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Paying a Price
Coping with Closure in Two Palestinian Villages

Fafo

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Palestinian workers crossing a road block on their way to work in Israel. April 2001

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Measures

A dunum is a measure of acreage that stems from the Ottomans. The traditional Palestinian dunum was 0.22 acres or 9 ares, i.e. 900 square meters, but now a measure of 1,000 square meters is commonly used.

A gallon is a measure used for olive oil, which in Beit Furik appears to be approximately 19 litres.

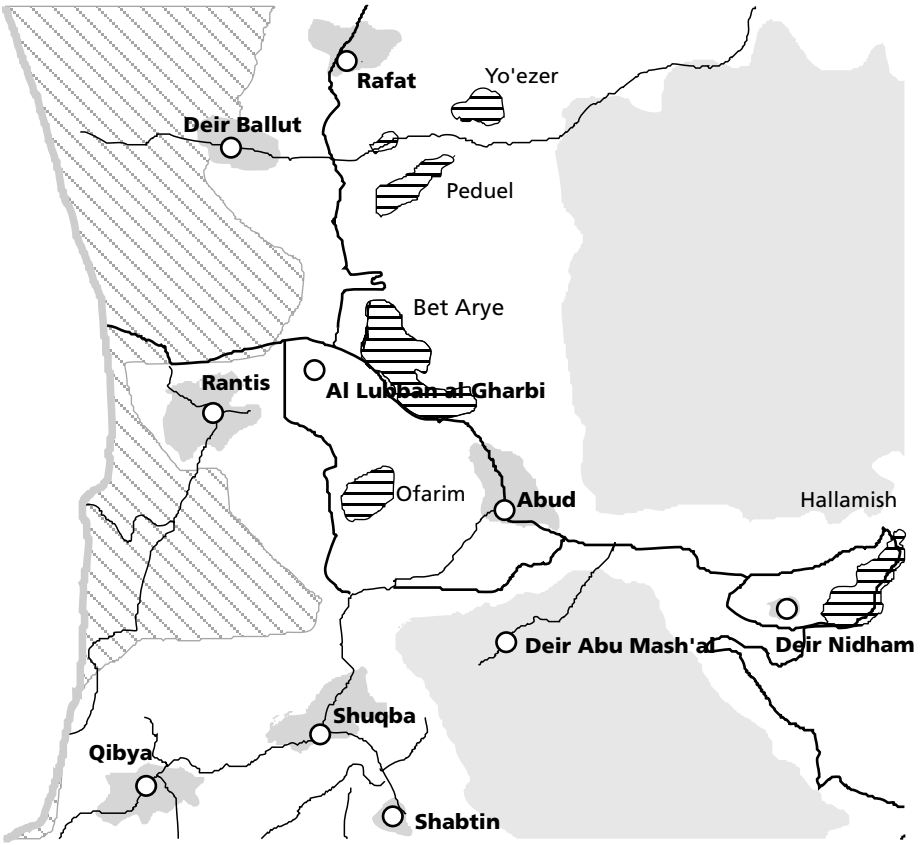
Currency

Confusingly, the Israeli New Shekel (NIS), Jordanian Dinar (JD) and US Dollar (USD) are all used as tender in the West Bank. The approximate exchange rate at the time of fieldwork was:

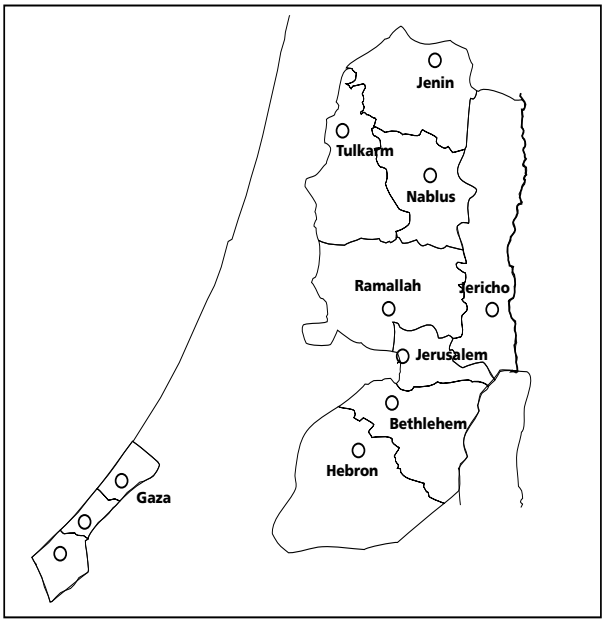
1 USD ≈ 4.2 NIS ≈ 0.7 JD

Abbreviations and Acronyms

IDF	Israeli Defence Force – the Israeli Army
PECDAR	Palestinian Economic Council for Development and Reconstruction
UNDP	United Nations Development Programme
UNSCO	United Nations' Special Co-ordinator's Office
Area A:	The PA has full civil jurisdiction and responsibility for internal security in these areas.
Area B:	These areas are under Palestinian civil jurisdiction, but with a joint Israeli-Palestinian security regime.
Area C:	These areas include (inter alia) confiscated lands and Israeli settlements and remain under full Israeli civil and military administration.



Village	Closed military area
Local road	Military zone
Regional road	B-Area
Main road	A-Area
Settlement	Green line (Border Israel - West Bank)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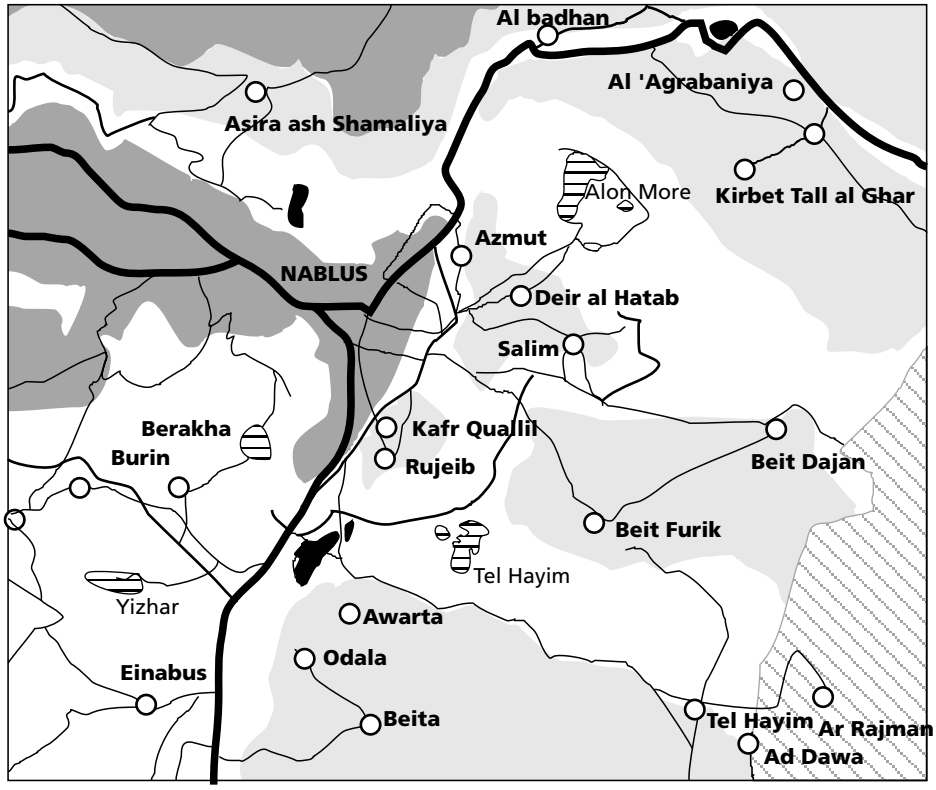
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Deir al Hatab
Salim
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Kafr Quallil
Rujeib
Beit Dajan
Beit Furik
Tel Hayim
Yizhar
Awarta
Odala
Einabus
Beita
Tel Hayim
Ar Rajman
Ad Dawa

Summary

"Closure" means Israeli restriction of Palestinian movement of persons or goods across the border between the West Bank or Gaza Strip and Israel, and also internally within the Occupied Territory.

This study reports the findings of two fieldworks carried out in late April and early November 2001 in two villages in the West Bank, Beit Furik and Rantis. The purpose of this study was to understand how the closure of the West Bank following the start of the Al Aqsa *Intifada* – the new Palestinian uprising that started in September 2000 – impinges upon the daily life of the villagers, how they are affected by the closure and how they cope with the situation.

Before the current closure the two villages, although both originally based on agriculture, depended primarily on wage labour in Israel and in towns on the West Bank. Retail shops, and small workshops and manufacturing businesses in the villages also generated some income. The closure has made going to work difficult, time consuming or impossible, and severely curtailed the possibilities of marketing goods produced in the villages.

Before embarking upon the fieldwork, we had expected to return with descriptions of a population forced into abject poverty. That expectation was only to some extent fulfilled. The villagers do, in fact, cope with the situation. The main effect is radically reduced consumption and investment, which leads to a slowdown of economic activity, but not a complete halt. The poor and the middle classes are definitely getting poorer and the rich do not benefit.

There are two main reasons why the closure has not had more drastic consequences. The first is that the public sector, the Palestinian Authority, still pays wages to its staff. The wages are paid regardless of the extent or ability of workers to show up at work. The wages paid to public sector workers do not only benefit the workers and their immediate families, but also serve as a safety net for relatives.

Secondly, even though the closure is strict, it is not total. Workers are able to carry on working in Israel intermittently, where they receive wages that are much higher than what they can obtain in the West Bank. However, a major change between April and November 2001 has been that possibilities for entering Israel became much smaller in November than they were in April. Thus, the Palestinian Authority's payment of wages has assumed a greater importance as a safety net.

