

THE WEST BANK HANDBOOK //

A Political Lexicon

Meron Benvenisti

with Ziad Abu-Zayed and Danny Rubinstein

The Jerusalem Post

WESTVIEW PRESS * BOULDER, COLORADO

AGRICULTURE (ARAB)

Until 1981/82 agriculture was the most important and stable sector in the West Bank economy. It's share of the Gross National Product (GNP) varied between 22-34 percent and its contribution to the Gross Domestic Product (GDP) was 33-40 percent. This stability was attained despite the decline in the number of those employed in the sector - 42% of Palestinians employed in the West Bank to about 30% at the beginning of the 1980's. The average rate of increase in value of agricultural production between 1968-1981 amounted to 9.6 percent. Since 1983, however, the share of agriculture in the West Bank GDP shows a continuous decline. The value of agricultural production in 1984 was about \$250 million, compared with about \$300 million in 1983 and \$320 million in 1982.

The production-employment ratio and the constant increase in the value of production between 1968-1981 points to an appreciable rise in productivity. Productivity has risen due to changes in methods of cultivation, increased mechanization, technological innovations, investments in expertise and capital, a decrease in disguised unemployment in agriculture, phasing out of marginal cultivated areas, and replacement of low-value by high-value cash crops. There was growth in the value of purchased inputs: the use of fertilizer quadrupled, the number of tractors more than quadrupled. As a result, there was a dramatic increase in rural family income. Income per rural family head was \$133 in 1966, \$666 in 1974, and \$950 in 1979 (See STANDARD OF LIVING).

All these developments came about without any radical change in the resource base of Palestinian agriculture. Arable areas did not increase, and irrigated areas also remained at the 1967 level of 100,000 dunams (See WATER). Private and public investment in agriculture remained low (See PUBLIC INVESTMENT). From the middle of the 1970s there was a marked decrease in government assistance. Total loans available to farmers shrank, and were eventually completely eliminated; the number of agricultural advisers went into steady decline; no aid has been given to the regional cooperatives; marketing has remained in the hands of local wholesalers in the large cities. Employment in Israel did not affect agriculture until the middle of the 1970s, and even increased its productivity by eliminating disguised unemployment. Towards the end of the decade, however, the shortage of workers slowed growth in agricultural production.

The minimal changes in the agricultural sector's resource base reflect intentional Israeli strategy. This is characterized by Israeli efforts to

improve conditions as far as possible within the framework of existing resources, without any essential changes. The aim is to develop Palestinian agriculture without introducing structural changes such as investments in physical infrastructure, agrarian reform, or support systems like marketing or credit. Palestinian agriculture developed successfully within the constraints of the existing system. It is possible to argue, however, that actual growth, measured against a low base point (primitive conditions under Jordan), is not that significant. It would be more significant to measure the development achieved by the "improvement" policy with the probable results of an alternative strategy, i.e. structural and fundamental change in the resource base, re-allocation of land and water resources, capital investment, regional support systems, marketing and improvements in terms of external trade. Israeli strategy did not make this possible, as the resources available to the agricultural sector were frozen and all growth potential was transferred to the Israeli economy and the Jewish settlers in the West Bank.

Palestinian agriculture was allowed to develop only insofar as it would not affect Israeli agriculture, and on condition that its development would not involve a fiscal or economic drain on the Israeli economy or government. West Bank agriculture has been made to fit into the Israeli system and adjust itself to the demands of the "common market" created after the occupation. Naturally, the stronger and more developed economy gained the advantage over the weak and undeveloped one.

West Bank agriculture was thus forced into unequal competition with Israeli agriculture, capital intensive, subsidized and protected by administrative orders. The total dependence of West Bank agriculture on the Israeli economy is reflected in the fluctuations of growth rates during the occupation years, which always followed fluctuations in the growth rates in the Israeli economy. When the latter burgeoned, so did production on the West Bank, and when there was a halt in Israeli growth, agricultural growth rates in the West Bank also slowed.

Export to Jordan, the alternative outlet for West Bank production, is dependent on the policies of the neighboring state. While this export is of considerable importance to the West Bank, it does not encourage growth. The volume of export has remained at nearly the same absolute level as it was in 1966. With the development of a flourishing agricultural region in the eastern Jordan Valley, import quotas from the West Bank were set, creating added difficulties for the development of Palestinian agricultural export.

It seems that in the mid 80's Palestinian farming could not function properly any longer within the constraints imposed by Israel and its

productivity declined. Due to the centrality of cultivation in the Palestinian economy, this is bound to have a long term impact on the viability of the entire Palestinian sector and on Palestinian society at large.

AGRICULTURAL LAND USE (ARAB)

In 1983, the area under Palestinian cultivation in the West Bank totalled 1,722 millions dunams, comprising over a million dunams of orchards (including 750,000 dunams of olives), about 550,000 dunams of field crops, 100,000 dunams of vegetables, and 50,000 dunams of watermelons. In 1984 the cultivated area was 584 million dunams, a decline of 8.0 percent from 1983. The decline resulted mostly from a reduction in field crops following a drought year.

It should be noted that since 1967 there has been no substantial change in the extent of the cultivated area. In 1968 the cultivated area came to 1,683 million dunams and in 1975 to 1,626 million dunams. From 1966 to 1983 the irrigated area too, stayed between 80,000 and 100,000 dunams. This relative stability refutes the contention that there has been a drastic decline in cultivation as a result of land confiscation and closure. However, this stability, and in particular the lack of growth in irrigated areas, indicates that the agricultural resource base has been frozen at 1967 levels (see above). Beside agricultural cultivation, a million-and-a-half dunams were used in 1983 as natural pasture.

CAMP DAVID ACCORDS

Agreements laying down the principles of the peace treaty between Israel and Egypt and of the future of the West Bank and Gaza Strip. They were concluded at Camp David, Maryland and signed in Washington on September 17, 1978, by Anwar Sadat, President of Egypt, and Menachem Begin, Prime Minister of Israel, and witnessed by Jimmy Carter, President of the United States. Documents dealing with the West Bank and Gaza Strip are "A Framework for Peace in the Middle East" and an exchange of letters on the commitment of Egypt to conduct peace negotiations on the future of the West Bank - even without Jordanian participation - and on East Jerusalem. Another letter dealing with the timetable for negotiations on the implementation of the Camp David accords was signed along with the peace treaty between Israel and Egypt on March 26, 1979.

The principal topics are as follows: there will be transitional arrangements for a period of not more than five years. In the framework of these arrangements, full autonomy will be established for the residents, under a Self Governing Authority (SGA). The Israeli military government and its civil administration will withdraw and be replaced by the SGA. The parties will negotiate an agreement specifying the powers and responsibilities of the SGA, which will be elected in general elections. The SGA will begin its term one month after free elections are held, at which time the transitional period will begin. A strong local police force will be established. Israeli forces will be redeployed in designated security areas. A permanent committee made up of representatives of Israel, Jordan, Egypt and the SGA will decide, by agreement, on the return of refugees, security matters and other matters of mutual concern. No later than the third year after the beginning of the transitional period, there will be discussions on the permanent disposition for the West Bank and Gaza Strip and the relations between them and their neighbors. The solution must be acceptable to all sides. Concurrently, peace talks will be held between Israel and Jordan, with elected representatives of the residents of the West Bank and Gaza Strip among the Jordanian delegation. These negotiations will take into account the agreement reached on the permanent status of the territories (as agreed upon by the four-party committee mentioned above).

After numerous delays, Egypt and Israel began, with American participation, negotiations on the implementation of the above agreement. However, the discussions soon reached a dead end. Each party had opposing interpretations of the agreement and their positions were polarized. Egypt (See AUTONOMY PLAN (EGYPTIAN)) saw the

transition period as the first stage in the achievement of Palestinian self-determination and total Israeli withdrawal from the territories. Since they knew there was no chance of establishing autonomy – self governing authority – without the agreement of the residents of the territories (since it would only come into existence after free elections were held), Egypt asked Israel to assist in persuading local residents to participate by creating a more favorable political climate in the territories and taking “confidence-building measures” such as permitting the return of deportees, halting establishment of new settlements, releasing political prisoners and permitting economic development. The United States position was similar to that of Egypt, but its representatives preferred to suggest compromise formulas in order to create momentum for a step-by-step agreement.

The Israeli position, based on the Israeli autonomy plan (See AUTONOMY PLAN (ISRAELI)), saw the transitional period as a permanent arrangement (on the assumption that no agreement would ever be reached on the eventual status of the West Bank and Gaza Strip). Moreover, Israeli government policy was directed to implementing its own political objectives regarding IDF deployment, settlements, land seizure, administrative arrangements (See CIVILIAN ADMINISTRATION) and the status of Jewish residents (See ISRAELI REGIONAL COUNCILS, CREEPING ANNEXTATION). These steps were in direct contradiction to Egyptian and American demands to initiate confidence-building measures. These steps, which amounted to *de facto* annexation, increased the opposition of the residents of the territories to the Camp David accords.

The Israeli government did everything in its power to frustrate the possibility of finding any group in the territories prepared to join the peace process. The Jordanian government refused to join the Camp David process and has not changed its position. Starting in 1981, the Camp David process went into deep freeze and all parties have basically given up on it. The national unity government (July 1984) announced that it does not see the Camp David process as the only framework for peace negotiations with Jordan and the Palestinians. The American government (See REAGAN INITIATIVE) has declared that it will continue to pursue the Camp David process but has hinted that it will not necessarily be bound by the provisions of the framework agreement. Egypt has once again suggested that a peace conference be convened with the participation of the superpowers, as an alternative to Camp David. Jordan and the Palestinians have declared their adherence to the Fez Plan (See FEZ SUMMIT RESOLUTIONS). In February 1985, Jordan and Egypt (with

the qualified agreement of the PLO) launched a new peace initiative (See HUSSEIN-ARAFAT AGREEMENT), termed “the last chance” by King Hussein. Its major proposal concerns talks between the United States and a joint Jordanian-Palestinian delegation, as a step towards convening an international conference.

CONSTRUCTION (ARAB)

1. Private Construction

The lion's share of capital investment in the West Bank (some 55 percent) goes into the construction of private homes. Total building completions in 1983 (in the Arab sector) reached 672,000 square meters, with building starts at 600,000 square meters. The surge in construction in the territories began in 1974. It peaked in 1981 at about 800,000 square meters, 14 times as great as in 1968. Since 1982-1983 there has been some decline, and in 1984 total residential building completions came to 617,000 square meters. Private building starts may be divided by use: 80 percent for new apartments, 5 percent for additions to existing residences, and 15 percent for non-residential buildings. Some 58 percent are in cities and 42 percent in villages. Private residential construction in rural areas has grown faster in recent years than in urban areas. As a result of this building activity, residential density declined from 3.0 persons per room in 1972 to 2.6 per room in 1983. There has also been a noticeable improvement in the level of facilities in the home. In 1972, only 16 percent of residences contained bathrooms; by 1982 this had risen to 58 percent. The major consequence of this building activity on the West Bank is, however, the dramatic growth in built-up areas, both in towns and villages. In 1982 the built-up area of the West Bank stood at 260,000 dunams out of 5.5 million (See LAND USE). The building was not congested, but followed a pattern of ribbon development, with long, narrow, built-up areas along roads and access routes, and scattered

building in cultivated areas. However, it also includes the filling in of vacant lots between existing buildings. Aerial photographs reveal the tremendous growth of construction in municipal areas. In 1967, the built-up area of Hebron was 7,000 dunams, out of a planning area of 73,000 dunams (9.6 percent); in 1982, the built-up area of Hebron covered more than 20,000 dunams (27 percent of the planning area). Growth in the built-up area of Beit Jala between 1968-1979 was 55 percent; in al-Bira, 67 percent; in Salfit, 162 percent; in Hebron, 185 percent; in Beit Sahur, 267 percent; in Bethlehem (outside the city center), 125 percent; and in south Ramallah, 76 percent.

The extensive development in private construction was funded, for the most part, from the savings of West Bankers employed in Israel, and from cash transfers from relatives working in Arab countries. Aside from the purpose of expanding the housing supply, the Palestinians see construction as a political strategy. Their experience is that the Israelis refrain from expropriating built-up, populated land. The PLO and Jordan take a similar view of the matter. For this reason, the Jordanian government and banks make loans available on easy terms through the JOINT COMMITTEE to every West Bank resident wishing to build a home and possessing a building permit (See SUMUD). In West Bank towns, construction cooperatives have been organized, also with Jordanian funding.

2. Public Construction

The rate of public construction is inversely proportional to the surge in private construction. In 1983-1984 there were no building starts at all in the public sector (for education, health, etc.). The total building starts in the public sector were 11,200 square meters in 1968, 5,000 square meters in 1978, and 1,500 square meters in 1981. This highlights the extremely low level of public investment in the West Bank, and the lack of initiative on the part of the military government regarding community development. The disparity between private and public construction is one example of the contrast between individual prosperity and communal stagnation typical of the West Bank (See ECONOMIC POLICY). See also PUBLIC CONSUMPTION AND INVESTMENT.

CONSULATES

The formal adherence of most countries to the United Nations 1947 resolution on the internationalization of Jerusalem has resulted in most embassies accredited to Israel being located in Tel Aviv rather than the capital. The few embassies and legations that were located in Jerusalem left after the Knesset passed the "Jerusalem Law" in 1980.

CREEPING ANNEXATION

A term meant to describe the process by which Israeli administration, jurisdiction and law have gradually and incrementally been imposed on the West Bank in ever-expanding areas, without a comprehensive act of annexation. That process, which can also be termed *de facto* annexation, changes the status of the West Bank from an area under military occupation to one which is in fact subject to the Israeli system. Creeping annexation is generally seen in its demographic and physical aspect (See DEMOGRAPHY (ISRAELI)) but in that the term "annexation" is legal and constitutional, it should be described in that context.

