiences. For men, education, while important, accounted for only 10.1 percent of work experience growth. Commerce contributed to nearly one-third of such growth for men as compared to only 10.2 percent for women. Public administration ranked second for men, contributing 20 percent of work growth, but ranked fourth for females accounting for 7.4 percent of work experience growth.

**Table 26**

**Main Sources of Growth in Employment Experiences of  
West Bank Palestinians Aged 10 and Above by  
Activity and Sex, 1997-2007**

<b>Activity</b>	<b>Share of Male Employment Growth</b>	<b>Activity</b>	<b>Share of Female Employment Growth</b>
Wholesale, Retail Trade (Commerce)	32.5%	Education	52.9%
Public Administration	20.0%	Community, Social, Personal Services	12.6%
Transport, Communication	11.5%	Wholesale, Retail Trade (Commerce)	10.2%
Education	10.1%	Public Administration	7.4%
Community, Social, Personal Services	6.0%	Health, Social Work	5.0%
Real Estate, Business Services	6.0%	Real Estate, Business Services	4.3%
Manufacturing	5.0%	Extraterritorial Organizations	2.7%
Health, Social Work	3.0%	Transport, Communication	1.9%
Extraterritorial Organizations	2.2%	Financial Intermediation	1.4%
Financial Intermediation	1.8%	Construction	0.5%
Hotels, Restaurants	0.7%	Private Household Employee	0.5%
Electricity, Gas, Water Supply	0.4%	Hotels, Restaurants	0.3%
Totals	99.2%		99.7%

For females, social and personal services provided the second most important source of new labour force experiences, accounting for 12.6 percent of the growth. As noted above, these include professional, political, cultural and recreational organizations, hairdressing and beauty care, laundries and media (among others). Nonetheless, the contribution of these activities was significantly smaller than that of education. For men, these activities accounted for only 6 percent of the growth in working experiences, occupying fifth place in the rankings. Transport and communications was the third most important source of work experience growth for men but ranked eighth for women. Manufacturing declined in importance for women while it contributed only 5 percent of growth for men, seventh in importance. Agriculture detracted from the labour force experiences of both men and women in the West Bank.

## 2. Occupational Structure

Using the standard international ILO classification, the occupational distribution of West Bank Palestinians for the two census years is given in Table 27. The ILO methodology adopted by the PCBS entails grouping together occupations on the basis of the similarity of the skills required to undertake duties of specific jobs.<sup>78</sup> Thus, the skill levels associated with occupations are listed in descending order from higher to lower. Legislators and managers are presumed to have different and higher level skills than professionals. Professionals are assumed to have higher skill levels relative to technicians and associate professionals, and so on.

<sup>78</sup> See [www.ilo.org/public/english/bureau/stat/isco/isco88/major.htm](http://www.ilo.org/public/english/bureau/stat/isco/isco88/major.htm).

Table 27 indicates that the proportion of the working population in the three highest skill categories increased significantly, with the weight of the professionals category increasing more than 90 percent. The combined weight of the three top categories rose from 15.5 percent to 22.8 percent of total stated occupations, an increase of 46.5 percent. At the same time, two of the three occupational categories in the middle of the distribution receded in importance. As a group, the proportion of people with working experience in the middle categories combined rose from 25 percent to 25.1 percent. The proportion in the services and sales workers category rose nearly 26 percent in relative terms and the proportion of those classified as skilled agricultural workers declining by about 48 percent in relative terms.

The combined share of working people in the bottom three categories declined from 59.3 percent to 52 percent or 12.3 percent in relative terms in the decade after 1997. Those classified as holding elementary occupations fell 25.7 percent in relative terms while there was a small proportional gain in the plant, machine operators and assemblers category. **Thus, there has been proportional growth in the highest skilled occupations, almost no growth in the middle ones and a decline in the lowest skilled.**

**Table 27**

**Occupational Distributions for West Bank Palestinians  
Aged 10 Years and Above, 1997 and 2007<sup>79</sup>**

<b>Main Occupation</b>	<b>1997 Share</b>	<b>2007 Share</b>	<b>Relative Changes</b>
Legislators and Managers	2.56%	3.04%	18.68%
Professionals	6.74%	12.94%	92.07%
Technicians and Associate Professionals	6.28%	6.85%	9.08%
Clerks	3.39%	3.08%	-9.19%
Services and Sales Workers	14.58%	18.37%	25.99%
Skilled Agricultural and Fishery Workers	7.10%	3.69%	-47.97%
Crafts and Related Workers	24.10%	23.52%	-2.40%
Plant, Machine Operators and Assemblers	8.17%	8.40%	2.86%
Elementary Occupations	27.09%	20.11%	-25.76%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	

In absolute terms, and on a net basis, there were about 106,900 more employment experiences among the 10 years plus population. Of these, the top three occupational categories—legislators and managers, professionals and technicians and associate professionals—accounted for 48.3 percent of the absolute growth. The professionals category alone contributed 30.8 percent of this growth. The middle three—clerks, service and sales workers and skilled agricultural workers—accounted for about 25.3 percent with services and sales workers responsible for 28.1 percent of overall net growth in working experiences. Finally, the bottom three categories contributed about 26.2 percent of net absolute growth with crafts and related workers responsible for 19 percent of net absolute growth.