Another factor that has been important for retaining a semblance of normality is the widespread use of buying goods and services on credit. Nevertheless, there are

clear signs that this system is on the verge of breaking down, as those who are providing credit cannot sustain it indefinitely.

Basic services such as electricity and water have been maintained, but the water supply in particular was poor even before the start of the current problems, in both villages.

The education and health sectors have significantly more difficult working conditions, but are still able to function.

External aid to individual households is handed out occasionally. This is of help, but is not a crucial contribution to the survival of the households. More important is the fact that a number of externally financed development projects have been postponed, thereby depriving the communities of an improved quality of life in the medium term and work in the short term.

If the closure continues, and in particular, if reduced economic activity erodes the Palestinian Authority's economic basis so much that wages cannot be paid, then the consequences will be much more dire than they have been so far.

Acknowledgements

The authors would like to thank the people of Rantis and Beit Furik for their hospitality and generosity in sharing their lives and experiences with us. They were told that they could not expect anything in return, except perhaps that the world would have a wider understanding of their plight.

In studies of small villages, there is always the question of how far one should go in protecting respondents. This is obviously a particularly acute concern when the communities in question are among the foci of a conflict as bitter and harsh as that between the Palestinians and Israelis. To protect respondents, researchers often use the ploy of changing the names of the villages, and sometimes even go as far as mixing the stories of different people into one.

However, Rantis and Beit Furik are the real names of the villages. We found it awkward and artificial to describe the villages so that they could not be identified from their characteristics in the absence of their real names. We have not mixed the stories of different people but we have refrained from using individuals' real names. Nevertheless, anyone who spends some time in the villages will doubtless be able to identify individuals. It is difficult to avoid this without prejudicing the descriptions and analyses. Nevertheless, it would come as a big surprise to us if people who are in the business of using such information as is presented here for purposes that may bring harm to our respondents, are not already aware of what we are describing. We

can but ask that anyone who obtains knowledge from this work refrains from using it in anger against the villagers.

Apart from the villagers, many people have been involved in making this study possible. The actual fieldwork was carried out by Mona Christophersen, Lena Endresen and Pål Sletten of Fafo. We are grateful to the Mayor of Beit Furik, Atif Afif Aref Hanani, and our assistants and translators, Nahil Hanani and Iman Barghouti.

We are grateful to the Palestinian Ministry of Local Government and its staff, in particular Dr. Saeb Erakat, for facilitating our work.

We are also grateful to the Palestinian Central Bureau of Statistics and its Director, Hassan Abu Libdeh, who provided data from the Census of 1997 for use in the project.

Several people in Fafo assisted: Akram Atallah helped organise field operations; Marie Arneberg was instrumental in the design, planning and follow-up of fieldwork; Tone Sommerfelt, Kari Riisøen and Jon Hanssen-Bauer commented on drafts to the report.

The work has been funded by the United Nations Special Co-ordinator Office (UNSCO) and we would like to take this opportunity to express our gratitude to the staff, and in particular Elizabeth Cousens, who has been our main contact and who has had to deal with the stress of a hurried project in addition to all her other tasks. In spite of all this help and contributions, Fafo bears the total responsibility for the work and this report, including all analyses and conclusions.

1 Introduction

This report depicts some of those who pay the price of the conflict between the Palestinians and the Israelis. The report describes how Palestinians live when their communication with the outside world has been partially closed off. The report focuses on the daily life and struggle to make ends meet in two villages on the West Bank: Rantis and Beit Furik.

In the conflict between the Israelis and the Palestinians, the concept of *closure* has particular significance. "Closure" means Israeli restrictions on Palestinian movement of persons or goods across the border between the West Bank or Gaza Strip and Israel. This was first imposed as a consequence of the total curfew during the Gulf War in 1991, and acquired its "modern form" during the closure of March 1993. Since then, it has been applied intermittently. The Israeli Defence Force (IDF) enforces the closure by means of checkpoints, where permits to pass are examined, and unmanned physical barriers – roadblocks. A closure may also be "internal", which means that movements within the West Bank or the Gaza Strip are also constrained. Then main roads may be completely closed and their use forbidden, and secondary roads may be physically blocked.

Closures can last for less than a day to several weeks. They are seldom absolute in the sense that no Palestinians or goods may pass. Sometimes a closure entails just delays at checkpoints for those with permits to enter, while people without permits can easily sneak through using alternative routes. At other times, few can pass the checkpoints and alternative roads are blocked. Thus closures vary in their severity as well as their duration. Since the start of the Al Aqsa *Intifada* in September 2000, closures have been nearly permanent and often strict.

In 163 days out of the 185 days between 1 September 2000 and 30 March 2001, no permits to go to work in Israel were issued in the West Bank. Furthermore, there were internal travel restrictions in the West Bank during most of this period. The Allenby Bridge to Jordan was completely open for 79 days, completely closed for 17 days and partially closed on the remaining days of the period.

The main effects of the closures are well known. A closure makes it difficult or impossible for Palestinians to go to work in Israel, thus directly depriving them of income and indirectly slowing down the Palestinian economy through reducing demand and diminished tax revenues. In its internal form, the closure also imposes severe constraints on economic life, public administration and service delivery within the West Bank and Gaza Strip.

The closures are hotly contested. A closure is usually imposed in the aftermath of Palestinian actions against the Israelis, and Palestinians regard them as a form of collective punishment. The official Israeli view is that closures are a necessary measure to increase Israeli security.

In this report we neither discuss the aggregate effects of the closure nor focus on the rationale for imposing it. Instead the report portrays how Palestinians in their daily life experience and cope with closure. As closure is so closely linked to the conflict, it is difficult to separate issues that are directly related to the conflict from those that are related to the closure. Nevertheless, the main focus remains on the closure and the conflict itself is only considered when relevant.

Closure, Space and Community

Statistics on the days the border has been closed tell of the existence of closure. Macro figures for economic performance tell of the overall economic effects. But such statistics do not say much about how the closure works on the ground or how people relate to it.

Harvesting wheat in Rantis. In the background, an Israeli settlement.

How should one go about making an analysis of how individuals, households and communities confront the closure? A convenient point of departure for analysing the hows of the closure is to realise that social action takes place on different geographic scales. Thus, when a household grows vegetables for its own consumption in its garden, the activity has a small geographical scale. In contrast, when the breadwinner goes to work in Israel, it has a much larger scale. The activities of households, enterprises or public service providers represent specific mixes of geographic scales. The main effect of the closure can be seen as restricting the possible scale that activities can have.

Because closures reduce scale, they reduce the opportunities people have. However, given that fields of social activity have widely different scales, the effects of the closure vary with the specific ways in which activities are mapped in space. Therefore, a starting point for our analysis is to map out precisely how the scale contraction affects different fields of activities.

The Two Villages: Rantis and Beit Furik

The two villages selected for this study differ from each other. Indeed, they were selected for precisely that reason. Rantis is a comparatively small village (2,015 inhabitants in 1997[1]) that is close to the 1948 armistice line (the "green line"). Rantis is located on a small hill on the route between Jaffa and Ramallah, about 30km from each town (see map 1). The Israeli settlement of Ofarim is nearby.

Beit Furik is located 6km south-east of Nablus in the northern part of the West Bank. It is one of the five large villages in the Nablus district. The Israeli settlements of Itamar and Gidonim, Alon Moreh and Machora surround Beit Furik.

With 7,719 inhabitants in 1997, Beit Furik is a much larger village that is partly a market town in its own right.

The inhabitants of both villages depend on wage labour as their primary means of securing their livelihood. Rantis depends to a large extent on work in Israel, Beit Furik somewhat less so. During the last part of the 20th century the villages have seen a transformation from peasant communities into suburbs for neighbouring centres. Nevertheless, as in most Palestinian villages on the West Bank, agriculture is important, not least because the people's identity to a large extent is tied to the land and working the land.

[1] References to statistics from 1997 are all based on results from the 1997 Census of the West Bank and Gaza Strip that were provided to us by the Palestinian Central Bureau of Statistics.

While there are several similarities between the two villages, an important difference between them is their exposure to the events of the *Intifada*. The main impact on Rantis has been the closure itself. Beit Furik has seen more violence and disruption than Rantis, in addition to the closure.

As in most Palestinian villages, the villagers of Rantis and Beit Furik recognise membership in the patrilineal clan, *hamulah*, as a central aspect of the social position

Table 1.1 Rantis and Beit Furik at a glance

	Rantis	**Beit Furik**
Nearby centre (distance)	Ramallah (30km)	Nablus (6 km)
Governance	Village council	Municipality
Area	B (close to Green Line)	B
Type of locality	Agricultural village, suburb	Agricultural village, market place, suburb
Population in 1997 (households)	2,015 (298)	7,719 (1298)
Hamulahs (main kin groups)	7	5
Agricultural land (dunums)	11,000	36,660
Type of agriculture	Dry: olives, wheat	Dry: olives, wheat
Percentage of households with agricultural land (1997)	45	47
Percentage of households with 0-9 dunums of land (1997)	29	31
Percentage of employed persons working in Israel (1997)	23	21
Percentage of employed persons working in settlements (1997)	37	1
Economic enterprises	Few	Small-scale: retail businesses, service, manufacturing, agricultural.
Infrastructure		
Water	90% piped	Tankers, public wells
Sewage	Network	Septic tanks
Garbage collection	Yes	Yes
Electricity grid	Yes, Al Quds	Yes, Israeli Regional Electricity Company Municipality
Telephones	Mobiles, no fixed lines	Mobiles, 300 fixed lines
Roads	3 roads, main one paved	3 roads, main one paved
Health care	Primary clinic (1 nurse), pharmacy, midwife	1 PA primary clinic (2 doctors, 3 nurses), 4 private clinics, 1 dentist, laboratory
Education	2 PA schools (elementary, secondary)	4 PA schools: elementary and secondary schools for boys and girls. About 50 students attend secondary in Nablus. About 150 students attend university in Nablus.
Number of pupils in 1997	716	2,408

and status of individuals. The *hamulahs* play an important function in the settlement of disputes, both between members of different *hamulahs* and within a single one. Rantis has seven main *hamulahs*, while Beit Furik has five, one of which consists of about half of the population.