The basic law on the West Bank is Jordanian. On the basis of the powers assumed by the MILITARY GOVERNMENT, more than 1,100 orders and many hundreds secondary regulations have been promulgated (See SECURITY ENACTMENTS). The law on the West Bank is therefore two-tiered. The Israeli administration on the West Bank also wears two hats: it acts on the basis of Jordanian law, whose authority it assumed upon the ousting of the Hashemite sovereign, and also on the basis of Israeli law, to which it is subject since it is one of its arms (See STAFF OFFICERS). The Israeli legal and administrative system was transferred to the West Bank in other ways too, chiefly in that Israeli settlers, although ostensibly subject to the territorial law in force in the West Bank (i.e., Jordanian law and the security enactments), actually have the rights and duties of residents of Israel. Those rights were conferred upon them by special Israeli legislation (See PERSONAL STATUS OF ISRAELIS). This is also the case regarding the Israeli administrative system applied in the Jewish settlements (See ISRAELI

REGIONAL COUNCILS). The dual situation is evident in that the Israeli Supreme Court considers itself competent to pass judgement on the actions of the administration in the territories although its judicial authority is limited territorially (See HIGH COURT OF JUSTICE) to the State of Israel. Below we present several examples of the application of Israeli law in the territories, either directly (through legislation by the Knesset) or indirectly (by promulgation of orders of the military government, which are merely copies of Israeli laws), or else, by the transfer of executive powers according to local law to Israeli statutory bodies and the usurpation of powers held by local (Jordanian) bodies.

Anyone physically present in the West Bank is subject to local law and the local judicial system - civil and military. The emergency regulations which were legislated by the Knesset granted parallel judicial authority (regarding Israeli citizens) to Israeli courts as well, subject to Israeli law. All Israeli citizens are tried only by Israeli courts. Moreover, according to the instructions of the legal STAFF OFFICER no local policeman may charge any Israeli citizen with any crime, including traffic violations. The Israeli election laws enfranchise citizens of Israel residing in the country. Israeli residents of the West Bank were thus not entitled to vote, for their permanent place of residence was not in Israel. Consequently the election law was amended so that any Israeli citizen listed in the registry of residents and living in an area occupied by the IDF would be included on the voting list.

For a long time the Israeli status of citizens of Israel living in the territories was not formally settled, though in fact they enjoyed all the rights of citizenship through extra-legal arrangements. In January 1984, that ambiguity was resolved through legislation in the Knesset, stating that for the purpose of certain laws, Israelis or those entitled to Israeli citizenship through the Law of Return (i.e., Jews) living on the West Bank would be viewed as residents of Israel. The main law mentioned in these regulations is the Law of Israeli residents' registry. Thus the status of Jewish residents of the West Bank was made equal to that of residents of Israel.

Israeli tax laws, such as income tax and the tax on land appreciation, were applied to business transacted by Israeli residents of the West Bank.

The above are all examples of the application of Israeli law by means of legislation in the Knesset. The second way in which Israeli law is applied is the issuance of military orders identical to Israeli law. Thus, Israeli regional councils were established according to orders which are word for word copies of Israeli municipal laws. Similarly, local courts were established in the Israeli settlements by means of military orders and

function according to Israeli law. Jewish religious councils were also established by military order.

The military government, in accordance with international law, assumed the powers of the Jordanian administration. However, contradictory to international law, no absolute distinction was made between Israeli civilian government bodies and military bodies acting on the basis of military occupation. On the contrary, the distinction between the two became increasingly vague until it virtually disappeared. One example concerning the Israeli police on the West Bank, is highly significant because the police are responsible for enforcing the law. Order 52, promulgated in 1967, placed the men and officers of the Israeli police under the command of the military governor and gave them authority to police the West Bank. That authority derived both from Jordanian law and from the security enactments. An amendment (105) to that order stated that every policeman and police officer on the West Bank was considered to be under the control of the military commander. That amendment meant that the entire chain of command of the Israeli police (which derives its authority from the Israeli police ordinance) was in force on the West Bank (See KARP REPORT, POLICE). Another example of the transfer of authority on the West Bank to Israeli statutory bodies is the power given to the Parks and Nature Reserves Authorities to supervise certain areas of the West Bank. However, the main instance of the blurring of the distinction between the military authority on the West Bank and the Israeli civilian administration is the institution of STAFF OFFICERS.

In addition to imposing the Israeli system by copying laws and granting authority, Israeli norms were also imposed through orders altering Jordanian law. Those changes were also imposed through orders altering finance and taxation, but also in other areas (including insurance, motor vehicles, infrastructure and planning). Jordanian law, and the administrative structure which derived authority from it, were vitiated by usurping statutory powers from Jordanian bodies (the king, the council of ministers, statutory commissions, courts, authorities) and transferring them to the officers and employees of the Israeli military government.

Creeping annexation appears to be in violation of the HAGUE REGULATIONS (Section 43), but the HIGH COURT OF JUSTICE (HCJ) has chosen to interpret those regulations broadly and rejected the claim of the illegality of amending the Jordanian law. In the opinion of the HCJ, the regulations did not intend to freeze the law. The HCJ created a new test of the motives of the military legislator: if an amendment is made for the benefit of the local population, it is permissible. When the test

relates to the substance of the amendment, the way is open for extensive change, whenever the HCU is persuaded that the change is for the benefit of the population. How the local population is to be defined (Israeli settlers or Palestinians), whether the population is interested in the change, and whether the administration (and the HCU) may determine what is in its interest is a different matter altogether.

The legality of legislation enacted by the Knesset has not been subjected to the test of the HCU, for it has not been appealed.

After 19 years of Israeli rule, the administrative and judicial structure of the West Bank has been integrated into that of Israel so extensively that there is no practical need (judicial or administrative) for the formal step of applying the Israeli legal, judicial, or administrative system. On the contrary, such a step would be politically dangerous and create more complications than the continuation of the present, fluid situation. The major complications that would be entailed were the territories to be annexed would concern the personal and communal status of the Palestinian population.

ECONOMIC POLICY

In the perspective of 18 years of occupation, Israel's economic policy appears on the surface to be clear, consistent, and deliberate. It can be summarized in a few sentences: freezing the economic development of the Palestinian sector along with encouragement of improvements in the standard of living, based on income from work in Israel; economic prosperity for individual residents alongside economic stagnation at the communal level; discouraging independent economic development that would enter into competition with the Israeli economy, and prevention of independent economic development that could enable a Palestinian political forces to establish power bases, and eventually a Palestinian state. A relatively high standard of living, achieved by employment in Israel, is to create greater dependence on Israel and distract public opinion from politics; economic dependence is also to be achieved by the integration of infrastructure systems (roads, electricity, water); economic rewards and punishments form part of the political and security control system in the territories.

This policy appears to have been executed with great success, as is evident from an examination of the various economic sectors (See NATIONAL ACCOUNTS, FOREIGN TRADE, AGRICULTURE, INDUSTRY, EMPLOYMENT). Closer scrutiny of the economic decision-making process, however, shows that the "consistent" policy is merely a haphazard *post facto* consequence of decisions made without forethought, in response to pressures, or as compromises or concessions to Israeli pressure groups. This has been the pattern with decisions on the OPEN BRIDGES, EMPLOYMENT IN ISRAEL and BANKING. In actual fact, economic policy is inseparable from political and security policies, and derives from them.

Economic policy has conformed to political philosophy. In the years 1967-1973, Israeli rule in the territories was seen as temporary and the government therefore refrained from institutionalizing the economic relations between the territories and Israel. The belief that protracted Israeli government of the territories would create an insupportable economic burden upon Israel also contributed to this attitude.

As the years passed, it became apparent that the territories did not have to be an economic burden, but could provide obvious economic advantages as an outlet for Israeli goods and as a cheap labor market (See FOREIGN TRADE). They even proved not to be a FISCAL BURDEN. The political decision "not to decide," and to keep all options open for economic separation (the economic expression of the "territorial compromise" approach), eventually became a long-range policy to integrate the economies insofar as Israeli interests were concerned, but without granting a system of incentives and Israeli assistance to the local population and its productive sector.

This dual system characterizes economic activity in the West Bank.

EDUCATION (ARAB)

The Arab educational system operates according to the Jordanian system existing before the occupation. Three different systems function in the region: government, UNRWA, private.

Arab education comprises three levels:

I) elementary: compulsory, six years; II) prep school: compulsory, three years; III) high school: compulsory but not free, three years.

The number of students in the West Bank in 1984 reached 278,500 in 8,185 classes. The number of teaching jobs was 7,310, and the number of administrative and service workers 836. In vocational schools and teachers' colleges, the number of students grew from 3,163 in 1967/68 to 6,098 in 1982/83.

The highest educational authority in the West Bank is the Examination Committee in Nablus. This authority operates the matriculation system and the final examinations for teachers' colleges according to the Jordanian system. It is headed by a chairman to whom the matriculation examination directorate and college affairs directorate are responsible. Members of the committee include the directors of the bureaus of education in the six sub-districts, and of the three teachers' colleges. The committee sets examination papers and arranges examination halls, proctors and examiners. It coordinates the entire regional system, including East Jerusalem.

The UNRWA Educational System operates mainly in the refugee camps and is maintained by UNRWA (the United Nations Relief and Works Agency). The system is similar to the government one except that students go on to government high schools after completion of prep schools. The system includes a teachers' college in Ramallah and a vocational school in Kalandiya. There are 39,882 students in 97 schools, 1,178 teachers and 79 administrative workers.

Private Schools are mainly communal and Christian. They are located principally in the Bethlehem and Ramallah sub-districts. The Christian

institutions are supported by world organizations and comprise all levels including high school. There are 269 kindergartens for 9,454 children, which operate in conjunction with the private schools. The total number of students is 23,526 in 822 classes. In spite of the Christian sponsorship, the vast majority of the students are Muslim - 15,872, as against 7,636 Christians. The teaching staff numbers 1,106, with 123 administrative workers.

Government Vocational Education - These schools are attended by 659 students in 20 classes. The majority are Muslims and 140 of them are from refugee camps.

The vocational school in Nablus was founded in 1960 and serves 290 students in 11 classes in the following subjects: electricity, auto mechanics, carpentry, plumbing, construction, metalwork, and draftsmanship. There are 23 teachers and 10 administrative workers. The school has 14 workshops.

The vocational school in Tulkarm was founded in 1975, with the aim of raising consciousness with regard to vocational education. There are 183 students in six classes, 13 teachers, and six administrative and service workers.

The vocational school in Deir-Dibwan was founded in 1976, with the same policy of expanding vocational education. There are 91 students studying in three classes. UNRWA operates a vocational school in Kalandiya, and in Hebron there is a private Polytechnic Institute, in addition to other private schools teaching technical subjects.

Government Teachers' Colleges operate with funding from the civilian administration, which includes upkeep of the dormitories attached to them. They serve 608 students, including 130 from the refugee camps. There are 31 classes and 53 teachers.

The following data reflect developments in Arab education in the West Bank: the number of those with no education fell from 47.5 percent in 1970 to 26.6 percent in 1983 and the illiteracy rate has fallen from 27.8 percent to 13.5 percent for men, and from 65.1 percent to 38.9 percent for women (1970-1983). In 1983 the number of men with post-secondary education was 12.4 percent, as against 1.4 percent in 1970, and for women 5.3 percent, as against 0.5 percent. In 1983 men between the ages of 18 and 24 were educated as follows: illiterate, 1 percent; elementary school, 17 percent; prep school, 16 percent; high school, 43 percent; post-secondary, 23 percent. Among women of the same ages, the breakdown was: illiterate, 7.5 percent; elementary school, 31 percent; prep school, 14 percent; high school, 34 percent; post-secondary, 13.5 percent. See also EMPLOYMENT, DEMOGRAPHY, UNIVERSITY GRADUATES.

ELECTRICITY

The West Bank's electricity comes from three sources: the national Israeli grid (The Israeli Electric Corporation), Arab municipal and regional grids, and small diesel generators in Arab villages. At the beginning of 1983 power sources for the West Bank were as follows: a) power stations - Nablus and environs, 21 megawatts; Jerusalem and environs, 15 megawatts; Jenin, three megawatts; Jericho, three megawatts; 200 generators (about one quarter-megawatt each) in Arab villages; b) high tension lines (national grid): two high tension lines of 5.5 megawatt-ampere from Jerusalem to Hebron, three high tension trans-Samaria lines (7.5 megawatt-ampere) and a 3.3 kilovolt line from the Beit She'an station along the Jordan Valley. Under construction: lines from Jerusalem to the Jordan Valley, from Hebron to Yata, from Tapuah to Elon Moreh, and south and west Mt. Hebron. The towns of Kalkilya, Tulkarm, Halhul, Hebron, Jenin, and part of Nablus are connected to the Israeli national grid, as are 33 Arab villages (three in the Jenin sub-district, 10 in the Nablus sub-district, 16 in the Tulkarm sub-district, and four in the Hebron sub-district). A number of other Arab villages are also in the process of being connected. The Jewish settlements outside the concession area of the East Jerusalem Electric Company are connected to the national grid. All Gaza's electricity is supplied by the national grid.

In 1967, the power stations in the West Bank supplied 10.5 megawatts. Nablus and Jerusalem consumed 77 percent, Hebron 9 percent, and the rest of the West Bank, 14 percent. Beginning in the mid-1970s, the authorities began connecting up the West Bank to the national grid. The Palestinian local authorities launched a campaign against the incursion of the Israeli Electric Corporation, seeing linkage with the national grid as creating a permanent political fact. A petition submitted to the High Court of Justice by the East Jerusalem Electric Company against the connection of Hebron and environs to the Israeli grid was rejected; the efforts of Arab towns and the East Jerusalem company to open and expand power stations were confronted with obstacles and several requests for the import of new diesel generators were turned down. It may be assumed that with the expiration of the East Jerusalem Electric Company's concession and the development of infrastructure for the Jewish settlements, local production of electricity will gradually be eliminated.

