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https://hdl.handle.net/10945/40420

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International Network for Economics and Conflict

January 28, 2013 | 7:41am

Geographic Fragmentation: A Stark Impediment to the Development of the Palestinian Economy

The Palestinian economy first came under the direct control of Israel after the June 1967 war. From 1967 until the signing of the Oslo Accords in 1994, Israeli policies toward the Occupied West Bank and Gaza resulted in a Palestinian economy that remained underdeveloped and subsidiary to the Israeli economy. In fact, investment in infrastructure and other components needed for a viable economy and access to resources were extremely limited or even altogether prevented by Israeli authorities. The Palestinian economy increasingly came to resemble conflict economies.

The World Bank reports that real GDP in 2008 in the Palestinian West Bank and Gaza was 30% below the 1999 level, with weak single digit growth in the subsequent years largely fueled by international donations. The Bank also reports unemployment rates of approximately 30%. Constraints to economic development imposed by Israel include natural resources transfer, external and internal closures, mobility restrictions, labor market dependency, asymmetric trade and fiscal dependency, destruction of physical infrastructure, private and public property, and geographical fragmentation. This blog focuses on one aspect of Israeli control, the geographic fragmentation of the Palestinian territories and its negative implications for viable economic development by impeding the movement of people and goods and restricting the use of land for natural growth and development. In fact, Israel controls almost all external formal access from the West Bank and Gaza to the rest of the world. The Gaza strip is not linked geographically to the West Bank and movement between the two areas is almost nonexistent due to Israeli restrictions. Gaza is currently facing an air, sea, and land blockade and closure by Israel. A recent op-ed describes a 2008 cable from the US Embassy released by WikiLeaks in which US officials wrote, "As part of their overall embargo plan against Gaza, Israeli officials have confirmed . . . on multiple occasions that they intend to keep the Gazan economy on the brink of collapse without quite pushing it over the edge." United Nations estimates unemployment rates in Gaza of about 45% with 79% of the population under the poverty line. In addition, 35% of Gaza's farmlands and 85% of its fishing waters are totally or partially inaccessible due to Israeli military actions. Therefore, at this point any discussion of the Gaza economy must acknowledge the impossibility of discussing coherent economic planning and development due to the geographic isolation of Gaza from the West Bank and the rest of the world as a result of the blockade imposed by Israel. While illegal under international law, Israel continues to establish settlements and outposts in the West Bank for the Israeli population. The settlements are heavily concentrated around East Jerusalem and serve to isolate the city from the rest of the West Bank - thus effectively, restricting access to the city from the remaining Palestinian areas and from the Palestinian population. Over 5% of the West Bank land area has been taken over for settlements. In addition, over 23% of the West Bank is physically restricted to Palestinians and classified as military areas, bases, and Israeli natural reserves. In the Jordan Valley, all land outside Palestinian localities was declared beyond reach for Palestinians and designated under the jurisdiction of Israeli settler councils. While difficult to obtain an exact count at a point in time, according to B'Tselem, a human rights organization, there are over 1100 impediments to transportation created by Israel within the West Bank. These impediments

include fixed, partial, and flying checkpoints and physical obstructions such as earth mounds, trenches, and

roadblocks. The impediment count does not include the obstruction to transport resulting from the Separation Wall built by Israel or the *forbidden roads* in the West Bank. United Nations Office for the Coordination of Humanitarian Affairs estimates that 1,661 kilometers of roads in the West Bank are effectively off limits to Palestinians.

The Separation Wall serves to further geographically fragment the West Bank and constitutes yet another impediment to the movement of people and goods. Its total length is 703 km, more than twice the length of the 315 km borderline which existed between Israel and the West Bank until 1967. Eighty-five percent of the Wall intrudes into the West Bank to a depth of 22 kilo-meters in some areas. When completed, 60,500 Palestinians, not including East Jerusalem Palestinians, living in 42 villages will reside in areas between the barrier and the old borderline in areas separated from the West Bank by the Wall. An additional 124,300 Palestinians living in 28 villages will be located outside the West Bank but surrounded by the Wall on three sides and controlled on the fourth with a gate access manned by the Israeli army and open during limited and irregular hours. Palestinians living outside these enclaves and closed areas as well as those living outside the wall apply for permits to reach their jobs and farms while those living in closed areas obtain special, restrictive permits to maintain their residency rights. The Wall's construction has also led to the confiscation of land and water resources, the destruction of agricultural land, and closure of businesses in the vicinity.

Under the present circumstance, the constraints on economic development placed by the geographical fragmentation of the West Bank and Gaza are very serious and introduce tremendous economic distortions. As long as the Palestinian areas are fragmented with access and movement restrictions in place, the impetus for investment and business remains unfavorable and the downward spiral in the economic trend will continue. The majority of the residents of Gaza and the West Bank will not likely see an improvement in their economic and living circumstances with foreign aid doing little more than slowing down the deterioration of the economy. For a good map of the separation barrier and fragmentation of the region, the author recommends the follow maps

http://www.btselem.org/download/separation_barrier_map_eng.pdf
http://alhaq.mits.ps/index.php/interactive-map/interactive-map-annexation-wall

Tags: Barriers to Trade, Economic Development, Geography, Israel, Palestine