Both Rantis and Beit Furik are B areas, i.e. they are under Palestinian civil jurisdiction, but with a joint Israeli-Palestinian security regime. The Palestinian Authority divides the West Bank into administrative regions called Governorates. Rantis is part of the Ramallah Governorate, and Beit Furik is part of Nablus. Rantis has a village council, which was set up under the supervision of the Palestinian Authority's Ministry of Local Governance in 1996. Each *hamulah* has at least one unpaid representative on the village council, and two *hamulahs* have sent two representatives. How the *hamulahs* selected their representatives varies. The village council elected its own leader, and since the two main *hamulahs* both wanted the seat they chose the leader from a small *hamulah* as a compromise.

A municipality governs Beit Furik. It was established in 1995 on the basis of the village council. Nevertheless, as with the village council in Rantis, the 14-member municipality leadership consists of representatives from the *hamulahs* of the village. The Mayor represents the largest *hamulah,* as did his predecessor. The municipality administration has 17 employees. The municipality has departments for refuse collection, engineering, electricity network maintenance, and accounting. Palestinian police from Nablus have sometimes enforced public order.[2]

To summarise, both villages are peasant villages that have turned into suburbs of neighbouring centres, settlements and Israel. Nevertheless, they have retained agriculture as an important source of income. The main differences between the two stem partly from the larger size of Beit Furik, which allows a more diversified business community than Rantis. While work in Israel had a similar importance in 1997 for the two villages, the frequency of Rantis inhabitants' working in settlements was much higher. Finally, Beit Furik has seen much more direct conflict than Rantis.

[2] This happened five times prior to the *Intifada*. Once it was because the Municipality had decided to widen the main road leading in to the centre of Beit Furik. The operation included removal of some private fences and walls set up by people living along that road, and required enforcement by police. On these occasions, the police from Nablus would drive in a civilian car first to see if the road was unguarded by Israeli soldiers, then they would come with police cars, uniforms and guns to Beit Furik.

Methods

The main body of data used for this report was produced through short fieldworks that took place during the last part of April 2001. An anthropologist and an interpreter lived in each village for two weeks. In addition, a third fieldworker – an economist – spent a few days in each village concentrating on the village enterprises. Most of the fieldwork was carried out as interviews. In addition, a number of methods derived from Rapid Rural Appraisal were used, such as organisation mapping and focus groups. The study team also included two senior researchers based at the head office of Fafo in Oslo, Norway, who received the field notes by e-mail each day during the fieldwork and replied with suggestions and guidance to the fieldworkers.

A second visit was carried out to each of the two villages in early November 2001. In Rantis the original field worker made the re-visit, while in Beit Furik the economist who had worked in both villages previously made the restudy.

The field workers carried out a total of 75 formal interviews during the initial fieldwork, each lasting from about 30 minutes to several hours. During the second visit, a total of 27 interviews were carried out.

The respondents were not in any way randomly selected. Instead they were chosen in order to maximise information at each stage in the fieldwork process and in order to deepen, cross-check, verify or falsify the continually developing understanding of what was going on in the villages. For example, when the municipality of Beit Furik reported that some households had had their electricity cut because of non-payment of the bill, the fieldworkers sought out such households in order to find out what had led to this situation.

A consequence of this approach is that we do not presume to present a representative picture of the villages in a quantitative sense. The reader will not find statements in this report such as "Of the households where one or more members has lost his or her job, 16 percent have started some informal business". Instead we try to discover the processes by which, for example, alternative economic options are exploited, or which factors are important constraints for people's choices.

The basic premise for the analysis is a simple one, namely that people who act do so in relation to their perception of how their world is ordered. Even if the closure plays havoc in people's life, it does so in a manner that can be perceived and understood by those involved. As long as there is a structure or order to what is happening, responses can also be structured and ordered, both according to the resources and opportunities people have when they respond, and how they perceive their resources and options. To a large extent, we can map these responses, actions and views through interviews, and, in particular, through interviews that focus on eliciting case histories. A case history in this context is a description of a sequence

of actions that can be seen as belonging together. The report is replete with examples. The establishment of a coffee shop is such an example and how a man enters Israel to work would be another. When people carry out acts, they must relate to the order of their world, just as a person who speaks must relate to the structure of the language and the words available if he or she wants to be understood. Although social organisation is seldom structured as tightly as language, the analogy may still be apt. What we are trying to do in this report is to understand some of the ordered ways in which people respond to the closure.

Why did we select the particular villages that we did? We selected Rantis as it was universally described to us as a village that, because of its location, was particularly hard hit by the closure. We picked Beit Furik partly as a contrast: a much larger village more centrally situated on the West Bank than Rantis, but nevertheless greatly affected by the internal closure due, perhaps, to its proximity to several settlements. Thus, again we are not saying that the villages are "representative". Their use for the analysis is that they show the types of processes that go on, and how people interact: villagers and their employers, and to some extent soldiers and settlers, although the latter two groups are far from the centre of our attention. In particular, the text should not be construed as a statement of how soldiers or settlers behave, that is not our focus. Our focus is how villagers behave, and how they perceive their situation and construe and explain their actions.

The text is structured as a running comment and interpretation of statements, descriptions and observations made by respondents during interviews. Because of their importance in the text, some explanation of the respondents' status should be given. Although they are mainly formulated in the first person, they are not direct transcripts of what the respondents said. This is partly because the statements have been translated from Arabic, and partly because the interviews were not tape-recorded. Therefore, the quotations from the respondents are edited from the fieldworkers' notes.

2 The Closure of Rantis and Beit Furik

A focal point of the closure is the roads and the barriers that block them. There are three roads to Rantis. The principal one is a paved road that meets the Jaffa-Ramallah road at the Israeli petrol station to the west of the village. Another road leads west, and there is one that leads east to the bypass road to Ramallah. Both are dirt roads in poor condition. The Israelis have closed the two westbound roads. The old road on the east side dates back to the Ottomans. After the main entrance to the village was closed villagers improved it to enable cars to enter and leave the village.

Rantis has been relatively quiet during the *Intifada*. It is far away from regular flashpoints, and there have been no casualties in Rantis. The villagers report four small *Intifada*-related injuries among the inhabitants of Rantis. They tell of how one man from the village was prevented from going to the hospital in Ramallah after he suffered a heart attack, and that he died when he tried to reach a local doctor in a nearby village. One of the women from the village was stopped at several checkpoints on her way to Ramallah for a delivery, and gave birth on the road.

Three roads serve Beit Furik: one tarmac (to Nablus) and two dirt roads. One of the dirt roads closes a circle: it passes through Beit Dajan before it turns and joins the bypass road near where the paved road also joins it. The other dirt road ends up near the Machora settlement. The roadblock at the entrance of Beit Furik, on the road between the village and Nablus, was set up on 5 October 2000. It blocks the road to Nablus for Beit Furik and neighbouring villages Beit Dajan and Salem. For the first three months of the *Intifada* it blocked the road completely, with three concrete blocks on top of each other.

While Rantis has been mostly out of harm's way, this has not been the case for Beit Furik. A woman from Beit Dajan was killed on 7 January 2001. Israeli soldiers shot her on her way back from work near the roadblock. Not long after, the roadblock was turned into a checkpoint, where people can pass if they show their identity papers to the four to five Israeli soldiers that man the checkpoint.

Since the *Intifada* started, two persons from Beit Furik have been killed in *Intifada*-related violence. On 17 October 2000, a family went to pick olives in their olive grove and were shot at by settlers from the Itamar settlement. One man was killed, and another seriously injured. Villagers tell that ambulances and civilian cars were prevented from entering the area to transport the injured. On 10 December 2000, one person was killed and three were injured by the IDF near the bypass road.

On 26 February 2001, a woman died after being prevented from crossing the checkpoint for two hours to go to a hospital in Nablus. The driver said that Israeli soldiers had seen the critical state the woman was in but insisted on denying her exit. She had fainted and was bleeding from the mouth and nose. The driver said that he tried reaching the hospital through wild mountain roads, but was not able to reach the hospital in time. When they arrived at the hospital, she was dead.

Five people from the village have been arrested since the *Intifada* began and are still imprisoned. Affiliated to PFLP, they were arrested by Israeli soldiers who entered the village at night according to the villagers. (Prior to the *Intifada*, five people belonging to Hamas were imprisoned by Israel and are still being held.)

Villagers tell that settlers from nearby settlements have attacked Palestinian cars passing by on the main road with stones. Israeli tanks and bulldozers have razed cultivated land to destroy side roads. Olive trees have been uprooted. There have been several demonstrations against the occupation and the closure. The largest demonstration was by approximately 4,000 people on 25 March 2001 at the entrance of Beit Furik, by the checkpoint. Villagers tell that the demonstration was confronted with Israeli soldiers firing live and rubber bullets around 200m from the checkpoint. Some demonstrators retaliated with stones. 19 people were injured. Medical sources described injuries as moderate. Overall, the people in Beit Furik have experienced a number of warlike situations in confrontations with Israeli soldiers and settlers.