There has been considerable growth in the consumption of electricity in the West Bank since 1967. In 1970 it was estimated at 37 million kilowatts hours, and in 1980 reached approximately 130 million kilowatts (without the Jewish settlements but including East Jerusalem). In Nablus, consumption rose from 10.5 million kilowatts in 1970 to 32.0 million kilowatts in 1980, and in Hebron from 1.5 million to 19.2 million kilowatts. The major change, however, came in the expansion of electric supply to outlying towns and villages, whose consumption rose from 0.7 million kilowatts in 1970 to 11.5 million kilowatts in 1980. A peak demand of 25 megawatts was estimated (1983) for the West Bank (not including East Jerusalem). The Israeli Electric Corporation reported a growth of 33.8 percent in West Bank consumption between 1983/4 and 1984/5, from 94.6 million kilowatts to 126.6 million kilowatts.

In 1981, 96 percent of city households had regular electric supply and 72 percent of village households were supplied electricity for at least a few hours a day. The percentage of houses supplied with electricity (for at least a few hours per day) was 23.1 in 1967 and 48.0 in 1975. The percentage owning electric refrigerators rose from 14 percent in 1974 to 60 percent in 1983, and the percentage of television owners from 13 percent in 1974 to 75 percent in 1983. Industrial electrical consumption also grew rapidly. It should be noted that growth in electricity consumption was higher in towns connected to the Israeli grid (Hebron, Tulkarm) than in Nablus. This indicates that had more electricity been supplied to the other towns, their consumption would have been even higher. According to the development plan of the Israeli Electric Corporation, the Arab family's participation at peak demand will be 0.45 kilowatt (1986), 0.60 kilowatt (1990) and 1.00 kilowatt (2000). This is less than half the rate calculated for a Jewish family (in each target year) and lower still considering the size of an Arab family (on average 50 percent larger than a Jewish family). This planning indicates that the disparity between Jews and Arabs in standards of living and levels of electrical supply to industry will persist into the 21st century.

Israeli Electric Corporation projections call for a tripling of electrical supply to the West Bank by the end of the century (an average supply of 70 megawatt-ampere) to the Jewish and Arab population.

In addition to approximately 150 kilometers of high tension lines already constructed in the West Bank by the Israeli Electric Corporation, and lines scheduled for 1984-85 (see above), two sub-stations of 30 megawatts each are planned for the present decade in Tapuah - which is connected by high tension lines 40 km to Petah Tikva - and in Kiryat Arba (60 megawatts). Kiryat Arba is connected by high tension lines to the sub-station at Even Sapir, near Jerusalem. Two more sub-stations, at Kedumim and Givon, are planned for the next decade.

EMPLOYMENT IN ISRAEL (PALESTINIAN)

Employment in Israel, or, as the economists say, "the export of labor services," is a decisive factor in the economy of the West Bank, contributing 20 percent to the Gross National Product of the region, only slightly less than the contribution of the main economic branch, agriculture, 22 percent of GNP (See AGRICULTURE). Income from employment in Israel compensates for most of the negative balance of trade of the area ("excess imports"). That income has been a decisive factor in the constantly rising standard of living of the residents of the West Bank, and its growth is conspicuous in comparison to the stagnation in the productive sector and the West Bank's Gross Domestic Product.

In 1982, according to official statistics, 43,000 workers from the territories worked in Israel, 30 percent of the West Bank labor force. In 1984 the number came to about 50,000, 31.5 percent of the labor force that year. To that figure must be added approximately 20,000 illegal workers, i.e., those not employed through the official labor exchanges.

In 1972, 14,700 West Bank workers were employed in Israel (12.8 percent of the West Bank labor force); in 1975 there were 40,400 (30.5 percent of the labor force), a proportion remaining unchanged until 1984. In contrast to the relative stability in the number of workers from the West Bank during the past decade, there has been a constant rise in the number of workers from the Gaza Strip employed in Israel (17,500 in 1972, 22,700 in 1973, 35,900 in 1981, 40,000 in 1983). Consequently, the proportion of workers from the West Bank among total workers from the territories in Israel fell from two-thirds in the mid-1970's to one-half in the mid-1980's. That is because, in contrast to the Gaza Strip, employment in Israel is not the only source of employment for residents of the West Bank. They can maneuver among four options, depending on economic and political circumstances: employment in Israel, in the West Bank, in agriculture in the West Bank villages, or work in Arab countries abroad. The decrease in employment in the Arab oil-producing states, for example, brought significant growth in employment in Israel in 1983-84. Every job-seeker on the West Bank found work in Israel. According to administration reports, in 1983-84 the demand for workers from Israel exceeded the number of job-seekers applying to the labor exchanges, despite the increase in unemployment in Israel. That is because the employment of West Bank Arabs in certain branches of the Israeli economy has become institutionalized, and Jewish workers are not

generally willing to accept those jobs.

When Israel emerged from the recession of 1966, workers from the territories took the place of Jewish workers in construction and services who had lost their jobs because of the recession and did not return because of the low pay and low status. Workers from the territories comprise no more than 5-6 percent of the Israeli labor force (8 percent of workers in production), but they are concentrated in certain branches: half of the workers from the territories are employed in construction, 18 percent of all workers in that sector in Israel. West Bank workers are even more preponderant on the building site itself. In municipal sanitation services, in the hotel industry and in other services, their proportion is also very high. By far the majority (79 percent) are employed in the Jerusalem and Tel Aviv metropolitan areas. Only about 18 percent are employed in industry, and there too workers from the territories are concentrated in unskilled jobs.

The structure of the job market limits competition between West Bank workers and Israeli labor. Israelis would rather receive unemployment compensation than perform the low-status, manual jobs in which the Arab workers are employed. In fact, reports of the Israeli labor offices show that thousands of jobless Jews choose to forfeit the right to unemployment compensation by refusing to take what they regard as "Arab work."

The employment of workers from the territories in Israel has thus had a structural, sociological impact rather than a purely economic effect. Their contribution to the Israeli labor force is marginal, but they alone are willing to perform certain vital jobs in sectors perceived by Israelis as beneath their dignity or too low paying. For that reason workers from the West Bank employed in Israel are resistant to growing unemployment. Moreover, they have other employment options, as noted above.

Most of the West Bank workers employed in Israel are male (97 percent), aged 14-34, and married. Half are the sole wage earners in their households.

About a third of the workers from the territories have been employed in Israel more than 10 years, and a fifth have worked for the same employer for more than four years. This demographic stability shows that employment of workers from the territories has become a way of life, facilitated as travel time for most of the workers does not exceed an hour and about 80 percent return home every evening.

The increase in the pace of construction of Israeli settlements on the West Bank and the establishment of industry there has increased the number of workers from the West Bank who do not need to travel to

Jewish centers across the green line. These workers are included among those employed in Israel, as the statistics are ethnic, rather than geographical (See NATIONAL ACCOUNTS).

EMPLOYMENT IN ISRAEL - WAGES

Wages and Salary

There are no exact statistics, but the declared policy of the employment service is equal pay for equal work without distinction of citizenship (See GENERAL FEDERATION OF LABOR (HISTADRUT)). Most of the residents of the territories are hired on a daily basis in all branches, except for agriculture, where it is obligatory to go over from a daily to a monthly basis after five years. In most of the other branches the transition from a daily to a monthly basis depends on the employer, and in general employers prefer the daily basis, where the pay is lower and does not include social benefits. A significant number of the workers receive the minimum wage or less. On the first of the month the worker receives an advance equal to a third or a half of his monthly wage, and in the middle of the month he receives the rest from the employment service. The Arab worker receives premiums equal to only 30 percent of his daily wage, whereas the Israeli worker's premiums are about 50 percent of his daily wage.

Tenure

The maximum permitted daily employment period in Israel is five years. However, a worker who is not a permanent resident of the State of Israel is not entitled to tenure at work. Consequently a resident of the territories is not entitled to sick leave or paid vacations from his employer. His wages are lower; he is entitled to severance pay equal to 12 days' wages for every year he has worked, whereas a worker employed on a monthly basis is entitled to a month's severance pay for every year of employment. The day laborer is in greater danger of being fired than the monthly worker, and when a worker from the territories is fired after less than six months any severance pay is dependent on the good will of his employer.

Seniority

Workers from the territories rarely receive pay increases for seniority except in the construction industry, where the worker must prove his seniority by means of work examinations. Unless the union is influential or the employer has some specific interest, a worker from the territories receives less for seniority than one from Israel. As of the twelfth year of employment, a West Bank worker is entitled to no increase in seniority pay, even if he works for a longer period.

Sick Leave

A worker from the occupied territories is entitled to receive his salary from the labor exchange during the period he is sick. His rights are identical to those of any day worker, including Israelis.

Mourning Periods and Festivals

Payment for the mourning period of a worker from the territories is not obligatory and depends on the employer's good will. Unlike an Israeli, a worker from the territories is not entitled to three days of paid vacation. As for festivals, only in the construction industry and agriculture do the same conditions apply to Israelis and workers from the territories. In other sectors, the decision depends on the employer's good will.

Pension

A pension is paid to a worker from the territories only if he has worked for at least 10 years in Israel. The worker may receive a monthly pension six months after the day of his retirement. Alternatively his heirs may receive the entire sum in one payment from the day of his death. It is not clear whether his wife is entitled to a pension, or, if his wife dies, whether his children are entitled to receive it, as is the case in Israel. A resident of the territories is not entitled to a pension if his health forces him to retire before retirement age (65), even though part of his salary may have been set aside for that purpose.

Recuperation Allowance

Unlike Israeli workers, who receive a fixed and standard sum annually, a resident of the territories receives a recuperation payment, which is a function of the size of his salary over the past year. Moreover, because of inflation, the value of that payment is eroded, which is not the case with an Israeli worker.

Clothing Allowance and Vacation

Only in agriculture is the worker entitled to a clothing allowance (2 percent of his annual salary). In other sectors it depends on the employer's good will. Since workers from the territories are paid on a daily basis, they are entitled to up to 14 days of annual vacation, less than received by an Israeli worker.

National Insurance

There are no clear statistics about national insurance arrangements regarding the 50,000 legal workers from the territories. A sum equal to 20 percent of the worker's net pay is transferred to the employment service, the same sum as is transferred by Israeli employers and workers. However, whereas for the Israeli worker the payments are transferred to

the National Insurance Institute, those made in the name of the worker from the territories are transferred directly to the Treasury. That money, the "withholding fund," covers part of the budget of the occupied territories (See FISCAL BURDEN). A resident of the territories is entitled to accident insurance and insurance against the employer's bankruptcy to the same extent as an Israeli worker. Residents of the territories also receive childbirth benefits and 12 weeks' paid maternity leave, but this applies only to women giving birth within the State of Israel, not in the territories. A resident of the territories is not entitled to payments for old age, widowhood, dependent children, survivors, general disability, unemployment, or social benefits. That money, set aside from the worker's salary, is kept, according to Ministry of Labor policy, for the time when "the future of the territories is decided and talks are held in the framework of peace negotiations."

EMPLOYMENT ON THE WEST BANK

1. Israelis

The first settlements established in the West Bank according to the Allon Plan were based on the traditional settlement model of the Labor movement. That movement seeks to establish communities with an agrarian way of life (including agriculture and industry), supporting themselves socially and economically and providing employment within the settlement itself or in regions composed of cooperative settlements of all kinds, i.e., kibbutzim, collective moshavim, and cooperative moshavim.

Settlement based on this model requires large allocations of agricultural land and supply of water and the establishment of industrial enterprises as well as housing and public institutions. Since the settlement area chosen for ideological and security reasons (See ALLON PLAN) was the relatively inaccessible Jordan Valley, it demanded considerable capital. That settlement model, predicated upon settlers with strong ideological motivation, did not attract large numbers, and its growth potential was low. Because of the crisis in Israeli agriculture, the shortage of public investment funds, and the harsh topography and climate, there was a large turnover among the settlers, who ran into economic difficulties. The number of settlers in the Jordan Valley has never exceeded a few thousand.

The proponents of "settlement in all parts of the Land of Israel," Gush Emunim and the first Likud government, were not constrained by Alignment settlement policy. Their goal was to populate the West Bank with Jewish settlers en masse, quickly, extensively, and in any way

possible. The members of Gush Emunim were older than the products of the Labor youth movements; they were urban, white-collar workers not attracted by agrarian life. What did attract them was the idea of being within commuting distance of their jobs in the metropolitan areas. They developed a new type of "pioneering settlement," the COMMUNITY SETTLEMENT. Settlements of this type established between 1977 and 1984 were open, semi-urban bedroom communities within 30-45 minutes of the urban centers on the other side of the green line. Because of the shortage of land and water few of those settlements were based on agriculture.

Liberal allocations of public funds made it possible for many of the Gush Emunim settlers to earn a living in the public sector in their settlements and region. According to the WZO (1985) census most of the families (over two thirds) have two breadwinners (husband and wife); 74% are employed in the public sector, 13.2% in industry and 1.5% in agriculture.

Twenty-nine percent of family heads define their occupations as "managers"; 23.3% white-collar, businessmen and service workers; 15.5% are professionals, 9% are academics and 16.6% are in industry and agriculture (professional employees).

About 79% travel to work each morning outside their own settlements; about 62% commute to the nearest big city and 17% travel to another West Bank settlement. About three quarters are salaried employees and approximately 12.5% are self-employed. Fifty-three percent have postsecondary education.

By comparison, in Jerusalem, which is known as a "white-collar city", 43.7% of employees were in public and community services in 1984. The percentage in the veteran urban Jewish settlements within the Green Line is 29%. The percentage of "managers" in the total Jewish population nationally (native-born Israeli) is 5.4%; the percentage of white-collar workers and businessmen is 27.7% and the percentage of academics is 8.6%.

The percentage defining themselves as housewives in the settlements is surprisingly low, given that the majority have at least three children. Out of the entire female population in the yishuvim kehilatim, 65% were salaried employees (as compared to 47% of Jewish women with three children, nationally) and in this group 93% worked in the public sector in the settlement itself or in the immediate vicinity.