The changes in the relative weights of specific occupational groupings can be associated with economic developments in the decade after 1997 discussed in other parts of this study. The growth of public sector employment probably had a significant effect on occupational status (and possibly on skill levels) of thousands of people by, for example, expanding the ranks of managers, professionals, associate professionals and the like. The sharp decline in construction employment in Israel probably contributed to the decline in the proportion of West Bank workers

<sup>79</sup> Data in this table and the following analysis are for the counted population only and exclude those who did not state an occupation. The data also exclude the Palestinian population in J1.

in the elementary occupations category. Stagnation in agriculture seemed to be behind the steep decline in skilled agriculture as an occupation category.

### 3. Educational Attainment

Likewise, the changes evidenced in Table 25 and especially Table 27 imply advances in educational attainment. Growth in higher skilled occupations may be associated with the direct and indirect effects of greater levels of public sector employment in the West Bank. Reductions in the proportion of the population in lower skilled occupations may be associated with the direct and indirect impacts of limitations on labour flows to Israel. These changes, in turn, can be associated with a generally rising level of educational attainment.

**Table 28**

**Educational Attainment for West Bank Palestinians  
Aged 10 Years and Above by Level and Sex, 1997 and 2007<sup>80</sup>**

	<b>1997</b>	<b>2007</b>	<b>Relative Changes</b>
<b>Secondary</b>	11.25%	16.12%	43.30%
<i>Males</i>	12.65%	16.33%	29.03%
<i>Females</i>	9.80%	15.91%	62.39%
<b>Associates</b>	4.41%	4.16%	-5.65%
<i>Males</i>	4.79%	4.13%	-13.82%
<i>Females</i>	4.03%	4.20%	4.41%
<b>Bachelors</b>	3.74%	6.60%	76.63%
<i>Males</i>	4.96%	6.96%	40.30%
<i>Females</i>	2.47%	6.24%	152.23%
<b>Higher Diploma</b>	0.06%	0.12%	100.65%
<i>Males</i>	0.10%	0.17%	73.63%
<i>Females</i>	0.03%	0.08%	199.82%
<b>Masters</b>	0.39%	0.60%	55.23%
<i>Males</i>	0.65%	0.88%	36.87%
<i>Females</i>	0.12%	0.31%	159.08%
<b>PhDs</b>	0.13%	0.17%	32.45%
<i>Males</i>	0.22%	0.29%	29.50%
<i>Females</i>	0.02%	0.04%	68.26%
<b>Secondary-PhDs</b>	19.98%	27.78%	39.06%
<i>Males</i>	23.37%	28.76%	23.05%
<i>Females</i>	16.47%	26.78%	62.64%
<b>Total Population</b>	1,069,661	1,489,008	39.20%
<i>Males</i>	542,574	754,204	39.00%
<i>Females</i>	527,087	734,804	39.41%

One measure of educational advancement is given in Table 28. The table provides two snapshots (one each for 1997 and 2007) of educational attainment levels for the West Bank

<sup>80</sup> Data in this table and the associated analysis are for the counted population only and exclude those who did not state a level of educational attainment during the census surveys. The data also exclude the Palestinian population in J1. Total population includes those who were counted aged 10 years and above and excludes J1.

population aged 10 years and above. Each snapshot gives the proportion of that population who had completed various levels of education ranging from a secondary school degree to a doctoral degree.

In 1997, about one-fifth of the West Bank population aged 10 years plus had obtained secondary and post-secondary degrees. About 56 percent of these were secondary school degrees and the rate of secondary and post-secondary school achievement was 42 percent greater for men relative to women. By 2007, some 27.7 percent of the population achieved secondary and post-secondary degrees, a relative increase of 39 percent.

Of these, about 58 percent were secondary school degrees. The attainment rates for bachelors, higher diploma and masters degrees grew especially fast in relative terms, especially for women. The secondary plus attainment rate for men increased by 23 percent in relative terms while that for females grew 62.6 percent in relative terms. Thus, in the decade after 1997, the gap between men and women's educational attainment rates declined substantially. This was due to slower than average growth for men and very rapid growth for women.