The situation is one of mutual distrust. The following incident from 24 April provides an illustration:

> Last night at 02:30 a water truck from Nablus on the way to Beit Furik stopped with engine problems at the checkpoint. The driver went out and looked for a tool to try to fix the problem. Soldiers, who were guarding the checkpoint from a nearby hill, started shooting at the driver. The driver managed to hide behind one of the wheels of his car and was not injured. His little son was with him and fortunately was not injured either. The soldiers called for a bomb detection unit to examine the truck before he could leave the checkpoint. – Man, Beit Furik.

Seen from the soldiers' vantage point, remaining at a checkpoint without obvious reason is suspicious and potentially dangerous, while from the point of view of the driver, shooting at an innocent man with engine trouble is far from reasonable.

Movement Restrictions

The severity in movement restrictions in the two villages has varied throughout the *Intifada*. The closure is spilling over into Israel extensively, and between areas in the West Bank. As the villagers see it, one kind of people, the settlers, can use good and short roads to reach their destination, while another kind of people, the Palestinians, have to use small roads in bad conditions, and over a much greater distance. This system has doubled or tripled both the travel time and the prices to their destinations.

> If we wanted to go to Ramallah in November, we had to pass from village to village: we went from Rantis to Shuqba, from Shuqba to Dier Qaddis, then to Kharbatha. From Kharbatha we had to walk 5km to Bil'in, and drive to Kafr Ni'ma. From Kafr Ni'ma we went to Deir Ibzi' where the Israelis had put up a checkpoint. We often had to wait there before we could continue to Beituniya and start the last stretch to Ramallah. The whole trip is 60km and takes about two hours, but the normal road is 29km and used to take 40 minutes. – Hamula leader, Rantis

In Beit Furik people also try to evade the checkpoints. For example, they attempt to drive their cars across the fields. In response, the IDF bulldozes up ridges of soil

Palestinian car bypassing an Israeli roadblock

along the shoulders of the road. Auxiliary roads have been closed in a similar manner with piles of sand and rocks. Nevertheless, the villagers create new passages almost daily, in which they pass until soldiers close it again, and then they find another route. But when the IDF soldiers are patrolling along the way, people do not dare to pass on these improvised roads.

The waiting times at the checkpoint and how the soldiers carry out the control vary. Sometimes cars can pass in a few minutes, and the drivers and passengers are only briefly asked to show their identity papers. At times the queuing can last for hours, and passengers are ordered out of their cars and men are body searched by the soldiers. On a normal day there is usually a queue of cars waiting in the morning and afternoon, when people commute to or from work.

The severity of the closure and the behaviour and treatment by the soldiers are quite unpredictable as seen by the villagers. Nevertheless, at the checkpoint close to Beit Furik, those who have identity papers showing residence in Beit Furik or Nablus pass easier than others. Women pass easier than men. Young men and students are checked more than others.

Restrictions on Going to Israel

When the *Intifada* began at the end of September, Palestinians were barred from entering Israel. Palestinians working for Israelis are used to such closures, and stay home from work a few days until the restrictions are lifted. This time the closure continued. Moreover, all permits to enter Israel were cancelled. Therefore, if the Israelis suddenly should open the closure, everyone must apply for new permits before they can go back to work. Israeli authorities have issued a small number of work permits during the closure, but the number has been tiny compared to the more than 60,000 permits that were issued before the *Intifada*.

In Rantis, the majority of the workforce worked in Israel before the *Intifada*. Some of them went to work with permits and some without. During the fieldwork in Rantis, three men got permits to work in construction. The wife of one of these workers recounts:

> My husband used to go to Israel to work, but generally stopped working seven months ago. He has gone into Israel a few times, and got some money. Now the police have stopped him twice inside Israel. He was then returned back to the village, but they entered his name on their computer and he had to sign a paper stating that he would not enter Israel again without a permit. If he is caught a third time, he will be sent to prison and have to pay a big fine. He can't take this risk, and has stayed at home. My uncle's son was arrested by the Israelis for the third time. He was released from prison after four days because he had no security problems, but he had to pay a fine of NIS 2,000.

A few days later: Yesterday we read in Al Quds Newspaper that the Israelis will issue 11,000 work permits for Palestinians. Tomorrow my husband will go to Ramallah to apply for a permit. – Housewife, Rantis

The next day a happy woman was able to tell us that her husband had great luck in Ramallah. His efforts had got him a permit, and he could go back to work in Israel.

Although most of the Israel workers from Rantis had their permits cancelled when the *Intifada* began, many have been able to sneak in to work in Israel occasionally, especially during quiet periods of the conflict.

During the two weeks of fieldwork more men tried to go to Israel to find work than before, and it also seemed that they had some success. The workers who succeeded all had good contacts inside Israel. They had relations with managers who were willing to take the risk to employ them, and they knew drivers who could bring them into Israel to their workplace.

I stopped working seven months ago when the *Intifada* began. I tried to go to Jordan and enter Israel from there with my foreign passport, but failed. I also failed to find work in Amman. When I heard that the situation was better in the West Bank, I decided to go home to my family. I called my former manager, and he said I could come back to work. He was not afraid to take me in. I will come on my own account, and if I am arrested, I will not give his name.

When I go to Israel, I get up at 05:00 in the morning, and walk to the Israeli petrol station at 05:30. I call a car from Israel to come and fetch me. The driver is an Israeli Arab I have known for a long time. He checks the road to see if it is clear of checkpoints and Israeli soldiers. Then he will pick me up after the roadblocks. If there are soldiers at the petrol station, we have to wait. Sometimes the soldiers are just waiting to catch someone. If the soldiers are still there at 09:00, we will not go to work that day, because the manager will be very angry that we are so late. – Worker in Israel, Rantis.

I had two jobs in Israel recently. First I helped an Israeli Arab I know to paint a house, now I am working in a restaurant in Lod. My manager is a Jew I did not know before. A friend of mine introduced me to him, and asked him if he could find some work for me. I work in the kitchen, but am not allowed to bring the food to the guests; only a Jew can do that.

I have ten friends from Rantis who go to Israel to work these days. Not all of them have work before they go, but they know many people and have the telephone numbers of many managers. – Worker in Israel, Rantis.

Many workers said they tried to go to Israel all the time, but failed. Trying means several things, however. Some people try by calling managers who refuse to take them back.

> Before the *Intifada,* I had a permit and went to Israel for work. I have tried many times to apply for a new permit, without success. When I don't have a permit, I can't go. I can't take the risk of getting arrested because I have a family and responsibilities. When my manager heard that they would punish managers who employ Palestinians he refused to take me back – Sheep owner, Rantis.

Others try to go to Israel without previous arrangements, but are turned back most of the time.

> I stopped working in Israel when the *Intifada* began. I have tried many times to go to Israel, but there have been checkpoints both here at the petrol station and inside Israel at Kuli. I started working again four days ago in the same workplace I worked before the *Intifada*. We were building 5 houses. When we came back Chinese workers had finished four of them, and we are now working on the last one. – Worker in Israel, Rantis.

As travel to and from Israel poses considerable risk of being caught, some people have started staying overnight in Israel.

> We are four friends who rent an apartment in Israel together. This arrangement is through a friend, Muhammad, who we got to know through other friends two years ago. Muhammad has rented a house in his name and signed the contract, but he himself lives in Lod. We have rented the house for 6 months.

Nevertheless, both for those who sleep where they are working and for those who return home every day, the fear of getting caught is constantly with them:

> I went to work in Israel before Eid al Ada. Some soldiers came to our workplace and 74 workers were arrested. The soldiers asked us to sit down on the floor and turn off our telephones while they searched for more workers hiding in the building. The manager had to sign an agreement with the police stating that he would not employ workers without permits again. – Worker in Israel, Rantis.

> When we are in the house in Israel, we are very afraid. We can't go out, as this is a neighbourhood where no Arabs live, and we may meet the police outside. The last night in Israel I was terrified because somebody knocked on my door at ten o'clock in the evening. I rushed to switch off the light and was very quiet until I understood that it was only my friends. Then I opened the door. – Worker in Israel, Rantis.

The villagers tell that if the police discover a workplace in Israel where the workers work illegally their reactions vary. The workers might just be registered and sent back to the checkpoint. In other cases they might be imprisoned for a week or longer in a prison for common criminals (i.e. not one for security related offences). Alternatively, the workers may have to pay a fine, usually between NIS 500-1,500.

Restrictions on Travelling within the West Bank

When villagers discussed the closure, they could understand the reasoning behind the closure of travelling to Israel more than they could understand the internal closure. They experienced the internal travel restrictions primarily as cost-increasing, rather than absolute. The costs are both in terms of time and increased travel expenses, which makes going to work less profitable.

> One of the teachers coming from Ramallah only works part-time and his salary is only NIS 40 a day. Because the cars have to go a much longer way now, the price for transportation between Ramallah and Rantis has gone up from NIS 10 to NIS 25. This is a big problem for him, as he only has NIS 15 a day left, but he still comes to our school to teach. – School employee, Rantis.

The costs and extra time are not only making what used to be "a nice trip for a change" into a very demanding and time-consuming effort. The trip has been fatal for some.

> We have two Israeli settlements close to our village, Ofarim and Bet Arye. At the beginning of the *Intifada* we had some problems with the settlers. They put up some checkpoints and so on. A relative of mine had a stroke and needed to see a doctor in Ramallah. Settlers on the road stopped him, and they barred his travel to Ramallah. After one hour he went to a doctor in Shuqba instead, but it was too late and he died. – Hamula leader, Rantis.