Settler spokesman claim that this profile represents the "initial settlement phase," while the economic and occupational base are still undeveloped. However, an earlier census conducted in 1982 and reported

by us in a previous publication, shows that the three intervening years of massive investment have produced no substantial change in the picture. In 1982, 47.8% of Mateh Benyamin settlers commuted to Jerusalem and Tel-Aviv and 5.4% to other settlements in the region; 60.6% of salaried employees in the settlements were in the public sector. In Gush Etzion (1982) 41% commuted to work, and 36% of workers in the settlements were employed in the public sector (21% of the total labor force). Comparison of the 1982 and 1985 censuses indicates that the economic viability of the settlements (excluding the large urban centers), as reflected by the percentage of commuters, has even declined somewhat.

The government wished to employ at least part of the settlers in industry. In the relatively old settlements (Mishor Adunim, Kiryat Arba, Ma'aleh Ephraim), industrial facilities were built, but the plants there were labor intensive and most of the employees are Arabs from the surrounding area. The development plan for industry in the West Bank is based on high-technology industry and the transfer of industry from the metropolitan areas to the new industrial zones in the West Bank. In 1984 industrial parks in the territories covered 1,500 dunams and employed 2,500 workers, 70 percent of whom were Jews. According to the plans, thousands of Jewish workers are supposed to be employed by industry in the West Bank. However they will not necessarily be residents of the West Bank. Since the conception is metropolitan in nature, the planners expected that there would be daily commuting in both directions between the settlements in the West Bank and the big cities. Some of the settlers will continue to work in the cities, and some of the residents of the cities will commute to industry concentrated within relatively close range. See also INCENTIVES FOR SETTLEMENT.

2. Palestinians

The total population of working age (14 and up) in the West Bank reached 436,000 in 1984, and the labor force was 154,000. Thus the level of participation in the labor force was 36.7 percent. Participation of women was lower (12.5 percent) than that of men (66.5 percent). About a third of this working population is employed in Israel and two-thirds in the West Bank or abroad. The unemployment rate, which fluctuated between 1 and 2 percent from 1972 to 1983, rose to 3.6 percent in 1984 according to official figures. Though, in general, it may be said that full employment has been maintained on the West Bank, Palestinian sources claim that the unemployment rate is 10 percent.

The division of labor among various branches shows continuing decline in the number employed in agriculture on the West Bank, from about 42

percent in 1970 to about 30 percent in 1981, and 28.5 percent in 1984. The percentage employed in industry has remained relatively constant at 15 percent, and there has been growth in employment in construction and in sectors such as personal services. The division can be explained by the changes which took place in the economic activities in the productive branches of the Palestinian sector (See AGRICULTURE, INDUSTRY, CONSTRUCTION).

An examination of the wage structure of Arabs employed in the West Bank compared to wages in Israel proper shows a rapid narrowing of the gap during 1970-77 and a widening in 1977-1982. In agriculture and construction, the wages of those employed in Israel in 1970 was double that of those employed on the West Bank. That gap disappeared in 1977 but in 1982 wages in Israel were 10-15 percent higher than in the West Bank.

The number of West Bank residents employed in Arab countries was high in the mid-1970s (See DEMOGRAPHY) but declined in 1983-84 with the deterioration in economic conditions in the oil-producing countries. The rise in numbers employed in Israel at that time (See EMPLOYMENT IN ISRAEL (PALESTINIAN)) indicates that most of the workers returning from abroad were absorbed into the Israeli economy and did not find employment in the West Bank itself.

FISCAL BURDEN

Defined here as the net transfers of the Israeli government to the West Bank, this is an item in the "balance of payments" of the West Bank (See NATIONAL ACCOUNTS). In that balance the net direct transfers of the Israeli government are listed. These transfers show the deficit of the civilian budget of the military government (both regular and development) spent in the Palestinian sector (See MILITARY GOVERNMENT BUDGET), less income tax and national insurance payments collected from workers from the territories employed in Israel. It should be recalled that the budget of the military government is a "closed system," in that all income from taxes and imposts collected in the region is used for its activities (See TAXATION), the deficit alone being made up from the budget of the Israeli Ministry of Defense.

The extent of net government transfers (i.e., the fiscal burden placed on the Israeli taxpayer as a result of the activities of the military government) has not been uniform during the years of the occupation. In general it can be said that the burden is inversely proportional to the increase in the number of workers from the territories in Israel and their income, and the decrease of the budgets of the military government. In the mid-1970s the burden was negative, i.e., the residents of the territories contributed to Israeli public expenditure. In the late 1970s the burden came to \$10-15 million per annum. In the early 1980s the burden decreased and was generally negative. It can be estimated that over the years the military government of the West Bank has cost the Israeli taxpayer about \$180-200, or no more than \$10 million annually.

In this context it must be pointed out that current public expenditure and government investment in the Israeli sector (settlements, infrastructure) are not included in the fiscal burden. While it can be said that some of that expenditure benefited the Palestinian sector, the official accounts (See NATIONAL ACCOUNTS) attribute them to the Israeli sector alone since they are intended to develop that sector.

Net direct transfers of the Israeli government do not fully describe the burden involved in retaining the territories. To arrive at the total financial burden one must calculate the indirect Israeli taxation levied on goods produced in Israel and marketed in the West Bank as well as the duties imposed on imports to the West Bank through Israeli ports and the Jordan River bridges. From those sums must be deducted the subsidies given to food and agricultural produce. In 1983 alone manufactured products valued at \$400 million were sold in the West Bank. The value added tax on those goods came to about \$50 million. In that year the value of manufactured products imported through Israeli ports and the Jordan River bridges was some \$40 million, upon which duties of 50 percent were charged, or \$20 million. Imports of agricultural produce from Israel to the West Bank came to about \$50 million that year. If one assumes a subsidy of 50 percent, about \$25 million must be deducted from the indirect taxes paid to Israel, and the surplus credited to the West Bank comes to \$45-\$50 million. If one deducts the burden of direct transfers, one finds that the residents of the West Bank contributed a total of about \$600 -- \$700 million to Israeli public consumption over 19 years of occupation. This means that occupying the territories is not a burden on the Israeli taxpayer, rather the contrary: the residents of the territories pay an "occupation tax" to the occupying authorities. This fact refutes the Israeli claim that the low level of PUBLIC CONSUMPTION AND INVESTMENT derives from budgetary limitations. If the net fiscal transfers from the West Bank were invested in services and physical development, it would be possible to improve the civilian administration significantly, particularly in promoting the development of the economic infrastructure of the West Bank. The fiscal profit derived from retaining the territories is, of course, part of the economic profit gained by Israel from the prolonged occupation (See ECONOMIC POLICY).

FOREIGN AID

A large number of foreign relief organizations are active in the West Bank and Gaza Strip. They may be divided according to whether they belong to foreign governmental, public, private, religious or secular organizations and institutions, and also as to the area of their activities: development, education, relief or health. Some of them have worked in this area for decades, some began after 1967. Some have offices locally, others operate from abroad. Below is a partial list of the organizations, their major area of activities, and the countries which fund them:

AMIDEAST: higher education, training of students abroad; U.S.

ANERA: development of economic infrastructure, agriculture,

industry, water works (see below); U.S.

CDF: development of local infrastructure, water, electricity, agriculture, education, health (see below); U.S.

CRS: welfare, food distribution, clinics, charitable associations (see below); U.S.

Mennonites: agriculture, drip irrigation, water reservoirs, education, community work, access roads; Canada, U.S.

Friends (Quakers): legal aid, kindergartens; U.S.

NECC (Near Eastern Council of Churches): schools, clinics, mother-and-child care; U.S.

CARITAS: schools; Switzerland

EFTA: school for the deaf and dumb; Italy

UNDP: UN development plans, health, welfare, education, equipment, professional training; UN

UNICEF: mother-and-child care, kindergartens, training centers; UN

SOIR (welfare organization): aid to retarded children, welfare; Sweden

OXFAM: relief, education; Britain

Talitha Kumi: school; Germany

Holyland Christian Mission: hospital; U.S.

French Hospital; France

Christopher Blind Mission: education for the blind; Germany

Silesiana: vocational school; Franciscans

Shiloah: school for the blind; Germany

The Evangelical Church (Anglican): school, hospital; Anglican Church

Dom Bosco: school; Italy

LWF: the Augusta Victoria Hospital, clinics, professional training; Germany

Various church groups are active in the field as part of their religious communal services. These organizations are called Private Voluntary Organizations (PVO). The aid funds are contributed by private and public bodies. The larger sums are contributed by the United States government through its foreign aid programs, (AID - the State Department foreign aid program) but also by the governments of Canada and Germany.

Voluntary organizations with local offices must receive authorization from the military government for all activities they initiate. Without that approval they are not permitted to make contact with local bodies. A number of European and other organizations circumvent that supervision by transferring funds directly from their centers abroad. Since the PVOs provide assistance and relief to the Palestinian population, and their teams are composed of activists with ideological motivation, it is not

surprising that they identify with the Palestinians emotionally and sometimes also politically. On the other hand, the Israeli authorities are suspicious of the activities of the relief organizations and keep very careful track of what they do. In 1983 a special unit was established in the military government to supervise the work of the international relief organizations.

The problematic nature of foreign assistance on the West Bank and in the Gaza Strip emerges clearly from a survey of the 1984 activities of the three largest American organizations - CRS, CDF, and ANERA. An investigation of 358 projects planned by those organizations between 1979 and 1983 produced these findings:

A. The basic condition for the approval of projects by the AID agency is the availability of matching funds, ostensibly provided by the population, though in fact they come from the JOINT COMMITTEE (PLO-JORDAN).

B. The overall budget approved by the United States government in 1983 was \$6.5 million, and in 1984, \$8.4 million, but in fact less than half of that sum was actually spent.

C. The budgeted plan was not carried out because of selective approval by the Israeli government. Analysis of the approved projects reveals the approach of the military government and its priorities.

D. About half the projects were originally designed to develop economic infrastructure, about a quarter were devoted to social goals, education, and relief, and about a fourth to the improvement of services (running water, electricity). As a result of the government's selective policy in approving projects, the proportion of those aimed at improving services rose from a quarter to a half, and that of projects in the area of economic infrastructure fell from half to less than a third.

E. These findings show clearly that the Israeli authorities attempt to block projects for the development of economic infrastructure, preferring those which improve services. That policy supports the political line taken by Israel, permitting individual prosperity but stifling community development (See ECONOMIC POLICY). In addition, that policy decreases the budgetary burden upon the administration, for otherwise it would have to provide funding for access roads and water mains for domestic consumption. In fact the reports of the military government list projects subsidized by the voluntary agencies and the joint PLO-Jordanian committee as projects financed by the administration itself.

These conclusions have direct effects on the policies for IMPROVEMENT OF THE QUALITY OF LIFE in the territories. In 1985 a certain easing was reported in the approval of projects which had

been ignored for a long time. According to a report of the military government, 85 projects were being carried out in 1984: 17 involving water; three, electricity; 21, agriculture; 11, education; seven, health; and 14, grants. The total investment was \$8 million, 51 percent from foreign aid funds and 49 percent self-financed (including funds from the Jordanian-PLO fund (See SUMUD). The proportion of projects for improving services remained very high relative to those for development.

FOREIGN TRADE

This involves the sale of goods and services of the Palestinian population to foreign markets. The trade, despite the label given to it, has no territorial significance, for Israeli activity in the West Bank is not considered part of the area's trade. Trade between (Palestinian) Hebron and (Israeli) Kiryat Arba, for example, appears in the official statistics as foreign trade between the Israeli economy and that of the West Bank. Moreover, all statistics on trade between Israel and the West Bank are approximate and unreliable, for there is no supervision of commercial movement, except for the transfer of certain agricultural produce.

The patterns of foreign trade of the West Bank have not changed significantly since 1967 in either the sources or composition of its commodities. That is because the economic, administrative, and political patterns instituted in the early 1970s remain in force (See ECONOMIC POLICY). Most imports come from Israel (90 percent in 1984), 8 percent come from abroad through Israel, and 2 percent come from Jordan. In contrast, 55 percent of the exports go to Israel, and about 45 percent to Jordan. About 84 percent of total imports and 75 percent of total exports are manufactured goods, and the rest is agricultural produce. In trade with Israel, 16 percent of total imports are agricultural products, as are 28 percent of exports to Israel; in trade with Jordan 36 percent of exports are agricultural, and 64 percent are manufactured goods.

Israel "exported" goods valued at \$363 million to the West Bank in 1984, compared with \$400 million in 1983 and \$380 million in 1982. In 1984 commerce with the West Bank and the Gaza Strip totaled 10.6 percent of Israel's total exports. The West Bank alone purchased goods in Israel equal in value to those purchased by Britain, Israel's second largest foreign customer. That fact points to the importance of the West Bank market for Israeli industry. Israeli "export" is possible because the economic integration of the two economies ensures massive protection for Israeli industry. According to research carried out in 1977, that protection (imposts and various taxes on competitive imports) reached 60 percent of the value of the products on the international market.

In contrast, "exports" from the West Bank receive no protection. Industrial manufacturers from the West Bank have little or no chance of competing with Israeli industry. Agricultural exports are subject to strict administrative limitations, in addition to the almost total absence of incentives, subsidies and minimum prices characterizing Israeli products (See AGRICULTURE, INDUSTRY). Exports to Jordan also encounter many obstacles. Under the pretense of observing the Arab boycott, the Jordanians have not permitted export from the West Bank except from factories established before 1967, and it also made all import from the West Bank conditional upon the purchase of raw materials and machinery in or through Jordan. For their part, the Israelis impose customs duties on commodities imported through Jordan and brought across the bridges (upon which Jordanian customs have already been paid). Agricultural export from the West Bank is also limited by quotas, to avoid competition with Jordanian agriculture. Imports from the East Bank are extremely limited, mainly due to security limitations. Manufactured commodities exported to Jordan are mainly olive oil, samna (liquid margarine), dairy products, soap, and cut building stones. Industrial exports to Israel consist largely of goods produced by sub-contractors for Israeli producers, mainly textiles, leather, and shoes.

