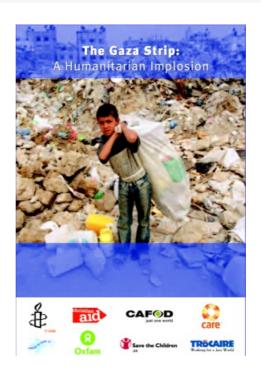
Source: 6 March 2008



# **Executive summary**

The situation for 1.5 million Palestinians in the Gaza Strip is worse now than it has ever been since the start of the Israeli military occupation in 1967. The current situation in Gaza is man-made, completely avoidable and, with the necessary political will, can also be reversed.

Gaza has suffered from a long-term pattern of economic stagnation and plummeting development indicators. The severity of the situation has increased exponentially since Israel imposed extreme restrictions on the movement of goods and people in response to the Hamas take over of Gaza and to indiscriminate rocket attacks against Israel. This report illustrates the gravity of the current situation across key sectors.

# Humanitarian Access

Movement in and out of Gaza is all but impossible and supplies of food and water, sewage treatment, and basic healthcare can no longer be taken for granted. As a result of the blockade and collapse of the economy, there is little money to buy food and limited food to buy. Food prices are rising and wheat flour, baby milk, and rice, among other essential goods, are increasingly scarce. During the period of May-June 2007 alone, these commodity prices rose 34%, 30% and 20.5% respectively (1).

As the humanitarian crisis intensified, the number of trucks carrying commercial and humanitarian supplies into Gaza plummeted. In the months prior to the tightening of the blockade around 250 trucks a day entered Gaza with supplies (2), now the Sufa crossing is only able to deal with a maximum of 45 trucks a day (3). In most cases, this number is barely reached.

### Poverty and Dependency on Food Aid

The number of people living in absolute poverty in Gaza has increased sharply. Today, 80% of families in Gaza currently rely on humanitarian aid compared to 63% in 2006 (4). This decline exposes unprecedented levels of poverty and the inability of a large majority of the population to afford basic food. In 2007, this meant that on average, households were spending approximately 62% of their total income on food compared with 37% in 2004(5).

As a result, food aid increased dramatically to meet the needs of this increasingly impoverished population. In 2008, there are over 1.1 million people – some three-quarters of Gaza's population – who are dependent on food aid. In less than ten years, the number of families depending on UNRWA food aid increased ten-fold(6).

### Unemployment

Unemployment in Gaza is close to 40% and is set to rise to 50% (7). The private sector – that generates 53% of all jobs in Gaza – has been devastated, businesses have been bankrupted and 75,000 workers out of 110,000 are now without a job(8). At present, 95% of Gaza's industrial operations are suspended because they cannot access inputs for production nor can they export what they produce (9). In June 2005, there were 3,900 factories in Gaza employing 35,000 people (10). Six months later there were just 195 left employing only 1,750 people. The construction industry is paralysed with tens of thousands of labourers out of work (11). The agriculture sector has also been badly hit and nearly 40,000 workers who depend on cash crops now have no income (12). The lack of employment in Gaza has been compounded by Israel ending its reliance on cheap labour from Gaza. In September 2000, some 24,000 Palestinians crossed out of Gaza every day to work in Israel (13). Today that figure is zero.

### Basic Services

The blockade is destroying public service infrastructure in Gaza. The Israeli government prevents the repair and maintenance of the electricity and water service infrastructure in Gaza by prohibiting the import of spare parts. The impact of this is amplified by Israel's parallel punitive restrictions on fuel and electricity to Gaza. Hospitals cannot generate electricity to keep lifesaving equipment working or to generate oxygen, while 40-50 million tons of sewage continues to pour into the sea daily (14).

In September 2007, an UNRWA survey in the Gaza Strip revealed that there was a nearly 80% failure rate in schools grades four to nine, with up to 90% failure rates in Mathematics (15). In January 2008, UNICEF reported that schools in Gaza had been cancelling classes that are high on energy consumption, such as IT, science labs and extra curricular activities (16).

# Basic Medical Supplies and Access to Treatment

As a result of fuel and electricity restrictions, hospitals are currently experiencing power cuts lasting for 8-12 hours a day. There is currently a 60-70 percent shortage reported in the diesel required for hospital power generators.

According to the World Health Organisation, the proportion of patients given permits to exit Gaza for medical care decreased from 89.3% in January 2007 to 64.3% in December 2007, an unprecedented low. It is important to note that even those patients who are granted permits to exit Gaza are often denied access at the crossing itself. Twenty-seven such cases were reported in the month of October alone. WHO has been monitoring the access of patients to specialized health services not available within the Gaza Strip. One main indicator monitored since

October 2007 is the death of patients due to lack of access to referral services. During the period October-December 2007, WHO has confirmed the deaths of 20 patients, including 5 children.

# A New Policy for Gaza

The blockade has effectively dismantled the economy and impoverished the population of Gaza. Israel's policy affects the civilian population of Gaza indiscriminately and constitutes a collective punishment against ordinary men, women and children. The measures taken are illegal under international humanitarian law.

Israel has the right and duty to defend itself against indiscriminate rocket attacks against its civilian population, but the current policy fails to provide Israel with increased security and has led to increasing polarisation. As the head of UNRWA has pointed out, 'Hungry, unhealthy, angry communities do not make good partners for peace.'

International efforts should be directed towards securing a swift end to the blockade of Gaza. Israel's current policy of isolation and refusal to engage with all elements of the Palestinian leadership only closes doors to negotiations while reinforcing the political and humanitarian crisis.

There is an urgent need for Palestinian dialogue and reconciliation in order to create and sustain a credible and effective peace process with Israel. The international community must provide the political support to facilitate such an undertaking. To date, failure to address the situation in Gaza has harmed both Palestinians and Israelis and has been detrimental to the broader peace process itself.

- (1) WFP Food Security and Market Monitoring Report: Report 9, June 2007
  (2) OCHA Special Focus. 'The closure of the Gaza Strip: the economic and humanitarian consequences', December 2007

(3) Oxfam Jerusalem, February 2008.

(4) OCHA Special Focus. 'The closure of the Gaza Strip: the economic and humanitarian consequences', December 2007

(5) Ibid

- (6) UNRWA currently provides food aid for 182,400 families (approximately 860,000 individuals) in Gaza and the World Food Programme provides food for 302,000 individuals, amounting to a total of 1.1 million people. In 1999 UNRWA provided food aid to just 16,174 families in the Gaza Strip (7) Exact figure is 37.6 percent. Palestinian Bureau of Statistics 2007 quoted in OCHA Special Focus December 2007, Closure of the Gaza Strip: The Economic and Humanitarian Consequences (8) PALTRADE Presentation to PSCC, July 2007

(9) World Bank. Investing in Palestinian Economic Reform and Development, Paris, December 17th 2007

(10) Ibid

(11) OCHA Special Focus. 'The closure of the Gaza Strip: the economic and humanitarian consequences', December 2007

(12) Ibid.

(13) World Bank. West Bank and Gaza Up-date, September 2006

(14) Oxfam Jerusalem / CMWU Gaza February 2008. (15) UNRWA September 2007

(16) UNICEF press release January 2008

Full report:

Complete document in PDF format (Requires Acrobat Reader)