Another well-known story from Rantis is about a woman in labour who was stopped at several checkpoints on her way to Ramallah. In the end she gave birth on the road between two checkpoints:

> It was the time for my wife's delivery and we went to the hospital in Ramallah. We were stopped at a new checkpoint outside one of the villages. There was a military jeep and a settler car there. They refused to let us continue to Ramallah. We wanted to return to our village, but we were not allowed to return either. After 20 minutes they decided to let us pass. Then we were stopped again at a second checkpoint, but here the soldiers were polite and said they were sorry. We could continue after 15 minutes. After 4km we were stopped again, and

> the soldiers asked us to return to our village. Then they changed their minds and we could continue. At the fourth checkpoint we had to sit a long time in the car, and my wife was in great pain because of the delivery. The soldiers saw her situation, but we still had to wait. When we continued, we had to stop after 30 minutes, and my wife gave birth. We continued to the hospital as soon as possible, and at the fifth checkpoint we were stopped again. My wife was holding the baby in her arms but the umbilical cord was still attached to her. We were forced out of the car! I was very angry and started to shout at the soldier. After some time a soldier from the other side of the checkpoint came to see what was going on. He immediately understood the situation, and said we could continue to the hospital, where the doctors were waiting for us at the entrance. The whole trip took us two and a half hours. – Husband, Rantis.

The nurse also says that some of the newly pregnant women in the village have refused to go to Ramallah for their blood tests because they have been afraid of a miscarriage on the bad and bumpy roads.

Since the closure, approximately 30 deliveries – that normally would have taken place in Nablus – have taken place in Beit Furik, assisted by one of a couple of traditional midwives who live in Beit Furik.

For people from Rantis working in Ramallah - a group that has increased as more people have tried to find work in Ramallah when they lost their jobs in Israel or in the Israeli settlements - the roads have been an exhausting experience. Some people try all the alternatives to reach their workplace and others give up and stay more at home. It seems that it has been easier for workers in the public sector to give up, since they have received their salaries anyway. The policy in the public sector has been flexible towards the employees' ability to reach their workplace. There has not been such flexibility in the private sector.

> I work as a tailor for a company in Betuniya, where I have been for 2½ years. I am also a supervisor for five other tailors. In October I couldn't go to work for two weeks because of the closure, my salary was deducted to half. I also learned that if I am ten minutes late for my work, my salary is deducted 30 minutes. In November it was also very difficult to go to work, and I started to sleep in my workplace. During Ramadan I had to come home every day to break the fast with my family, and in the months after it was easier to go to Ramallah. We could even use the Bir Zeit road on some days, and I went to my work every day. In February I started to sleep in my workplace again, and I was only deducted 1½ hours that month. – Worker in Ramallah, Rantis.

The closure has restricted the workers' access to their workplaces, and made social services more difficult to reach. This also applies to some extent to what is coming

into the village. The shops did not have any problems buying products to sell in their shops, and the vegetable cars came to sell their products in the village as before.

Since the clinic in the village does not have a doctor employed, and is dependent on doctors coming from Ramallah, the service has been more unstable than usual during the *Intifada*.

> During the first two months of the *Intifada*, the doctors almost never came at all. At that time they did not know the alternative routes to the places. I think they only came to our village three times during those first months.
>
> After two months it improved a little, but we still had cancellations. Last month, March, the doctors only missed three days. But they often arrive late, and are very tired when they come, so I think the quality of their work has been poorer. – Nurse, Rantis.

About half of the staff at the primary school in Rantis comes from Rantis. Eight teachers come from nearby villages and usually arrive at work without problems. Two teachers come from Ramallah every day but they are absent occasionally. Seven teachers come from other areas such as Nablus, Tulkarem and Jenin. Before the *Intifada* they travelled to Rantis every day. Now several of them stay in Rantis during the week, and only go home during the weekends.

In Beit Furik most teachers in the schools are not from the village. Every day a total of approximately 70 teachers travel from or via Nablus to teach in Beit Furik. One of them said:

> Every teacher gets up in the morning and wants to teach, but then the long and insecure way to the school, sometimes having to walk out in the field, wears us down. We are very frustrated. – Teacher, Beit Furik.

Approximately ten of the girls from Beit Furik that attend the scientific secondary school in Nablus, have started to come to Beit Furik Secondary School for girls, so as not to have to pass the checkpoint on their way to school. A teacher commented: "No parents will encourage their children to go to the scientific secondary school in Nablus next year, in this situation."

Attending the An Najah University in Nablus has also been difficult during the closure. For the first three months when the blockade was in force, several students (both genders) moved to Nablus and stayed with friends or family there. Most of them have now moved back to Beit Furik and commute through the checkpoint to Nablus. However, a number of students have had to give up their studies because they cannot pay the university fees. The following case is illustrative:

> The family has four adult sons. Three of them are married and worked in construction in the West Bank prior to the *Intifada*. Two of them have built separate houses, while the third lives on the second floor of the parents' house. They all face a tougher work situation with less work and therefore less income since the *Intifada* began. One has lost work completely and goes to the day workers market in Nablus almost every day, in the hope that someone will pick him up. The three brothers used to pay the university fees for their youngest brother, who was in his third year of studies (computer programming). As they are not able to pay his fees any longer, he had to stop the studies. He intends to go back if times become better. – Student, Beit Furik.

In October, the Ministry of Education decreed that if teachers could not arrive at their own school, they should go to their local school to teach as volunteers. This happened in Rantis for about 20-25 days. The volunteers have mostly been assisting in the girls' school, because the boys' school considered that help was not needed – something which may be related to the fact that the volunteers were all women, while the boys' school employs male teachers exclusively.

Restrictions on Transport of Goods

Beit Furik depends on goods from elsewhere in the West Bank, the Gaza Strip, Israel, and to some extent, imported goods from other countries. The transport of these goods is affected by the closure.

Individual consumers or retail shop owners in Beit Furik buy goods from elsewhere in the West Bank, primarily from Nablus. To a smaller extent goods are brought to Beit Furik by traders who fill their cars with goods that they try to sell to Beit Furik shop owners. This is mainly the case for "luxury goods" such as cigarettes, cakes, ice-cream and soft drinks, but also for cows bought for slaughter.

Goods from the Gaza Strip arrive very late or not at all. Beit Furik shop owners used to buy fruits and vegetables produced in the Gaza Strip in a vegetable market in Nablus. This traffic seems to have halted completely, and is substituted by vegetables and fruits from villages in the Jordan valley. Vegetables have become more expensive. One shop owner tells that a 5kg box of tomatoes that he previously paid NIS 4 for, now sells at NIS 20.

The transport of goods from Beit Furik is also more difficult, particularly olive oil.

Obtaining Services during Closure

In general, people are still able to obtain most services, but often with considerably more effort than before. However, there are big differences between services that are delivered outside of the village (primarily secondary health care) and services that are normally delivered within the village.

A key component of public health is the vaccination programme. In Rantis, this programme is now a little behind schedule, but has been on schedule most of the time, including during the *Intifada*. Similarly, basic primary health care has been supplied throughout the *Intifada* both in Rantis and Beit Furik. The main problem, where the villagers do not have an easy solution, is that of emergency health care that requires evacuation of the patient from the village.

Beit Furik has, like other Palestinian villages, set up an emergency system since the *Intifada* began. It consists of the (only) two doctors who live in Beit Furik, two paramedics, and two people assigned to transport the wounded people. The emergency hospital consists of these six people plus first aid equipment. Since the beginning of the uprising, the system has been mobilized twice.

Although it has been possible to get to Nablus and Ramallah to obtain secondary health services, it is perceived by the villagers as much more risky to do this. The fear of what might go wrong is only strengthened by stories such as the mother who gave birth at the checkpoint on her way to Ramallah, and the woman who died at the checkpoint on her way to Nablus.

More women give birth at home. In both villages several of the mothers-to-be have gone early to Ramallah or Nablus to make sure they would reach the hospital in time.

> I went to Ramallah and stayed with some relatives during the final period of my pregnancy. I also brought my other two children, and we stayed there the last weeks, which turned out to be 20 days before we could return home. This was to avoid unexpected difficulties, like my sister-in-law had on her way to Ramallah two months earlier. – Woman, Rantis.

Of course, such strategies add to the complications of running the family.

Veterinary services have been more difficult to obtain than public health. The Ministry of Agriculture used to send a veterinarian to the village to vaccinate the animals but this stopped when the *Intifada* began. Some farmers have started to vaccinate their animals themselves.

The schools have many employees in the villages, and a substantial number of them commute to the villages daily. Therefore, the schools are perhaps hardest hit of the public sector institutions. Both in Rantis and Beit Furik the schools have more

or less been able to function as usual, although the education provided is of a lower quality. This is because teachers are late or absent from work, and because teachers that commute are tired when they arrive.

Students that go to nearby cities for secondary or tertiary education have often had to move to their place of study in order to avoid the travel problems, and in Beit Furik we were told that the closure would probably reduce the number of students going to Nablus for secondary education next year.

The two villages secure their electrical supply in somewhat different ways, and the inhabitants experience the effects of closure differently because of this. In Beit Furik the Israeli Regional Electricity Company supplies electricity through a network operated by the municipality. The municipality collects NIS 0.5 per kilowatt-hour and a monthly fee of NIS 7 from the subscribers, and pays NIS 0.28 per kilowatt-hour to the electricity company. Therefore electricity is the largest source of income for the municipality. In contrast, the Al Quds Electricity Company supplies electric power to Rantis. The households there subscribe directly with the supplier, and pay their bills every second month to the company in Ramallah.