#### 4. Recent Trends in Refugee Labour Market Participation

Labour market data from PCBS during 2005-2010 indicates that, on average, the narrow ILO labour force participation rate (calculated as the refugee labour force divided by the refugee population age 15 years and above) was 42.8 percent as compared to 43.8 percent for non-refugees. The broader labour force participation rate for refugees (which includes those who want to work but are not actively seeking work—i.e. discouraged workers) was an average of 46.2 percent as compared to 47.2 percent for non-refugees.

The average annual refugee ILO participation rates rose gradually through 2007 and then receded through 2010. The average annual broad refugee participation rate rose through 2008 and then more rapidly dropped off through 2010. The more rapid drop-off in the broad rate is due mainly to the reduction in the number of discouraged workers among refugees.<sup>81</sup> The evidence indicates that the decline in refugee labour market participation was due to a withdrawal of discouraged workers from the labour force.

Whether the decline in refugee labour force participation is a long-term trend is difficult to judge. Withdrawal from the labour force can be due to a number of reported factors including greater numbers of refugees taking up housekeeping or care-giving at home; longer or more sustained educational experiences among refugees; or greater numbers of refugees who are disabled or ill and, therefore, unable to work. Typically, housekeeping or care-giving keeps large numbers of women outside of the labour force, particularly those aged 25 years and above. Education is the main reason for the vast majority of 15-24 year olds not to engage in work or the search for work. Age, illness or disability affects males predominantly in the decision to participate in the labour force, especially those 35 years and above.<sup>82</sup>

On the demand side of the market, refugee employment, as a share of all employment in the West Bank rose from 25.7 percent of the total in 2005 to 30.5 percent in 2008 and then declined

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<sup>81</sup> According to PCBS data, refugees accounted for about 29.3 percent of all discouraged workers in the West Bank during 2005-2010, while they were an average of 27.4 percent of the West Bank labour force during the same period.

<sup>82</sup> The reasons for non-participation in the labour market and the relative importance of each by demographic group are for the West Bank and taken from PCBS *Labour Force Survey Annual Report 2010*, Table 60, p. 123.

to 23.5 percent in 2010. The same trend manifested itself in both the public and private sectors (as well as with all major activities within the private sector) with refugee employment shares rising through 2007 or 2008 and then declining in 2009 and 2010. The decline in refugee employment is reflected in the in the shrinking size of the labour force noted above. As in the case of the declining number of discouraged workers, the reasons for the negative trend in the refugee employment share since 2009 is unclear.<sup>83</sup>

## 5. Assessing Future Labour Demand

In assessing employment growth or labour demand for the future—whether for refugees or non-refugees—the experience of the decade after 1997 is instructive. Changes in labour demand in the West Bank were driven largely by external factors, rather than an internal dynamic. The external factors include the Government of Israel's (GOI) strategies for reaching an end of conflict agreement with the PA (without relinquishing control of land and water resources in the West Bank). A system of increasingly more onerous mobility restrictions within the West Bank and between it and the rest of the world had fundamental effects on the size and composition of the GDP. The response of donors to Israeli restrictions and the ensuing socio-economic crisis was to significantly boost assistance to the PA, thereby validating the growth of the public sector in the preceding years. This also generated employment in those activities catering to the public sector or its employees and to those related to donor activities in the West Bank.

On the other hand, the system of mobility controls and the building of the separation barrier thwarted specific activities. Palestinian employment in Israel declined, raising unemployment, reducing incomes and changing household expenditure patterns. Agricultural production receded under the weight of land and water confiscation, competition of lower cost Israeli produce, internal mobility restrictions and the construction of the separation barrier and associated infrastructure. Other strategic activities, such as manufacturing and the tourist-related hotels and restaurants, experienced a decline in importance.

Thus, the strategic political and security considerations of the GOI, and the politically driven character of donor support for the PA, shaped economic developments in the West Bank to a large extent (not to mention the Gaza Strip). In this context, the labour market repercussions in the prolonged socio-economic crisis after 2000 reflected these developments. The politically determined character of these outcomes highlights the exceptional situation faced by the people—both refugee and non-refugee—of this region. A continuation of the status quo would likely deepen the trends illustrated in Tables 24, 25 and 27; more employment opportunities in commerce and services of all types—including public sector employment—can and should be anticipated.

This could be compared to a different scenario in which: a) the Israeli occupation is ended; b) an independent and sovereign Palestinian authority is established in the West Bank (and Gaza Strip) and; c) policies are adopted to rehabilitate and expand agriculture, manufacturing, tourism and related activities that would take advantage of the natural and human resource base. Under such a scenario, labour demand would probably advantage the bottom two-thirds of the occupational and skill distribution in relative terms. This also implies significant growth for agriculture, manufacturing, tourism (hotels and restaurants, transportation, certain other services) in terms of employment and GDP contribution.

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<sup>83</sup> It should be noted that statistical error cannot be ruled out as a source of the growing refugee/ non-refugee disparities since 2009. Barring such errors, it is not clear whether the divergence in results between the two groups constitutes a longer term trend.