The foreign trade of the West Bank and its difficulties demonstrate the absolute dependence of the Arab economic sector on both Israel and Jordan. Its chances, and the growth potential of the entire Palestinian economy, depend on political and economic decisions made by the two adjacent sovereign states. Under the conditions of the 1980s, foreign trade of the West Bank is squeezed between the Israeli hammer and the Jordanian anvil. The terms of trade which they dictate not only fail to encourage the growth and consolidation of an independent Palestinian economic sector, they also perpetuate its dependence and backwardness.

HEALTH

Both the quality and the problems of the health system on the West Bank and in the Gaza Strip are determined by the socio-economic infrastructure of the community, physical infrastructure, water supply, waste collection, sewage and sanitation, level of employment, standard of living and wages (See DEMOGRAPHY, EDUCATION, STANDARD OF LIVING, EMPLOYMENT). It is also, of course, dependent on the operation of the health system itself – hospitalization, mother-and-child care, hygiene, and sanitation supervision. All these systems affect life expectancy, level of illness, infant mortality rate, chronic diseases, and so on. The functions and achievements of the health system are, for this reason, a subject of controversy between the Israeli administration and Palestinian researchers. In addition to the political aspects of the controversy – in which Israel's goal is to highlight the improvements made under its rule, and the Palestinians' goal is to emphasize the occupying power's neglect – the dispute arises from the different criteria applied by the two parties. The Israelis compare the situation in the territories with the period before the occupation. The Palestinians, on the other hand, evaluate the system relative to international standards, and relative to the standards prevalent in Israel itself. There is no doubt, according to Israeli methodology, that there has been a significant improvement in the level of public health on the West Bank and in the Gaza Strip, but according to the methodology applied by the Palestinians this improvement is illusory.

The problem is that the data themselves are open to dispute. Some essential statistics, such as those on infant mortality and morbidity, are incomplete. This is because less than half of West Bank births take place in hospitals, and the infant mortality rate outside the hospitals is very high. The lack of proper recording of non-hospital births and the failure

to enforce the law against burial without a death certificate mean that birth and death rates, which form the basis for demographic calculations, are inaccurate, and the Central Bureau of Statistics (CBS) must use theoretical statistical models instead. Such models are far from reliable (See DEMOGRAPHY). As a result, the published data are suspect and give rise to the claim that misleading data are being cited for political purposes.

The following data are taken exclusively from official publications.

The health system in the West Bank is based on seven hospitalization areas, not including large hospitals in East Jerusalem. Clearly, this organizational framework reflects the Israeli political concept of East Jerusalem as part of Israel and separate from the West Bank. The actual state of affairs is, of course, completely different. Hospitalization, preventive medicine, and Arab clinics in East Jerusalem as well as the foreign voluntary system, are an integral part of the West Bank system. This arbitrary division is reflected in the administration's statistics, not always in its favor. According to official figures, 17 hospitals were operating in the West Bank in 1984, including eight general government hospitals (654 beds), one hospital for the mentally ill (320 beds) and, eight private hospitals (391 beds), a total of 1,365 beds. The number of beds per 1,000 residents in 1983 was 1.8, as against 2.15 in 1970 and 2.01 in 1975. The decline reflects the freeze in new beds, (an actual drop of 30 beds between 1974 and 1983) as against a growth of 100,000 in the population.

The number of beds per 1,000 residents in Israel was 6.4 in 1983. In the general hospitals the proportion was 2.8 in Israel as compared to 1.3 in the West Bank (1983); for hospitals for the mentally ill, 2.0 in Israel as against 0.4 on the West Bank. The number of person-days of hospitalization per 1,000 West Bank residents remained stable (542 in 1970, 593 in 1975, 544 in 1981), as against 1,913 in Israel (1983). The surgery rate per 1,000 West Bank residents rose from 15.7 (1972) to about 20 in 1977 and has remained at that rate ever since. The occupancy rate rose from 69.2 percent in 1970 to about 80 percent in 1982. There was a rise in the hospitalization rate per 1,000 residents, from 65.8 in 1970 to 81.2 in 1983, and average length of stay declined.

Medical staff per West Bank bed rose from 0.36 (1968) to 0.78 (1982) and the rate of hospital births rose from 20.7 percent in 1970 to 45.7 percent in 1982, as against almost 100 percent in Israel (Jews and Arabs). There was a growth of 40 percent in the rate of hospital admittance per 1,000 population and, a rise of 100 percent in visits to clinics. There were 140 general clinics on the West Bank as of 1983, 95 mother-and-child care clinics and three tuberculosis prevention clinics. In addition, there were

90 non-governmental clinics in the region. Infant vaccination reached 90 percent in 1983.

The infant mortality rate, estimated at 15 percent in 1967, was estimated by the CBS to have dropped to 7 percent in 1983. The mortality rate per 1,000 live births was estimated by the Ministry of Health to be 25.6 (1982). This figure is not accepted by the CBS. In Israel, the rate in 1983 was 13.9 per 1,000. Palestinian sources give higher infant mortality figures. The reason for the difference is the persistent incomplete recording of deaths in the region. The infant mortality rate has turned into a contentious political issue, owing to its emotional overtones. According to CBS models, life expectancy on the West Bank and in the Gaza Strip at the beginning of the 1980's was 60-65 years for men, as against 72.8 for Jewish men, 76.2 for Jewish women, and 70.8 and 73.3 for male and female non-Jews respectively, in Israel. Data on infectious diseases indicate a decline in almost all types of illness, but the level per 1,000 for tetanus, diphtheria, measles, and polio remains significantly higher than in Israel (according to 1982 figures). Intestinal diseases, especially in small children, remain problematic.

The number of beds per 1,000 residents in the Gaza Strip was 2.4 in 1974 and dropped to 1.8 in 1983. This is a result of a decline in the number of beds in the same period, from 1,004 to 899, while the population increased by 80,000. The number of person-days of hospitalization per 1,000 residents in 1983 was 425, as against 607 in 1974. By contrast, hospitalization per 1,000 rose from 84.2 in 1974 to 108.8 in 1983, indicating greater access to medical centers. The incidence of surgery in 1983 was 34.4 per 1,000 residents as against 31.4 in 1974. The rate of hospital births also grew, from 46 percent to 70 percent (1982). There are 35 clinics in the Gaza Strip, indicating better access to health care than on the West Bank.

The number of professional medical workers in the Gaza Strip per 1,000 residents is also higher than on the West Bank. The reasons are, apparently, the density of the population, reducing the distance to hospitals and clinics and UNRWA's well-established work in the refugee camps. However, the data show that infant mortality in the Gaza Strip is higher, perhaps even double that of the West Bank, contrary to the CBS estimate that they are equal. On the other hand, the incidence of severe illness caused by improper sanitation (viral hepatitis, polio, tetanus, typhus, etc.) is no greater than on the West Bank, despite the poor sanitary conditions in the refugee camps.

In 1981-82 total expenditure for health per capita on the West Bank, (regular and development budgets, by government and non-profit

organizations) was estimated at 23 percent of Israeli public health expenditure per capita.

IMPROVEMENT OF THE QUALITY OF LIFE

A policy launched by American Secretary of State George Shultz in 1982. Its official wording: "[The Palestinians] must be given a stake in their future by greater opportunities for economic development, fairer administrative practices and greater concern for the quality of their life." This policy is closely linked to the Egyptian demand that Israel take "confidence-building measures," with regard to the Palestinian population, as a condition for improving relations between the two countries, and the implementation of AUTONOMY (See CAMP DAVID).

This initiative was interpreted in conflicting ways. One interpretation (voiced by some State Department officials and by the American Consulate in Jerusalem) sees it as an attempt to create an independent Palestinian economic infrastructure which will not be completely dependent on the Israeli economic system, and to widen the resource base of the Palestinian population on the West Bank and in the Gaza Strip. The second, (voiced by the Israeli government and the American Embassy in Tel Aviv) defines "quality of life" as the improvement of individual welfare and hence, complementary to the ECONOMIC POLICY Israel has been pursuing in the territories. The political leadership on the West Bank and in the Gaza Strip has regarded the American initiative with suspicion. It is seen as acquiescence in the status quo and the end of American attempts to seek a comprehensive political solution for the territories. Others see it as disguised American support for the "pacification" of the local population through economic benefits to collaborators. At the same time, local entrepreneurs endeavor to reap advantages both from the aid monies and from American interest in the improvement in the quality of life, in order to advance their own commercial interests (See FOREIGN AID).

INDUSTRY

In the economy of the West Bank industry does not play a major role. Despite rapid growth in Gross National Product (GNP) (See NATIONAL ACCOUNTS), industry has not grown. On the contrary, its proportion of GNP fell from 9 percent in 1968 to 6.7 percent in 1984. Productivity calculated by added value, is less than half of the added value in agriculture. The number of workers employed in industry has remained constant at 15,000 since 1970. In 1984 only 9,550 (9% of the total employed in the West Bank) were employed in industrial plants. The rest worked in quarries and olive presses: 22 percent are employed in processing olive oil, 25 percent in textiles, 18 percent in quarrying, 10 percent in food manufacture, 4.5 percent in metalurgy, and the rest in carpentry, tailoring, etc. Of 2,000 enterprises, only five employ more than 100 workers. Of the industrial labor force, 23 percent lives in Nablus, 20 percent in Hebron, 18 percent in Ramallah and al-Bira, 16 percent in Bethlehem and Jericho, and 10 percent in Jenin. In absolute terms there has been some growth in industry since 1967, but that growth must be divided into three periods: relatively rapid growth till the mid-1970s, a sharp decrease in the mid-1970s, a slight improvement at the end of the decade, and an additional decline in the first half of the 1980s. This business cycle closely follows the fluctuations of the Israeli economy, pointing to the absolute dependence of West Bank industry upon Israel.

112

The local market on the West Bank and in the Gaza Strip is the major outlet for goods produced by Palestinian industry. The factories of the West Bank sell more than twice as much on the local market than in Israel (excluding East Jerusalem). Goods sold in Israel are mainly subcontracted for Israeli factories, particularly textiles and shoes (12 percent of the income from the industry of the West Bank in the 1970s). The Jordanian market does not import manufactured goods from the West Bank on a large scale. Total exports to Jordan are no greater than in 1967 (See FOREIGN TRADE). Of 201 West Bank companies surveyed, only 12 exported to Jordan.

Some factories selling locally have managed to develop markets despite intense competition from Israeli goods. However, in general, the industry of the West Bank is unable to withstand Israeli competition, which enjoys massive protection as well as government subsidies and credit. In 1984 Israel sold manufactured goods worth \$363 million on the West Bank (See FOREIGN TRADE). Moreover, lately the industry of the West Bank has had to compete with Israeli enterprises located in the territories and enjoying far-reaching benefits (See INCENTIVES FOR SETTLEMENT).

INTERFERENCE WITH PRIVATE LAND OWNERSHIP

This can be subsumed under the following categories:

- I. Expropriation of Ownership
- II. Seizure of Possession
- III. Restriction on Use

I. Expropriation

A. Absentee Owned Lands

In accordance with the 1967 Order Concerning Abandoned Property (38), property, the legal owner or tenant of which left the region, is transferred to the Custodian of Abandoned Property. "Property" includes land, movable property and other economic interests. Ignorance of the identity of the owner or tenant of the property does not prevent it from being considered abandoned property. The Order Concerning Abandoned Private Property (150) adds directives, stating, among other things, that property belonging to a corporation controlled by people active in an enemy country may be taken by the custodian as though it were abandoned. Property belonging to a resident of an enemy country who is not in the region is also considered abandoned. The burden of proof of ownership or tenancy of the property lies upon the person claiming rights.

113

In the area of the West Bank about 430,000 dunams of land were identified after the Six Day War as abandoned property, including 350,000 dunams of stony, inarable land (some of which was later declared state land, (see below). About 70,000 dunams are arable (some were leased to the families of the absentee owners and some were leased to Jewish settlers), and another 12,000 dunams were transferred to the possession of relatives of the absentees. In addition, there were about 11,000 houses, stores and storehouses, most of which were transferred to relatives of the absentees. The Custodian of Abandoned Property also administers property which had been held by the Jordanian Custodian of Enemy Property (mostly Jewish lands purchased before 1948). The Jewish lands came to about 33,000 dunams, with 88 structures.

B. Government Lands

In the Jordanian land registry, 527,000 dunams were registered in the name of the Jordanian government. Over the years about 160,000 dunams of land were added to these, land which could be viewed as state land according to old archives. By 1973 official Israeli publications indicated that the area of state lands was about 700,000 dunams, of which more than 600,000 dunams were stony, 55,000 dunams arable and 33,000 roads, forests and ravines. Three hundred thousand dunams of state lands are in the Jordan Valley and the eastern slopes of the mountains of Judea and Samaria (the districts of Jericho, Ramallah, Nabulus, and Jenin), as well as the stony hills in Western Judea and Samaria.

C. The Declaration of State Lands

In 1980 the Israeli government adopted a new legal approach to state lands (as opposed to registered government lands). The custodian began (on the authority vested in him by Order 59, 1967) to declare uncultivated, unregistered land as state lands. That was on the basis of the Israeli interpretation of the Ottoman Land Law of 1855. According to that law (par. 103), "Vacant land which is not in possession of anyone by title deed or assigned *ab antiquo* to the use of inhabitants of a town or village and lies at such a distance from towns and villages from which a human voice cannot be heard at the nearest inhabited place, such as rocky mountains, wild fields, and bushland is called *mawat* (dead). Anyone who is in need may cultivate it as sown land gratuitously, with the leave of the official. On the condition that the ultimate ownership (*raqbah*) shall belong to the sultan and that all the laws concerning cultivated lands shall apply to this land."

Paragraph 103 of the Ottoman Land Law speaks of *mawat* lands. However, *miri* class lands (to which the abstract right of ownership is

reserved to the sultan) are also liable to be declared state lands according to the Israeli interpretation of the law. In that case, though, the test is whether they were cultivated during the past 10 years. Thus, according to that test, any unregistered and uncultivated land on the West Bank may become state land, unless someone can prove ownership in a matter satisfactory to the special adviser to the Ministry of Justice and the REVIEW BOARD composed of administration officials. It must be pointed out that the Israeli definition of state lands was not used by the Jordanian government in whose name, ostensibly, the land was seized. Moreover, the declarations are not made in an orderly, judicial process of land registration, but they preempt it. They could not have been carried out if Israel had continued the process of land registration which had been interrupted in 1968 (Order 291).