The supply of electricity has not been affected by the closure in any of the villages. However, paying the bills for services is a problem for many households due to the income shortfall, and many households have therefore stopped paying such bills. In Beit Furik the municipality met this strategy by disconnecting the electricity, which has forced those who can afford it to pay. However, in Rantis the villagers were able to persuade the electricity company not to disconnect the defaulters. The villagers appear to have much stronger incentives to pay the bills to their own municipality, than to a private company from outside the village.

Water is one of the main problems that the villagers face, but the water supply has not been affected much by the closure. While most houses (90 percent) in Rantis have piped water, none of the houses in Beit Furik do, and only the houses in the lowest part of Rantis can depend on their piped water. Nearly all households in Beit Furik depend on water trucks and many in Rantis must also satisfy their needs in this way.

In Rantis the village council collects payment on behalf of the Palestinian Water Authority in Ramallah, which in turn makes the payment to the Israeli supplier of the water. When households do not pay their bills, it has happened (in 1988 and 1991) that the Israeli water supplier has cut off the water supply of the entire village, but this has not occurred during the present *Intifada*. In Beit Furik, in contrast, villagers must pay their water when the truck arrives. Water is of course something that the households cannot be without, so they have to give that expense a high priority.

Refuse collection has not been affected by the closure in either of the villages.

Damage to Property

Villagers do not describe damage to property as a main characteristic of the closure in Rantis or Beit Furik, although damage has occurred. In Rantis, a few olive trees have been destroyed close to the old checkpoint. In both villages some land has been confiscated, but this was mostly before the *Intifada* began.

In Rantis the main road into the village has been damaged, but should be easy to repair.

Cars have been damaged while driving in the fields when the road has been blocked. In Beit Furik Israeli soldiers have sometimes damaged cars when they have caught people driving in the fields. Soldiers have destroyed goods. One example is by a vendor of animal fodder in Beit Furik. While driving a truckload of fodder through the fields to the village, he was stopped by soldiers who forced him to slit open all the sacks, and leave the heap in the fields.

More important than direct damage is perhaps the fear that makes property impossible to use. In Beit Furik we spoke to a number of landowners who do not dare to go to their groves. An owner told us:

> "Who dares to go there? If I go there I'll be dead. Whoever goes there will be shot."

For the last three years, settlers from Itamar have harvested his 200 olive trees near the settlement. In March the settlers cut the trees, as well as 100 trees on the next plot, which belong to his brother. The trees are still lying on the ground.

> "I planted these trees with my father when I was 14 years old. Now I am 80, and they are destroyed. Sometimes when I think of it I feel that I can go mad from the pain of the thought." – Old farmer, Beit Furik.

Development Postponed

A recurrent issue of concern to the villagers is that development projects are postponed or cancelled because of the *Intifada*. For example, Japan has donated USD 350,000 through the UNDP for the water system in Rantis. These resources were to be used for upgrading the water network in Rantis and connecting it to the network in Abud village. The project was organised in a co-operation between the village council and the Water Authority in Ramallah, but was cancelled by Japanese authorities when the *Intifada* started. Rantis villagers believe it would have been possible to implement the project in the current situation, and do not understand the reasons for cancellation.

Villagers can point to similar examples, and donor disbursements to projects in the West Bank and Gaza Strip have indeed dropped considerably since the start of the *Intifada*.

Summary: the Closures are Tight, but not Total

The main characteristic of the closure of the two villages is, somewhat to our surprise, that it does not completely seal off the villages from the rest of the world. It is

Table 2.1 Effects on activities

Activity	**Rantis**	**Beit Furik**
Wage labour outside village private sector	Difficult and time- consuming to go to work. Impossible for shorter periods. Reduction of income.	Impossible or difficult and time-consuming to go to job. At day labourer market in Nablus, where salaries used to be at a minimum NIS 85 prior to the intifada, salaries are now at NIS 50 per day.
Wage labour outside village public sector	Difficult and time consuming. Impossible for shorter periods. No reduction of income.	Impossible or difficult and time-consuming to go to job. As many as 1/3 of the staff in Palestinian Authority Ministries absent every day.
Wage labour within village in public sector– villagers	Little effect, business as usual	Little effect, business as usual
Wage labour within village in private sector– villagers		Some people have lost their jobs
Wage labour within village – outsiders	Impossible at times or difficult and time consuming to arrive	Impossible or difficult and time-consuming to get to village for teachers, nurses and medical specialists (gynaecologist)
Work in Israel	Impossible most of the time. Recently possible if good contacts.	Impossible or difficult and dangerous to go to job
Small scale production	Credit a main problem. Palestinian demand dropped.	Inputs little affected, but credit may be problem. Palestinian demand dropped. Sales to Israel more difficult/costs of transport up.
Retail business	Israeli dealer do not come to the village. Demand dropped. Use of credit increased.	Demand dropped. Use of credit increased
Agriculture	Business as usual. Slightly more wheat and vegetables.	Olive trees uprooted. Less olive oil is sold. Price for olive oil reduced from 3 per kilo to jd 2.5 per kilo, still there is a surplus of oil in the co-operative oil press and by some private producers.

possible to go to Ramallah or Nablus most of the time, and even to Israel in periods. But it is not simple. The main effect of the closure is that it makes almost everything more difficult and involved. In Beit Furik, the restrictions on the transport of goods to and from the village have hit shop owners and traders.

The closure has also created a substantial drop in income. The loss of income combined with extra efforts and increased expenses has been an added burden to most families. They are struggling to go on with their lives. However, as we shall see later they do not give up because of extra difficulties.

A characteristic of the closure in Beit Furik, which was much less pronounced in Rantis, is the fear and conflict with the neighbouring settlers. After settlers killed a person in October, the fear of the settlers increased. The people of Beit Furik see the settlers as a threat to their personal safety.

Tables 2.1 and 2.2 show the main effects of the closure in Rantis.

Table 2.2 Effects on service delivery

Infrastructure/services	**Rantis**	**Beit Furik**
Electricity	Individuals have difficulties paying	15 households have been cut off because they cannot pay bill
Water	Project to improve the system cancelled. Individuals have difficulties paying.	Water trucks have been delayed on route to the village
Sewage	No effect	No effect
Refuse	No effect	No effect
Primary Health	Business as usual Minor temporary delay in vaccination programme	Tripled number of consultations in public health centre. Specialist (obstetrician/gynaecologist) from Nablus is delayed/does not come.
Secondary health care	Difficulties in reaching the hospital, but possible in most cases. Many postpones visits to the hospital because of increased efforts and prices. Health care outside hospitals has stopped totally (training programmes etc.).	Patients have not been able to travel to Nablus
Emergency health	Very difficult, specially during night. One case was fatal	Emergency team has been established
Social services for the poor	Mixed picture: public support has stopped due to lack of money. Zakat from Ramallah continued. Zakat from Rantis decreased. Food aid is a new supplement to the poor.	Some increase in zakat funds and in food aid packages to the village
Local government	Business as usual	Increased responsibility in distribution of food packages. Not possible to enforce governance through police from A areas.

3 Coping with Closure

We have seen in the previous chapters that the closure impinges on the life in the two villages in various ways. The workers cannot go to work, the fall in income reduces the turnover in shops and other businesses, schools have troubles functioning properly and health services are disrupted. Nevertheless, people must adapt, even to dire circumstances. In this chapter we consider the nature of this adaptation in the two villages. At the same time, we shift the narrative from dealing with the two villages separately into a common analysis.

Living with the Checkpoint

The checkpoint is the most visible sign of the closure, and in itself signifies the uncertainty and risks inherent in the situation. On a given day, unless some event of significance has happened, such as a bombing somewhere in Israel, villagers have few if any ways of knowing whether the checks will be strict or relaxed. Some days the soldiers are not even there.

Accordingly, an important effect of the checkpoint is that it makes it almost impossible to plan. If a person makes an appointment to meet at a health clinic, a public office or business in a nearby town there is no way of knowing if that person will actually be able to make it to the appointment.

Villagers tell about intimidation, threats and their own fear at the checkpoints. In Beit Furik a woman died after having been held back at the checkpoint for two hours. She may have died anyway, but at any rate such stories fuel the fear and resentment associated with the checkpoints. A similar story is told in Rantis of a woman who gave birth in a car. Thus, the checkpoints reduce travelling in two ways. First, because of the actual blockades and delays, and second because people avoid travelling because of their fear of what might happen.

The presence of soldiers also spreads fear in itself. In both villages the villagers told that they were very afraid during the olive season, and that the families did not pick their own olives as usual. Instead they organised larger groups with more than ten people to pick olives together.

In Rantis considerations of the wider significance of the checkpoint concerned people. It had recently been moved further into the West Bank, and some feared the move was a sign of imminent Israeli reoccupation of Rantis.

> I used to work in the textile industry in Israel, and used my money to build up my shop gradually. I sell quality products from Israel and have done well. I bought some land last year, here next to my house, and started to build a new house for my sons. I already have two apartments in my old house, and wanted to build five new apartments in the new house. I am thinking of my sons' futures, since I brought them into this world I feel responsible for their lives when they grow up.
>
> But I stopped the construction when the *Intifada* began, not because I don't have more money, but because I felt more uncertain about what will happen here in the future. Rantis is very close to the Green Line, and I am afraid our land will be annexed to Israel, but without the people. I fear we will be expelled, and end up as refugees in Ramallah, because the Israelis want better access to the settlements behind here. I don't want to build a house and leave it to some Israelis, but if the violence stops I might consider re-starting the building. – Shop owner, Rantis

The closure also changes the daily life of the villages in other ways. One of the main aspects is that the daily composition of the village: the men are back. The observation of the Beit Furik major that the village has been turned back to 1960 is apt not only as regards the quality of the roads that people have to travel, but also in the sense that the villages may have been forced into more traditional Palestinian villages, that in the ideal typical sense were closed corporate peasant communities in which the main link to the outside world was the market.