Furthermore, on the face of it, the upgrading of the educational and skill level of the West Bank population—including refugees—in the decade after 1997 implies a work force with greater employment and income-generating potential. In addition to supplying more teachers for the system of education and skilled personnel to the public sector, a better-educated and better-skilled labour force would be critical for generating a more productive economy capable of sustaining growth and employment. Such a development would of necessity rely ever more on women's capacities as they have acquired additional education and skills at rates far in excess of that of men.

## Section IV: Some Observations and Conclusions

Employment growth in the West Bank has been significantly dependent on the policies of external players—the GOI in particular—whose influence over the economy has intensified in recent years. The extreme isolation of the West Bank from neighbouring countries and markets as a result of the Oslo process and the mobility restrictions imposed beginning in late-2000 has given the GOI added power. The nature of economic growth manifested in the West Bank is, therefore, not sustainable and hostage to the whims of the occupying power's political calculations.

Another external factor has been donor assistance and other transfers. Significant amounts of transfers have been funneled through the Palestinian Authority, the UN, NGOs and private households. These have served to support relatively high levels of public sector employment, household consumption (partly through social safety net assistance) and, therefore, demand for goods and services from the local economy. To some extent, such assistance has countered the negative employment and income effects of Israel's draconian mobility restrictions since late 2000.

In short, the Palestinian economy and Palestinian lives in the West Bank remain acutely vulnerable to forces and factors beyond their control. This is even more true in the Gaza Strip. Longer-term employment prospects for West Bank refugees, in particular, will depend largely on the ability of the Palestinian economy to generate jobs and/or the ability of West Bank refugees to access to the Israeli labour market. This in turn pivots on the extent of capital accumulation that can be achieved in the West Bank (and Israel).

The crucial requirement for the longer-term is the reconstruction and development of the private sector—the only sector with the potential to generate significant amounts of sustainable employment. While some additional employment in the public sector can be expected (e.g. in education and health), fiscal constraints mean the vast bulk of the needed jobs will of necessity come from the private sector. Even under optimal conditions, this would be a very difficult task given the lack of productive, job-creating investment in the OPT.

Both public and private investment deficits have contributed to slow job growth. For more than a decade, the Palestinian public sector has not been able to make any significant investment in infrastructure or in building institutions and policies that encourage private investment. For example, public investment was under 10 percent of the capital expenditures envisioned in the 2009 budget.

Likewise, the domestic private sector has focused investment mainly in real estate and construction, an activity that cannot sustain significant amounts of employment. Foreign direct investment (in physical capacity) has likewise been scant and outflows of investment funds have exceeded inflows in recent years.<sup>84</sup> The commercial banking system, for its part, has extended a disproportionately great share of lending for commerce, real estate and construction activities, with only small amounts of lending for manufacturing, agriculture and tourism development.

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<sup>84</sup> According to UNCTAD, there was about USD 29 million in new foreign direct investment in the Palestinian economy in 2008, equal to about 2.2 percent of the value of gross fixed capital in the country. At the same time, Palestinian residents made USD 45 million in direct investments in foreign economies in the same year. UNCTAD *World Investment Report 2009*, p. 262 and UNCTAD *World Investment Report Country Fact Sheet*. See <http://www.unctad.org/fdistatistics>.

Moreover, the banking system has channeled more than half of Palestinian deposits into foreign investments.<sup>85</sup>

Private sector employment (and output) growth in the West Bank in the longer term requires, at a minimum, dismantling the regime of movement restrictions on people and goods within the West Bank and between the West Bank and Gaza and the rest of the world. This would accelerate employment growth and reduce levels of risk and transport costs faced by existing Palestinian businesses, as well as potential domestic and foreign investors.

Sustained development would also require a more robust public investment policy focused on developing the legal, institutional and physical environment that can improve governance, improve public services and their delivery, and give a boost to private sector development and growth. A PA divided between authorities in the West Bank and Gaza, mired in budget deficits and subject to inconsistent donor assistance and an uncertain political horizon will not be able to lay the foundations for sustainable development in the near future. Unsettled politics—both internal and with regard to a negotiating process with the GOI—remain fetters to recovery from the prolonged socio-economic crisis and to the strategic, long-term and sustainable development of the Palestinian economy.

Ultimately, growing and sustainable employment and income for the West Bank (and Gaza) will require policy independence. This presupposes a sovereign Palestinian government capable of furthering a course of socio-economic development that takes maximum advantage of existing and developing natural and human resource advantages and strengths. Not least of these are the upgraded levels of education and skill of the West Bank population—both refugee and non-refugee—in the decade after 1997, and especially those of women.

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<sup>85</sup> See UNRWA *Socio-Economic Developments in the Occupied Palestinian Territory, First-Half 2009*, February 2010.