According to the double test of registration and cultivation, 2,150,000 dunams of land on the West Bank (some 40 percent of the total area) were located and mapped. That area also includes government lands (See above), which means that the new legal approach located an additional million-and-a-half dunams of land which can be declared state land. Of this, by mid-1984, some 800,000 dunams had been declared, bringing the total lands declared and seized to 1,800,000 dunams. Tens of thousands of dunams are in the process of being so declared. Once sufficient land for unlimited Jewish settlement was assured, the pace of declaration slowed, nonetheless it continues unabated. As noted, until 1980 the government did not view uncultivated lands of the *mawat* and *miri* categories as government lands, since it continued Jordanian practice. With the proliferation of declarations, a judicial problem arose, as the custodian had been appointed to administer only "government property," as understood in June 1967, and not "state property," as subsequently declared. To remove that difficulty Order 1091 was published. That order changed the wording and declared that not only land which was registered in the name of the enemy state on the determining day (June 7, 1967) but also that which was registered after that day, would be administered by the custodian.

D. Land Expropriation for Public Use

Land expropriation (or, in legal language, "purchase") is carried out according to Jordanian law (Land Law - Purchase for Public Use, No. 2, 1953) as amended by Military Orders 321 and 949. Jordanian law created and supervised multi-staged processes for expropriation for public use. Israeli military orders transferred the authorities of the Jordanian council of ministers and the king to an authorized body (the assistant head of the CIVILIAN ADMINISTRATION) and, above it, as the "authorizing

body," the regional commander (later the head of the civilian administration). Thus the structure of checks and balances existing in Jordanian law (pars. 5, 6, 8, and 9) was removed. Moreover, the administration makes constant use of par. 12, according to which the council of ministers (namely the assistant head of the civilian administration) is entitled to decide upon "immediate purchase and possession" without being limited by the processes of negotiation, judicial process, or appeal, if it is "convinced that there are reasons obligating immediate possession of the lands."

The orders of the administration did away with the need to publish the proposed seizure in the official gazette and to notify the owners of the property through the registry clerk. It was not until 1981, when the Arab residents of the West Bank appealed to the HIGH COURT OF JUSTICE, arguing, among other things, that they were not notified of the condemnation, that the administration published Order 949, determining that notification of land condemnation would be published in the "collected proclamations" of the administration and given to the owners through the registry clerk and the MUKHTARS. Jordanian law states explicitly that expropriation must be for the public benefit, for example for roads. Thus the administration may not use it as a method for the establishment of Israeli settlements. However, it is able to make extensive use of it for expropriating lands for access roads, public institutions and particularly for a network of arterial highways planned and paved for the expansion and proliferation of Jewish settlements. Arab settlements were purposely bypassed (See ROADS). The use of land expropriation is closely connected to the structure of physical planning and zoning (see below). Any land which, in the statutory zoning plan, is destined for public use, can be expropriated according to law.

The lands expropriated and those of which immediate possession has been taken, amount to approximately 50,000 dunams; in addition, about 100,000 dunams are designated for expropriation.

II Seizure of possession

A. Closed Areas

By virtue of Article 90 of Order Concerning Security Regulations (378, 1970, previously Article 70, 1967), a "military commander" (not necessarily the regional commander but any officer) is empowered to proclaim an area or place a closed area for the purposes of the above order. Any person entering or leaving a closed area or place without written permission of the military commander is committing a crime. The declaration is made by written order with an attached map of the area, however it can also be so declared by an oral order. In early 1985, 23

closure orders were in effect, encompassing about one million dunams. Most of the closed areas are also state lands and are used as military training areas, but about 80,000 dunams were closed within populated areas as a first step towards their seizure (see below) and the establishment of Jewish settlements, for example, the Latrun zone and Ma'aleh Adumim. Most of the closed areas were also declared "combat zones" (see below). Ownership of closed areas remains in the hands of the residents, but they are deprived of use of the land without any compensation or payment, excepting the option of applying to the REVIEW BOARDS.

B. Requisition for Military Purposes

The regional commander, "on the basis of his authority, and in that he is convinced that it is necessary for military purposes," promulgated several dozen orders for the requisition of property from 1968 until 1979, encompassing about 50,000 dunams. The authority of the regional commander is based on HAGUE REGULATIONS No. 52 (1907). Requisition orders, unlike closed areas, stipulate that the owners or tenants of the land are entitled to demand payment for use and compensation for any real damage caused by the requisition. Requisition does not cancel rights of ownership, only the rights of possession and use.

The requisition of property for immediate military purposes was the principal method by which private property was seized between 1968 and 1979 for the purpose of establishing Israeli settlements. In that the seizures were anchored in the Hague Regulations, which state that they are permissible only for military purposes, it was claimed that the establishment of Israeli civilian settlements was inconsistent with the regulations.

The HIGH COURT OF JUSTICE accepted the position of the military government and ruled that "Israeli settlements in the territories occupied by the IDF are part of the territorial defense system, and therefore Jewish settlement serves a defense need *par excellence*." It was also argued that the establishment of permanent settlements violates the rule that requisition must be temporary, until the end of the state of war. Here too the High Court accepted the military government position that, although a civilian settlement may remain in place only so long as the IDF holds it by virtue of the requisition order, the fate of the settlement will be determined in international negotiations leading to a new arrangement. The use of requisition orders to establish Israeli settlements suited the political conception of the ALIGNMENT (1968-1977), but not that of the LIKUD (1977-1984). The latter could not use the requisition method since it implied the temporary nature of Israeli presence. Therefore,

when the area of ELON MOREH was seized, the representatives of the military administration did not conceal their main intention, which was to establish a permanent settlement there. For that reason alone, the seizure was revoked by the High Court. At the same time the use of requisition orders to seize property ceased and was replaced by the method of declarations of state lands (see above).

It should be pointed out that according to the 1982 Order Concerning Work on Requisitioned Areas (977), all excavation, construction or use is forbidden without a permit. That order does not apply to an agency of the IDF or one acting under the orders of IDF forces. The Israeli settlements on the requisitioned lands were erected on the basis of that order.

III. Restriction of Use

A. Prohibition of Building and Construction

By virtue of Order 393, 1970, on the supervision of building in Judea and Samaria, any military commander (not necessarily the area commander) may prohibit construction or order a halt in construction or impose conditions on construction if he believes it necessary for the security of the Israeli army in the area or to ensure public order. Orders prohibiting building were issued regarding areas around IDF camps and installations, around Israeli settlements and around whole settlement areas (Gush Etzion, Givat Ze'ev), similarly in a 200-meter strip along both sides of main roads. Orders were also imposed on built-up areas of Arab municipalities when the authorities wished to curb building expansion. Prohibition of building can also be effected by designating margins of 100-150 meters on either side of a planned road in the statutory plan. In the outline scheme for the Jerusalem metropolitan area (see below), margins of that sort were actually stipulated, limiting the use of tens of thousands of dunams of land. The total area around Israeli sites affected by prohibition orders amounts to 293,500 dunams. With "road margin" regulations, the total area affected is 580,000 dunams.

B. Restrictions Based on the Statutory Zoning Plan (See PHYSICAL PLANNING)

Changes made by the military administration in the zoning ordinances applying to the territories (Mandatory plans in the open areas and Jordanian plans in the cities) set severe limits on the use of land.

Although no statutory plan prepared by the administration has received legal force, the administration planners act as though their plans have been approved. In that context it should be noted that in 1985 the physical planning unit (serving the "supreme planning council") which

had been subordinate to the STAFF OFFICER for interior affairs in the civilian administration, was transferred to the responsibility of the infrastructure branch, responsible, among other things, for the seizure and expropriation of property. That administrative change makes the goals of the administration's physical planning quite manifest.

It should be pointed out that the supreme planning council has the authority to decide which lands are destined for expropriation and to request their purchase according to par. 56 of the Jordanian Land Law (See above). Whereas the supreme planning council is an institution whose members belong to the administration, the expropriation is initiated, deliberated upon, and approved by the same body. The district commander does not view himself as limited by statutory plans. He issues building regulations which purport to be based on the Jordanian Planning Law (for example, Order 912, as well as the regulations on building height in Ramallah).

C. The Prohibition on Rebuilding Demolished Houses

According to the 1972 order prohibiting building (456), no building or part of a building may be built on land on which there had been a building which had been confiscated and razed according to an order issued by the military commander on his authority according to regulation 119 of the EMERGENCY REGULATIONS (1945), except with the authorization of the district commander. That order has retroactive application and it is meant to ensure that buildings demolished as punishment will not be rebuilt.

D. Combat Zones

Combat zones or fire zones are areas regarding which the administration is not responsible for damage incurred by military action. An order regarding liability (271, 1968) states that a resident who claims to have suffered damage as a result of the actions of IDF soldiers, of a force acting in coordination with the IDF, or a citizen working for the IDF, and who is entitled to compensation for that damage, may demand compensation from the staff officer in charge of claims. However, section 2c of that order states: "No claim may be made, and none will be considered, and no compensation will be paid for damage incurred in an area declared by the district commander as a combat zone." The combat zone was declared in Order 270/1 and an attached map. The area defined as a combat zone extends over about a million dunams in the eastern part of the West Bank (the Jordan Valley and the western slopes), as well as other areas. The combat zones are largely co-extensive with the closed areas. It should be pointed out that the specific combat zones have lost all

significance in terms of claims for damages. In the order regarding claims (Amendment 4, 1984), the reservation disclaiming liability for damage caused in an area declared as a combat zone was rescinded. According to that amendment, no compensation at all will be paid, throughout the West Bank, if the commander of the IDF forces in the area declares that the damage resulted from military activity. Thus, for the purposes of claiming compensation for damage, the entire West Bank has become a combat zone.

While no change has been made in private property rights in the combat zones, clearly no one would consider remaining in a fire zone, and consequently no use can be made of the land.

E. Nature Reserves

The Order Concerning the Protection of Nature (363, 1969) imposes severe restrictions on construction and land use in areas declared as nature reserves. The registrar of lands attaches a "warning notice" to the lands in the registry, thus diminishing the value of the land. No compensation for damages is specified. Although declaration of a nature reserve is aimed at protecting the environment, it is considered by the authorities as an integral part of the land seizure program. As of mid-1985 the authorities have declared 250,000 dunams nature reserves. An additional 90,000 have yet to be declared. (See PARKS AND NATURE RESERVES).

F. Restrictions on Cultivation

According to the Order Concerning Supervision of Fruit Trees and Vegetables (1015, 1982), no fruit tree may be planted in an orchard without written permission issued by the authorities. The authorities are empowered to impose conditions for issuing permits. The prohibition applies to the planting of vegetables in the Jordan Valley (eggplants and tomatoes) and to plum trees and grapevines throughout the West Bank. Order 818 (1980) states that the officer responsible shall set quotas for the planting of ornamental shrubs. These orders were issued in order to plan agricultural production, but the officer responsible uses them for other purposes as well. One of the conditions for receiving permission to plant is producing documentary proof of ownership of the land to be cultivated. That measure is intended to prevent the cultivation of lands which the government claims for itself as unregistered, uncultivated land.

Summary

The judicial and administrative structure described above assured Israeli control over 52 percent of the area of the West Bank. Some 2,268,500

dunams, or 41 percent of the area, is under direct Israeli possession. 570,000 dunams, or 11 percent of the area is placed under severe restrictions. It also assured a virtually unlimited reserve of land for Israeli settlement. Moreover, severe limitations were imposed on the use and development of the lands remaining in the hands of the Palestinian population. Although the system for controlling the land is made up of a great number of juridical components, it is viewed by the military government, by the settlers, and by the Palestinians as a single system, and the use of various judicial means merely suits the convenience of the administration, and the needs of the settlers. Land seized by order for military purposes is converted into state land by another order. "Closed" areas are turned into "requisitioned" land by another order. "Closed" settlements are made up of lands which were requisitioned, expropriated, closed, and upon which construction is forbidden. For example: the area of the Shiloh settlement is composed of 740 dunams "requisitioned" for military purposes, 850 dunams declared state lands and 41 dunams expropriated for public purposes. Ofra, another settlement, contains 350 dunams requisitioned by a Jordanian order (as a military camp), 20 dunams of expropriated land, and 140 dunams declared state lands. The built-up area of Ofra is surrounded by an area of about 1,000 dunams in which building is forbidden.

The Gush Etzion area is composed of "Jewish-owned lands," "expropriated lands," "closed areas," "requisitioned lands" and "state lands." The entire bloc is surrounded by an "order forbidding construction."

LAND USE

Classification of land uses on the West Bank according to function (agriculture, built-up areas, nature reserves, roads, etc.) does not exhaust the subject, since land use is perceived only within the context of national control (Israeli and Palestinian). In the dual system prevailing on the West Bank, the test is not land use but the ethnic identity of the user. Land use has been mobilized into the national struggle for control of the region.

In the particular context of the West Bank, the classification "rocky land, unsuitable for cultivation" means "land which may be declared state land and transferred to Israeli use and ownership." Declaration of a "nature reserve," means taking it out of Arab hand and transferring it to the Nature Reserves Authority "to prevent uncontrolled Arab development." Designating an area as "essential military territory" means opening it up for the construction of Israeli settlements. The construction of Arab cooperative housing units "to improve housing conditions of Palestinians" is financed by SUMUD funds, in order to prevent confiscation by the Israeli authorities.

Land use classification on the West Bank is not determined by physical planners, but dictated by political considerations, translated *ex post facto* into the vocabulary of physical planning. The locations of many Israeli West Bank settlements were determined by the constraint of land availability rather than by planning or physical considerations. The widely-dispersed nature of Palestinian housing, which lacks all planning logic and hinders the creation of community services, is determined by the fear of expropriation. (See also PHYSICAL PLANNING.)