Going to Work or Not: the Breadwinners and the Closure

Depending on their situation, villagers make different choices on how they handle their difficulties in going to work. The cases below from Rantis and Beit Furik provide an insight into the types of strategies people choose.

The case histories suggest four main strategies. The first may be termed "Getting on" and involves trying to maintain the previous adaptation. In contrast, "Waiting for better times" is the economic hibernation strategy, not going to work or shutting down enterprises. "Depending on the Palestinian Authority" is a variation

of the waiting for better times strategy, but this is mainly carried out by those who cannot go to work, but who still receive their wages from the Palestinian Authority. Finally, "Trying something new" involves starting new activities as alternatives to the previous ones.

"Getting on"

The "Getting on" strategy has a simple and a not so simple variant. In its simple version it is simply carrying on work. This is the case for villagers who are employees of public sector institutions within their village. They can easily go to work, and receive their pay. This is the case for health personnel and teachers who live in the villages, for instance.

However, the "Getting on" strategy is not always that simple. It is the strategy, for example, of some of those who find their work in Israel. They try to continue, are often stopped by the soldiers and face considerable risk. Some stay illegally for several days in Israel, as they consider the difficulties of going and coming back to be greater than the risk of being discovered staying overnight. At the same time, work in Israel is relatively well paid, so even if their costs of travel increase or they must work shorter hours it is still worth their while to try to go to work. Perhaps their most important tool for reducing the risk is the use of mobile phones. For example, workers phone employers or middle men who pick them up, thereby reducing exposure on the roads, and also reducing costs, as a trip can be avoided when it is clear that it is going to be impossible.

> A man (53) supports his 106-year-old father, wife, five sons and two daughters (partly, as two of the sons have their own income. The father does not however want to benefit from this income.), and the spouses of the three married children.
>
> He has been working in the same textile shop in Israel for 16 years. His regular salary was USD 1,000 per month provided he worked five full days weekly. There is one other person from Beit Furik working there, otherwise the workers are mixed Jewish, Arab and other. He is trained in what he does. As it is expensive to travel to his workplace, he used to sleep there 4 nights a week.
>
> When the *Intifada* started he was scared and stopped going to work. Then his permit to enter Israel expired (he always got permits that were valid for three months). He was without income for six months. When he obtained a new permit in April, he took up his job again. Nobody had replaced him during his absence. His travel to work has become more time-consuming and expensive. It is more difficult to travel now, so it seems that he can work less days every week. He thinks he will reach an income of USD 6-700/month.

When he sleeps in Beit Furik he leaves home at 04-05:00 and takes servis to Nablus, from there another servis to Taibe, from there servis to Ramat Gan. At times he has to walk through the checkpoints along the road. Altogether, he travels 70kms. Travel back and forth to Ramat Gan costs USD 40. Prior to the *Intifada*, there was an Egged bus from Nablus to Ramat Gan, which was cheaper (USD 10).

What did he do when he was without income for 6 months?

He borrowed money from friends. Not from his brothers, because they cannot afford it. He has one brother without work in Beit Furik, and two brothers in Jordan who struggle to support their children.

He did not want money from his two sons that are working. The sons can put the money in the bank; he does not want to be a burden to them.

He called the Israeli employer and asked for an advance payment of NIS 1,000, which he got.

He took credit in the shop in Beit Furik were he gets groceries. Now he owes the shop USD 600.

He sold two TV sets. He sold them to his son who started selling second hand things in Nablus because he lost his job. He got NIS 50 for each.

He has paid the electricity and telephone bills, but if he got NIS 500 he would use this for electricity, water, telephone, to pay the debt in the shop and to pay for education for the three still unmarried sons (two at secondary school in Beit Furik, one in An Najah University). – Worker in Israel, Beit Furik.

The importance of the telephone is well illustrated in the priorities revealed in the quotation above. Other cases abound. For example, a young man, who had temporarily dropped out of the university to go to Israel to work, used his first salary to purchase a mobile phone. The overall mobile penetration in the West Bank is estimated at 50 percent in February 2000[3], and while we do not have statistics for Beit Furik or Rantis, the figure is likely to be similar.

Surprisingly, perhaps, we have no indication that the wages workers are paid in Israel have changed during the *Intifada*, a finding that is also supported by the labour force survey data from PCBS.

There are also few indications that the Israeli employers have taken advantage of the situation by not paying wages or other ways of cheating. Workers report

[3] Opinion poll no. 47, conducted by the Center for Palestine Research & Studies, between 24-26 February 2000

instances of cheating, especially of employers not paying the final instalment of wages when the work is finished. However, this appears to be a permanent feature of the work in Israel and not something particular to the *Intifada* period. Cheating is counteracted by the communications between the workers and the use of middlemen that function as a work exchange. Thus, a cheating employer will soon be known as such. Therefore a steady employer of workers from the West Bank cannot afford to cheat, but an employer who only needs workers for a one-off job probably can.

To a large extent, the "Getting on" strategy is also a norm. A common attitude is that one should try to cope. The tailor from Rantis is a good representative for the group who try to continue as before despite all the difficulties.

> Ali does not like staying at home and doing nothing. Some people don't try much to go to work, but Ali will always try, over and over again. He will not give up. – Tailor's wife, Rantis.

It is easy to provide more examples. One man who worked in an aluminium company in Ramallah went to work every day if at all possible. A woman, who worked in a medicine factory in Ramallah, was not even available for an interview, because she did not arrive back from work in time for the appointment.

One reason for their generally positive attitude towards overcoming difficulties and going to work might be that in the private businesses the wages are immediately reduced when workers come late or not at all.

The shop owners also appear to a large extent to follow the "Getting on" strategy. Thus, we have not observed many closed shops, but nearly all have reduced turnover. It is simple to follow that strategy as a shop owner, and the alternative one of closing the shop immediately is not tempting. The danger is that the customers will run up too much credit, a question that we will return to later.

"Waiting for Better Times"

The "Waiting for better times" or hibernating strategy is a controversial one. Some choose it out of plain necessity, as is the case with a blind shopkeeper in Beit Furik:

> My husband went blind when he was a child. He used to work in a factory that made butter and oil, but he was fired in 1997. Then he sold a piece of land that he had, and rented room for a shop for JD 400/year. He established a shop with electrical items, washing machines, TVs, etc. A nephew helped him in the shop after 15:00 every day. He sold a lot on credit. When the *Intifada* started, people owed him JD 3,000. He was not able to get that money from people, people could not pay.

He has now closed the shop and started studying the Koran with cassettes.

He still asks people for the money and still hopes to get it. Every now and then people give him a bit of what they owe him, and that is what we live from. We buy food on credit, and have accumulated debt of NIS 1,000 since the beginning of the *Intifada*. Before the *Intifada* we did not have credit in shops selling food, but my husband would buy the electrical items for his shop using cheques.

It is difficult for a blind person to get a job, and it is difficult for me to get a job, as I have no particular skills or experience.

Since the *Intifada* started we have received food aid packages twice. Once from Fatah and once from Hamas. The one from Fatah contained sugar, rice and margarine, and the one from Hamas contained flour, sugar and 1kg of lentils.

We eat meat twice every week. Before the *Intifada* we did that more often. – Wife, Beit Furik.

Similarly, many who work at the settlements nearby now have no work, since the settlers are afraid or unwilling to employ Palestinians.

In other cases, people are not altogether sure if those that do not come to work really cannot.

I have seven colleagues from Rantis in my company. Some of them don't care to come to work at all. There is only one of them who really tries hard like me. In the olive season, many of my colleagues did not go to work at all. They wanted to pick olives instead of going to work. They used the *Intifada* as a convenient excuse to stay home from work. – Tailor, Rantis.

However, even though Ali realises that others could have tried more to come to work, he protects his colleagues against the employer:

When I come to work I am often very late, so the manager will understand that it is difficult to come. He might not like it, but what can he do. When I come to work I will tell him that I was lucky that day, to find a car only by coincidence. The others were just not so lucky. The other thing is that when I am already there I can sleep in the workplace. So I will be at work more often than the others. – Tailor, Rantis.

Some of the people who work in Israel or in the Israeli settlements are waiting for an opportunity to apply for new permits, or for the situation to improve so they can call their employers and ask for work.

Obviously, the situation is uncertain, and how different people evaluate the difficulties or danger in going to work varies. Their danger also varies; some are more

likely to be stopped and for some the risks of being caught without a permit are greater than for others. In a situation where the risks and opportunities constantly shift, so do the actions of those who have to cope with the fluctuations.

"Depending on the Palestinian Authority"

Those who are employed by the Palestinian Authority are in a particular situation when it comes to deciding whether to go to work or not, as the Palestinian Authority currently pays their employees regardless of whether they show up for work.

For some it is clearly impossible to go to work. For example, there are a few workers in the villages that have their job in Gaza, and since the *Intifada* started it has been impossible to go there. At the other end of the scale, there are those who do not put much effort into achieving what others manage to do:

> I think I am better off than many other people in Rantis because I have a job in a ministry in Ramallah. As it is very difficult to go to Ramallah I spend most of my days in Rantis, but I still have my salary. – Public employee, Rantis.

Nevertheless, we have little evidence to suggest that this attitude is held by the majority of the public sector. Many try hard:

> Since 1995 I have worked in the Ministry of Education. I travel to and from Ramallah every day, but since the *Intifada* started the journey is different. It takes much longer and is more expensive. The trip used to take 40 minutes but now it takes 70-75 minutes. My monthly travel expenses have increased from NIS 200 to 500 a month. – Refugee, Rantis.