While the battle for control of the area is far from over, it is already possible to assess its results and sketch a map of land-use division between Israelis and Palestinians on the West Bank. Israel, employing a complex system of orders and laws (See INTERFERENCE WITH PRIVATE LAND OWNERSHIP) and the coercive power of the state, is coming closer to attaining its goal of controlling more than 50 percent of the West Bank, which will effectively remove all remaining restraints on settlement. The Palestinians will probably succeed in retaining control

over some 2.7 million dunams (50 percent of the area), even though its use will be extremely restricted.

Existing and projected land use is described separately (See BUILT-UP AREAS (JEWISH), BUILT-UP AREAS (ARAB), AGRICULTURE, ROADS, PARKS and NATURE RESERVES).

NATIONAL ACCOUNTS

For statistical purposes, the West Bank and Gaza Strip are treated as units independent of Israel. Economic activity there is investigated and reported by the national accounts system – in short, as though they constituted a national economy in every respect. A special chapter in the statistical yearbook and a series of special publications detail, among other things, the Gross National Product (GNP), Gross Domestic Product (GDP), import and exports, and a balance of payments for the West Bank and Gaza Strip. The links with Israel are defined as those of a “common market,” a definition which implies the existence of those of a separate entities. In accordance with this model, Israeli goods marketed on the West Bank and in the Gaza Strip appear as exports, and wages to residents of the territories working in Israel as unilateral transfer payments.

This system of accounting began immediately after the occupation and emanated from the assumption that the economy of the territories would remain separate and independent – an assumption resulting from fear

that they might become a burden on the Israeli economy (See ECONOMIC POLICY). The method persisted even though the assumption of economic separation was quickly invalidated by objective conditions and as a consequence of the economic integration policy pursued by all Israeli governments. Economic accounting and analysis according to the “national economy” model gradually became irrelevant and inaccurate.

The daily, complex, economic interactions over the non-existent green line, the movement of tens of thousands of workers, the transfer of goods and services worth hundreds of millions of dollars, lacking any effective monitoring and control – all these call the reliability of the statistics into question. At the end of the 1970s the “national economy” model for the West Bank and Gaza Strip also lost its territorial basis. None of the activity in the Jewish settlements, nor the infrastructure investments of the Jewish Agency, were included in the national accounts of the territories. Israeli activity was included in Israel's account. The economic interactions between, for example, Hebron and Kiryat Arba, Ariel and Tulkarim, appear in reports as connections between separate economic territories. At the beginning of the 1980s the national accounts of the territories became merely instruments for reporting the economic activity of the Palestinian population, completely integrated into the Israeli system, but effectively isolated from it, in such a way as to serve Israel's own political and economic interests (See ECONOMIC POLICY, FOREIGN TRADE, INDUSTRY, AGRICULTURE, FISCAL BURDEN, EMPLOYMENT).

PARKS AND NATURE RESERVES

As of 1984, there were four archeological sites with national park status on the West Bank: Herodium, Qumran, Hisham's Palace, and Sebastiya. Tel Jericho (Tel-a-Sultan) is also to be opened as a park. The number of visitors to the national parks on the West Bank has fallen steadily since the beginning of the 1980s, indicating that few Israeli and foreign tourists visit the West Bank. Some 250,000 dunams have been declared nature reserves, and an additional 90,000 dunams are being prepared for nature reserve status. The declaration on nature reserves (signed March 1, 1983) was issued by decision of the MINISTERIAL COMMITTEE FOR SETTLEMENT in the framework of "a plan for land acquisition," in other words, declaration of a nature reserve signifies the transfer of the area to Israeli control. Nature reserve inspectors (the Green Patrol) also engage in "preventing shepherds from trespassing on state lands," and in enforcing orders prohibiting the harvest of herbal plants (mainly za'atar)

- thyme - which has caused considerable indignation in the Palestinian population.

The reserves are slated for development as tourist sites, and will serve as an economic base for the settlements in the area.

PHYSICAL PLANNING

Physical planning on the West Bank is based on procedures set out in the Jordanian City and Village Planning Law of 1966, as amended (and in effect made meaningless) by the SECURITY ENACTMENTS. In the first years of Israeli rule, procedures for physical planning and building permits were completely uncontrolled and unregulated. When the government realized the political and physical importance of the planning process, it issued Order 393 (1970). This order authorized the military commander to forbid, halt or set conditions for construction. Order 418 (March 1971) made far-reaching changes in the Jordanian law. The hierarchical system of local, district, and national planning committees (customary in Israel and Jordan) was eliminated and their customary

composition was altered. Instead, all planning powers were transferred to a high planning committee made up entirely of Israeli government representatives. District committees were eliminated and the licensing powers of the village councils transferred to the military government. The powers of the local planning committees, with responsibility within municipal boundaries, were drastically reduced. The high planning committee was authorized to amend, revoke or place conditions on any license issued by a municipality, to issue licenses itself or grant exemptions and even assume the powers of local committees.

The involvement of local residents in the planning process became minimal and theoretical. The government's involvement was also limited at first since it lacked means of enforcement. To all intents and purposes its efforts were limited to preventing Arab construction in sensitive military areas and in areas slated for Jewish settlement by the ALLON PLAN.

In 1977, when the Likud came into office, military government policy regarding physical planning was revised. The whole planning process underwent considerable development. Physical planning became a central instrument in carrying out settlement policy and in the creation of physical facts. While the planning process for Jewish settlement was devolved, with the participation of all Israeli planning authorities including representatives of ISRAELI REGIONAL and LOCAL COUNCILS, severe restrictions were placed on physical planning for the Palestinian population.

During the years 1982-84 plans for the densely populated areas were completed. Some of them (the Greater Jerusalem plan and Road Master Plan No. 50) were "deposited" through the procedure specified in Jordanian legislation. A petition against the road master plan was rejected by the Israeli HIGH COURT OF JUSTICE. The comprehensive regional plans for Judea and Samaria were not "deposited" legally but the planning authorities act in accordance with them as though they have been approved. The physical planning process reflects Israeli interests exclusively, while the needs and interests of the Palestinian population are treated as constraints to be overcome (See LAND USE). Once sufficient land for unlimited Jewish settlement was assured, statutory planning became the main method of controlling the areas remained in Palestinian possession.

While the professional planning office (which operates under the high planning committee) carried out regional plans for the Arab population, the Jewish regional councils draw up their own development plans for the same areas. Although the law forbids issuing a building permit without a

town planning scheme, which in turn must be based on a district master plan, most of the Jewish settlements were built without proper planning procedures. In effect, Jewish settlements do not have to go through any formal planning procedure. The State Comptroller's report of 1984 determined that "according to the findings, the settlements in Judea and Samaria were established without due attention to the required planning procedures." By the end of 1985, the high planning committee had processed 191 plans for Jewish built-up areas. The total area involved covers tens of thousands of dunams, and is intended for accommodating over 500,000 settlers.

In Gaza, most Jordanian financial support is channeled through the Association for Aiding the People of the Gaza Strip, whose director is Gaza's former mayor, Rashad a-Shawah. The association arranges passage over the bridges for agricultural produce, passports and financial assistance. In Gaza the connection with Jordan is mediated only through the association under a-Shawah's control, while on the West Bank it is spread over dozens of institutions and bodies.

PUBLIC CONSUMPTION AND INVESTMENT

Public (or government) expenditure is the total operating expenditure of the military government (for civilian purposes) and of the Arab local authorities. Its level (in relation to local use of resources) and the changes in it from year to year, express in momentary terms the level of services provided to the inhabitants. For the physical and quantitative measures of the level of services, see EDUCATION, HEALTH, etc.

Public investment in fixed assets is the total development budget expended by the military government and the expenditure of Arab local authorities directed at the creation of a physical infrastructure, and other fixed assets (roads, public buildings, sewerage, mechanical equipment, electricity, water, etc.). These budgets do not include investments in the Jewish sector in the territories (See INVESTMENT IN SETTLEMENTS). The share of investment in local uses, and the seasonal changes in it, express development trends in the economic and public infrastructure. For the fiscal burden on Israel as a result of its expenditures on the West Bank, see FISCAL BURDEN.

Public Expenditure

In examining the data on public consumption on the West Bank, it should be taken into account that the West Bank is not a "national economy" except for the purpose of Israel's accounts (See NATIONAL ACCOUNTS). The structure of local uses is not comparable with true national economies, since it has no defense and foreign relations expenditure, and no capital market. Hence, the proportion of public consumption on the West Bank is less than that of sovereign states. In 1979, for instance, the share of public expenditure on the West Bank was only 6 percent of the use of local resources, as opposed to 23 percent in Israel, 19 percent in Jordan and 18 percent in Syria. If, however, defense expenditure is deducted, the ratio changes to 6 percent in the West Bank, 12 percent in Israel and 10 percent in Jordan. In an underdeveloped economy in need of rapid growth, ongoing consumption expenditure should be relatively high for investment in human capital (education, health, etc.). The rate of public consumption on the West

Bank does not meet the growth demands of the economy and indicates a very low level of services. More importantly, public expenditure rates have not only shown no growth but have actually dropped since 1968. In 1965 (towards the end of Jordanian rule) the level was 13 percent, while under Israeli rule the proportion of public consumption in local uses fell from 12 percent at the beginning of the 1970s to 8 percent at mid-decade, and 6 percent by 1979. In 1981-82, the share was 6.7 percent and in 1983 it went up to 7.6 percent of local uses.

In absolute terms, total public expenditure (military government and municipalities) in 1983 was 421 million shekels, as against 240 million shekels in 1968 (at 1980 prices), a growth of 75 percent. Since 1980 public expenditure has maintained a fixed absolute rate (except in 1983 when it increased by 4 percent in real terms). Given population growth, expenditure per capita has dropped.

In 1982 public expenditure per capita in the West Bank was \$120 as against \$800 (\$2,000 including defense expenditure) in Israel, a proportion of 1:6.6. Expenditure on health per capita, for instance, was 8 percent of Israel's. Education expenditure came to 12-15 percent of Israel's. In addition to the above figures, public consumption of services provided by voluntary organizations (See UNRWA, FOREIGN AID) must be taken into account. According to estimates, total average annual transfers in 1982 came to about \$14.5 million, 80 percent for operating budgets. Inclusion of this sum increases public expenditure per capita by 50 percent, up to \$180. Fairly efficient use was made of funds available to the public sector (See HEALTH, EDUCATION, etc.). This in itself however, is unsatisfactory and clearly insufficient to ensure economic growth. Moreover, an analysis of the FISCAL BURDEN shows that monies collected from residents of the territories, which could have been used to improve the public sector, were not distributed in the territories but transferred to public consumption in Israel.

Public Investment

If the situation in public consumption is discouraging, the state of public investment is graver still. Public investment was 1.8 percent of the local uses in 1981, 2.4 percent in 1982, and 2.8 percent in 1983. The proportion of public investment in fixed assets fell from 16 percent in 1974/75 to 9 percent in 1977/78, then increased to 12.3 percent in 1981, 14.6 percent in 1982 and 18.1 percent in 1983. Israeli funding of public investment dropped off during these years. In 1971/72 it reached 53 percent of total public investment, and after continuous decline reached 11 percent in 1980. It rose again to 54 percent in 1982, and 48 percent in 1983.

According to estimates, total public capital formation (including

municipalities) in the West Bank (1968-1983) reached some \$350 million or \$15-20 million per year. The development budget of the military government in 1981 was \$10 million, in 1982/83 some \$14 million, in 1983/84 \$19 million, and in 1984/85 \$13.5 million. In 1984/85, 12 percent was invested in water works, 10 percent in electricity, 14.5 percent in road construction, 4.7 percent in schools, 12 percent in telephone grids and 9.5 percent in health. Some \$4 million were given to municipalities as loans and grants. Investment in the development of regional infrastructure in areas beyond the limits of the cities and the larger villages was particularly low. Public investment in regional infrastructure amounts to no more than a quarter of total public investment. An examination of public investment items indicates that most of it goes towards improving services with only a small part going to economic development.

In the absence of a central economic authority, there is no promotion of investment in regional infrastructure aimed at encouraging growth. This is only one example of the deliberate freeze characterizing government policy as regards the Arab productive sector (See ECONOMIC POLICY, FOREIGN AID).

Public investment in improvement of services is reflected in the quantitative statistics on construction of public buildings (See PUBLIC CONSTRUCTION) and the decline in the number of hospital beds (See HEALTH). It is instructive to compare public investment in the Arab and Jewish sectors on the West Bank. Between 1968 and 1985 some \$2.0 billion was invested in settlements and in civilian infrastructure for Jewish settlements in the West Bank (See INVESTMENT IN SETTLEMENTS), or an average of about \$100 million per year. The sum invested in 1980-82 to develop Israeli settlements was equal to the entire public investment in the Arab sector over 17 years.

Public investment is divided between the military government and the Arab local authorities (in addition to voluntary organizations). During the occupation their relative contributions have undergone changes. In 1968-1973, the local authorities' share in public expenditure (including investment) was 15 percent. By 1980 this had risen to 30 percent as the result of a decrease in military government expenditure. During the years 1981-84 the Arab municipalities' share came to about a quarter of total outlay. The participation of the municipalities in investments of the public sector in the territories was as follows: 1975 - 22.8 percent; 1977 - 33.9 percent; 1978 - 57.3 percent; 1981 - 54 percent; 1982 - 22.3 percent; 1983 - 17.7 percent. The significant change in the absolute rate of total military government investment in fixed assets, relative to the stability of the public consumption budgets, indicates that the government has no

clear investment program nor development priorities. Investment and financing are used as political tools, aimed at encouraging collaborators and penalizing opponents.

While the government was engaged in promoting the VILLAGE LEAGUES, its investment in the rural sector rose, and its investment decreased significantly in the municipal sector. In 1978 the civilian administration contributed 34 percent of funding for rural projects. In 1982 its share rose to 80 percent of total outlay. In 1981/82, when the political struggle between the civilian administration and the municipalities was at its height (See CIVILIAN ADMINISTRATION, MUNICIPALITIES), government contribution to municipal projects reached \$400,000. After the Palestinian mayors were dismissed and replaced by Israeli officers, the government's contribution to municipal projects rose tenfold.

Changes in Arab municipal investment are affected not only by reduction in the military government's share, but also, and perhaps principally, by the transfer of development funds from Jordan and other Arab countries (See SUMUD). These transfers increased from 1977 onwards and reached their peak in 1978, when they came to approximately \$25 million (to the municipalities alone). It is difficult to obtain reliable figures for total Sumud transfers for public investment (a considerable portion is classified as private consumption and in particular as investment in housing (See CONSTRUCTION)). Some 60 percent of the investment funds in projects initiated by voluntary organizations (See FOREIGN AID), and classified as "local participation," are in actual fact Sumud funds transferred through Jordanian banks and cooperatives.

In 1982, the transfer of Sumud funds without prior approval was banned. As a result, municipal development budgets fell by 42 percent and investment in projects by 58 percent - an indication of the overwhelming weight of this source of funding in West Bank public investment. In 1983/84 funding for projects from outside sources was only 20 percent of its level prior to the ban and the share of the Israeli government in their funding rose accordingly (though the actual extent of this investment was small). At the end of 1984 a decision was taken to ease the restrictions, and unilateral transfer soared.

SUMUD

Sumud is the Arabic term denoting steadfast clinging to the soil of the homeland. At the Palestine National Council congress in Algiers in February 1983, it was resolved that "the council affirms the need to redouble the efforts of the residents of the territories to become closer to the land, in order to bring forced emigration to an end and to protect the land and the national economy." The PLO and Jordan realized that Israeli settlements, constraints on productive elements on the West Bank, the lack of credit, scarcity of housing, and military government repression could lead to mass emigration from the territories. In order to combat annexation, the Arab summit conference in Baghdad set up a JOINT COMMITTEE (JORDAN-PLO), charged with the management and transfer of aid funds to the residents of the West Bank and Gaza Strip. In 1983 it was also decided to make available to "the Palestinians in the conquered territories" - i.e. Israeli Arabs - "all the means with which to continue their national struggle." The annual budget granted to the Joint Committee for the "Steadfastness Aid Fund" was \$150 million.

The Joint Committee distributes funds to local authorities, trade unions, private citizens, universities, newspapers, and cooperatives. Unemployment allowances are paid to university graduates, government workers, lawyers, and the retired. Large sums are set aside for housing aid. Every landowner in possession of a building permit (Israeli in Jerusalem, municipal-Arab or military government in the West Bank) is

entitled to an interest-free loan of 7,000 dinars. In addition, promoters of industrial and commercial concerns receive investment aid. The pattern of Sumud fund distribution has aroused criticism in the West Bank.

The Israeli government did not interfere with the transfer of funds until 1982, though it was clear that Jordan and the PLO were acquiring considerable political influence on the West Bank. This hands-off attitude was partly the result of economic considerations. Cessation of transfers would have meant loss of foreign currency revenues and would have required the military government to come up with alternative development funds. In 1982, with the establishment of the civilian administration and the battle against PLO influence, an order was issued banning the transfer of Sumud funds to the region, and another order established a development fund. According to these orders, transfer of funds from abroad without permit was banned. The transfer of "enemy funds" - i.e. funds of the Joint Committee - was permitted only through the "Regional Development Fund" managed by the military government.

As a result of these measures the transfer of funds to institutions and bodies under governmental supervision diminished considerably, and the government was forced to provide development funds from its own budget (See PUBLIC CONSUMPTION AND INVESTMENT.) Housing aid funds and employment allowances, however, continued to reach the territories through other channels.

In 1984, with the change in MILITARY GOVERNMENT policy, there was a liberalization of the attitude to the transfer of Sumud funds. In the meantime, however, the grants of the "Steadfastness Aid Fund" had diminished following the failure of several Arab oil-producing countries to meet their obligations.

Official sources in Amman disclosed (September 1985) that \$435 million were distributed since 1980 on the West Bank and Gaza by the joint fund, or \$87 million a year.

TAXATION AND REVENUES

Both direct and indirect taxes are levied on the West Bank. The indirect taxes are: import duties, excises on local products, supplementary excises (VAT), levies on goods in inventory, fuel, and stamp taxes on documents and exit permits. All the indirect taxes, with the exception of stamp tax, are imposed and collected according to Israeli laws and regulations applied in the territories by military orders. The indirect taxes on local production are identical to Israeli purchase and value added taxes. The rates vary by order of the military government simultaneously with rates changes in Israel. Only stamp tax is collected according to Jordanian practice.

Revenues and income from indirect taxes in 1983 were as follows:

Supplementary excise tax (VAT)	40.2 percent
Excise tax	26.2 percent
Import duties	6.2 percent
Stamp tax	27.4 percent
	<hr/> 100.00 percent

The direct taxes are: income tax, municipal property tax, business tax, and rural property tax. These taxes are based on Jordanian legislation, with some revisions in the rates. Prime importance is attached to income tax since these monies go directly to the military government while

property tax goes, for the most part, to the municipalities. Priority given to income tax is also evident in the fact that all West Bank tax collection offices are managed by Israelis, under whom are Palestinian employees. A considerable portion of West Bank income from tax revenues is collected from MILITARY GOVERNMENT employees, for whom the tax is deducted at source. This amounted to some 40 percent of the total income tax collected in 1983, an indication of a high rate of tax avoidance. According to an estimate by the STAFF OFFICER for taxes, tax collection from the self-employed on the West Bank stood at about 15 percent of its real potential in 1983.

In 1983 revenues from direct taxation were distributed as follows: income tax - 74 percent; municipal property tax - 22 percent; business tax - 2.9 percent; village property tax - 1 percent. The relative importance of direct and indirect taxation on the West Bank has changed during the occupation, as shown in the following table:

Taxes and Revenues on the West Bank, selected years:			
Type	1966	1972	1983
Direct Taxes	12.8	8.2	28.0
Indirect Taxes	78.6	81.3	72.0
Other	8.6	10.5	-
Total	100.0	100.0	100.0

In 1982 total taxes and levies collected on the West Bank came to \$62.5 million (\$58.3 million by the military government and the rest by the local authorities). In 1982, taxation came to 7.3 percent of the Gross Domestic Product, and in 1983 to 7.6 percent as against 9.3 percent in 1972. The local tax burden has therefore not increased. In calculating taxes, however, it must be taken into account that in 1982, laborers from the territories working in Israel paid income tax and national insurance amounting to \$31.2 million, including employers' contributions. West Bank residents also paid import duties and taxes on goods brought into Israel (See FISCAL BURDEN).

UNRWA

The United Nations Relief and Works Agency was founded in 1949 to provide relief for Palestinian refugees, and began its operations in 1950, headed by a general representative appointed by the secretary-general of the United Nations. UNRWA headquarters previously in Beirut, were transferred to Vienna as a result of the civil war in Lebanon. It is composed of six departments: administration, welfare, health, education, financial, and legal. The agency works through field offices composed of two branches: services and refugee camps.

The service branch comprises four departments: welfare, health, education, and supply and transportation. The welfare department registers the refugees and distributes food and personal relief; the health department deals with preventive medicine, sanitation, water supply, the training of nurses; the education department deals with all areas of education and teacher training (See EDUCATION (ARAB)); the supply and transportation department is responsible for bringing monthly supplies to the storage areas.

Until 1967 the refugee camps department was responsible for about 25 camps (See REFUGEE CAMPS), which were administered from five district offices. At the head of each local office was an administrator directly responsible to the field office, and under his command were the directors of the refugee camps in his district. In 1967 the number of camps in Trans-Jordan doubled because of the mass flight after the war.

UNRWA defines a Palestinian refugee as anyone whose permanent residence had been Palestine for at least two years before the 1948 war and who lost both his home and means of livelihood (not just one of the two) as a result of that war.

In recent years UNRWA has reduced the services it supplies to the refugees, claiming a shortage of resources. That step provoked protests among the refugees, who accuse UNRWA of joining in the conspiracy to make the Palestinian question disappear by stamping out the Palestinian national movement and settling the refugees permanently in their place of exile.

According to a census of June 1983, the Palestinian refugees are distributed as follows:

Jordan	799,724
West Bank	357,704
Gaza Strip	427,892
Lebanon	263,599
Syria	244,626

Total: 2,093,545

Of those refugees, 35 percent live in about 50 camps established after 1948 and about 10 more established after 1967 (See REFUGEES).

Institutions of Higher Education Belonging to UNRWA (See also EDUCATION)

UNRWA runs eight institutions of higher education for professional training. The first institution was established in 1953, and by 1982 the number of graduates of those institutions reached 25,000. They found work in a number of countries, including Saudi Arabia and the Gulf states.

The institutions, called "centers," are as follows:

- Lebanon - one center - Siblih, near Sidon.
- Syria - one center - in Damascus.
- Jordan - two centers - in Amman and Wadi al-Asim.
- West Bank - three centers.
- Gaza Strip - one center.

The al-Tira Training Center for Girls, Ramallah

This center is a combination of a number of centers for professional training in various fields such as sewing, secretarial skills, pre-school education, home economics, laboratory techniques, cosmetics, and teaching. The studies at the center last two years for all subjects. In the 1982-83 academic year about 670 girls studied there, about 300 in the teacher training program and the rest in the other courses. The center accepts students from the West Bank and the Gaza Strip whose parents are registered with UNRWA as refugees. According to UNRWA procedures, any student at one of the UNRWA institutions of higher education or anyone who receives a job is automatically removed from the roster of refugees receiving welfare assistance.

The Professional Training Center in Kalandiya

The center offers vocational training to students on two levels: the first is for those who have finished ninth grade and the second is for high school graduates. Among the subjects studied are: mechanics, surveying, ironwork and welding. In 1982-83 there were 504 students. The center is known to the media because it is located on the highway to Ramallah next

WATER

Most of the West Bank area is part of the Israeli hydrological system. About a quarter of Israel's annual water potential has its source beyond the green line (some 475 million cubic meters per year out of 1,900 million cubic meters). This is the basis for the Israeli claim that control over West Bank water potential must remain in Israel's hands in all circumstances. Otherwise, Israel argues, the entire Israeli system, already overpumping water, will collapse.

The total water potential of the West Bank is estimated at 600 million cubic meters per year. About 125 million cubic meters of this are situated east of the watershed and therefore do not affect Israeli potential. The western water table (Yarkon-Taninim), with a capacity of 335 million cubic meters per year, and the northeastern water table (Gilboa-Beit She'an), which collects some 140 million cubic meters per year, directly affect Israeli potential.

Of this joint potential, Israel uses the vast majority of the water and the West Bank, only about 20 million cubic meters per year (1982). According to estimates, Israel is overpumping these water tables, so that the main water potential of the West Bank, shared with Israel, is exploited to its limit, in a ratio of 4.5 percent to the West Bank and 95.5 percent to Israel. In the eastern water tables (Samaria, Nablus-Jenin, Wadi Fari'ah, Wadi Baydun, Petsael, and Fasha) some 80 million cubic meters are used by the Palestinians, including 20 million cubic meters on the mountain plateau and about 50-60 million cubic meters in the Jordan Valley and its eastern slopes. Some 30 million cubic meters from the same water table are used by the Israeli agricultural settlements in the Jordan Valley, part of which is supplied by sources outside the region. There is a water surplus in the eastern tables, but the authorities have not permitted the residents of the West Bank to expand the utilization of their water sources. Total water consumption of the Palestinian sector on the West Bank reached some 115 million cubic meters per year at the beginning of the 1980s, of which some 100 million cubic meters go for irrigation and the rest for domestic and industrial use.

The water sources are boreholes (some 230), springs (some 300), reservoirs and cisterns. Some 50-60 million cubic meters are pumped from springs, 55 million from boreholes, nine million from the Jordan River and five million from reservoirs and cisterns. The quantity of water available annually to Palestinian residents is about 20 percent higher than in 1967. The irrigated area came to approximately 100,000 dunams at the beginning of the 1980s. The water available for agriculture was frozen at a level of 90-100 million cubic meters, and according to the official development plans, the Palestinian water consumption will not expand even by the year 2010. The freeze results from water rationing and high prices for water for agricultural purposes.

By contrast, the amount of water available for Israeli agriculture (mostly in the Jordan Valley, but also in the Etzion bloc and southern Mt. Hebron) will increase by more than 100 percent during the 1980s. In 1990, 60 million cubic meters of water will be available to some 30 Israeli agricultural settlements, only one-third less than the amount available for 400 Palestinian villages. The planned supplement to the Arab sector is intended for domestic use only, reflecting population growth and increased demand for water per capita. In 1982, the consumption per capita in Arab settlements was estimated at 35 cubic meters (per annum) in towns and 15 cubic meters (per annum) in villages. According to forecasts, the consumption per capita (per annum) will increase gradually to 50 cubic meters per person in towns and 25 cubic meters per capita in villages, by 1990; and by 2010, to 60 cubic meters and 35 cubic meters respectively.

The planned level of consumption per capita in the Jewish settlements has been fixed at 90 cubic meters. The estimated rate in western Europe is 83 cubic meters (per annum). The price of water in the two sectors is also different, with Jewish consumers benefiting from a high subsidy. The total amount of water planned for allocation to the Arab sector (agriculture and domestic consumption) at the end of the decade is 137 million cubic meters per year (for about one million people) and for the Jewish population, approximately 100 million cubic meters, for about 100,000 persons. The water available to the Palestinian population amounts to 6.3 percent of the total water resources of western Palestine, or 23 percent of the water potential of the West Bank (some 600 million cubic meters). According to the water development plan, the relative quantity of water available for Palestinian use will not be altered.

The Israeli water authority is working on the integration of the West Bank system into large regional plants linked up with the Israeli network. The separate West Bank water system, which was under military government management since 1967, was handed over to the Israeli national water company, Mekorot, in 1982.