> A man is employed by the Ministry of Information in the Palestinian Authority. He has seven children aged between 3 and 20 years old. His oldest son studies law in Cairo, with financing from his father and a scholarship from the Ministry of Higher Education. He used to work in Kuwait before the Gulf War.
>
> The Ministry of Information has a small department in Nablus, but he works there only when it is impossible to get to Ramallah. Nowadays he goes to Ramallah daily. It takes him more than two hours, while regular travel time from Nablus to Ramallah is less than one hour. He also pays more than before. He said that Nablus-Ramallah one-way now is NIS 10 instead of NIS 5. He could go with his private car, but then he would have to drive even further. (Buses and taxis are allowed to drive on more roads than private cars) So that would take longer and be more expensive. Many employees have problems getting to their work in the Ministry. Every day about 1/3 of the staff are missing, because they could not make it to work.

He says that, of the approximately 50 people from Beit Furik who work in the Palestinian Authority, nobody has lost their jobs during the *Intifada*. They have maintained their salaries, but the salaries have been delayed some months by up to 14 days. He is not aware of instances where the Palestinian Authority has employed new people during the *Intifada*. – Public employee, Beit Furik.

The case just recounted also illustrates an adaptation by the Palestinian Authority in order to be able to use its employees effectively, namely that of shifting the place of work. Instead of going to his usual place of work in Ramallah, the man is able to work in Nablus. This is a strategy that has been applied in particular for teachers, in order to avoid the schools closing down as they did during the first *Intifada*.

"Trying something new"

When one cannot go to one's usual work, and the income is needed, the obvious solution is to find something else to do. This is easier said than done. The unemployment in the West Bank and Gaza Strip rose from 10 to 28 percent during the last quarter of 2000, effectively making the finding of alternative paid employment a very difficult exercise. However, some people try.

In Beit Furik, construction workers who used to work in Israel go to the day labour market in Nablus. Similarly, in Rantis people try to use friends or relatives to get at least some temporary work in Ramallah.

During the *Intifada* I have perhaps worked 20 days in Israel in addition to the four days I have worked now. I have also worked 20 days in Ramallah; I got work in the water company after some friends from Rantis introduced me there. – Worker in Israel, Rantis.

How is it possible that these people can get work at all, given the unemployment rates? One reason is the internal closure itself. The West Bank is normally an area where many travel to work in centres from smaller villages and towns, or from one town to the other. Distances are small, and travel times short. When many cannot travel, some work will be available for those who can, but who perhaps cannot go to their usual place of work. The workforce is thus shuffled around. This story from Beit Furik about two sisters illustrates the process:

One sister got her first job in August 2000, as the only secretary in a computer training centre in Nablus. When the *Intifada* started, Beit Furik was closed off from Nablus. Her employer initially told her that she would keep her job even if she had to stay at home, although she would not get paid. However, in November the employer required her to show up, and she tried to do so. Together with others in a car she entered Nablus through the fields every morning. She

always arrived late to work. Occasionally she did not get there, for example when the car got stuck in the muddy fields or when Israeli soldiers caught them. One day late in November when she could not get to work, the boss called her at home and fired her. He said that the centre did not need a secretary that came at 10am and 11am or not at all. She visited the centre once after that to pick up her November salary. A secretary from Nablus had been employed in her job.

Her sister tells the opposite story. She works for a construction company in Beit Furik as a secretary and administrative assistant. The company hired her in November 2000 because their former secretary, who came from Nablus, could not reach her work regularly. – Sisters with and without jobs, Beit Furik.

The notion that the closure presents opportunities is perhaps surprising. It is also generally not true, although people do try to make the most of the few there are.

Prior to the *Intifada* he worked for 6 years in a textile and thread factory in Israel and earned NIS 3,500-4,000/month. Before he married last year, he slept 5 nights a week in Israel. During the past few years he has built a house away from his father's households. He and his wife are expecting their first child.

Since the *Intifada* started he had not worked, stayed at home and was supported by his father. However, two weeks before our fieldwork he started working as the only employee in an outdoor second hand shop in Nablus. The shop belongs to two owners, one of them is his brother-in-law (sister's husband). When we met him in the shop at 1pm, there had been no customers that day, but as we left, a woman arrived and bought several plates. The shop sells kitchenware, telephones, vacuum cleaners, suitcases, shoes, PCs, vases, printers, TV sets, pots and pans, and other second hand items. The goods are piled on a few tables and shelves, which are partly outdoors, partly covered with tarpaulin.

The shop was established 4 months ago. He gets a salary of NIS 50/day, or NIS 300/week, which he uses to support himself and his wife. – Worker in second hand shop, Beit Furik.

The second hand shop cannot be called a success, although its running costs are probably not high. The employment of a shopkeeper was perhaps more an act of family solidarity than the real need of the business. However, the establishment of such a shop – one of the few new enterprises we have heard of from the *Intifada* period – is perhaps in response to the commonly held view that people are selling their possessions in order to get by. Nevertheless, business is far from brisk.

Ironically, the closure itself has provided some local entrepreneurs with an opportunity. The most significant example of new businesses is some entrepreneurs who have opened new coffee shops along the main road into Rantis. The Israelis

have closed the road and a checkpoint was initially placed here. They subsequently moved the checkpoint about 1km further into the West Bank, and it is now possible for Palestinians to use the road to enter into Israel without crossing any regular checkpoints. Workers from both Rantis and elsewhere in the West Bank have discovered this.

Every morning many cars come from other villages, and some even from Nablus or Hebron, and drop off people who want to go to Israel to find work. Sometimes the car has a permit to enter Israel, but not the passengers. The passengers pass using the closed road, while the car is driving around through the checkpoint. Another car may lack the required permit, and will just drop off the passengers who then enter a new car waiting on the other side of the roadblock.

While the workers are waiting for new cars, some villagers discovered they could earn some money by selling coffee. At the start of our fieldwork, there was one such coffee and falafel shop. At the end of our fieldwork two weeks later, there were four.

> The idea to start this shop came from my son. Because of the new checkpoint after the petrol station, many people started to come through the village because of the closure. My son started to make tea and coffee in the mornings three weeks ago. At that time we only had a table and some chairs here, and we later bought this stall. We now also sell mosquito pads, canned food and other things the

An improvised coffee and falafel shop, catering to workers going to Israel

workers need when they are in Israel. The income from the shop cannot compensate for the loss of income from my former work at all, but as long as people pass through the village this way, I will continue. – Coffee shop owner, Rantis.

When I saw my friend selling coffee and falafel at the closed road, and a friend suggested I should do the same, I decided to try. I have just started, but it is very exhausting because I have to get up at 2 o'clock every morning to start preparations for the falafel. I work until 8am and take in sales of NIS 50-60 a day. Afterwards, I go back to my other shop in the village. The reason I do this is because I need the money. I have three daughters at school in Ramallah, and the increased travel expenses demand more money. – Coffee shop owner, Rantis.

As the shop owners know, the new shops are risky business. There is no knowing whether the IDF will relocate its checkpoints again, thereby effectively removing the customer base.

Going to Work or Not: A Complex Decision

As can be seen from the case material we have just discussed there are a number of concerns that decide whether or not people go to work – or try to – during the closure. People in the private sector, those who work in Israel or in the settlements, do not earn anything if they do not show up at work. Thus, their economic incentive for trying is much higher than for those who work for the Palestinian Authority. On the other hand, there is the question of alternatives. During the olive season, people who have access to trees may prefer to work in their fields rather than taking the risk of trying to go to work. Those who have small shops may prefer to stay there rather than go to work, even though their income is lower.

Making Ends Meet – Handling the Income Shortfall

Both evidence from the overall West Bank economy and our studies in the villages suggest that the main impact of the closures on the household economy is on the income shortfall. In contrast, apart from transport and vegetables, costs have not risen dramatically, indeed the increase in the consumer price index in 2000 was less than in 1999. But few escape the drop in income. The exception is employees in the public sector, who have so far been paid their wages.

Households meet the income shortfall in a combination of ways. The main ways appear to be reducing consumption and investment, depending on credit, receiving

aid, and selling assets. Finally, there is also the option of merging with another household.

Reducing Consumption and Investment

From aggregate economic figures it is quite clear that people are reducing their consumption of goods and services. Clear ideas about the precise extent are difficult to arrive at on the basis of our interviews with households. Nevertheless, our field notes are replete with reports of families that have reduced their consumption of meat and chicken since the start of the *Intifada*. There were also several that refrained from buying new clothes for Eid Al Fitr although their custom advocates such purchases for this important Muslim feast.

Products that have been adapted due to a lack of money among people have started to show up in the shops. Our field notes from a shop in Beit Furik report:

> Today a dealer came by in a car with cigarettes and also a kind of cigarette paper with filter attached, which can be filled with tobacco to make homemade filter cigarettes. At NIS 2.5 for a packet of 50, they are cheap compared to expensive ready-made filter cigarettes that sell for around NIS 7 for a packet of 20. The shop owner says he has never seen this product before, and that it comes as a result of the *Intifada*, and he bought 10 packets to sell from his shop.

In fact, the experiences of the shop owners may be a better guideline to the scale of reduction of consumption. All the shops we have visited tell of a consistent drop in turnover and profits. In Rantis, one shop owner tells that while he had sales of around NIS 8,000 in the three days before both Eid Al Fitr and Eid Al Adha last year, this year the sales reached only NIS 300. The types of goods have also changed. The shop owner divulges that he now sells relatively more food than before, although in absolute terms the sales are about two-fifths of what they used to be. Another shop owner in Rantis reports a drop in turnover to about a third of the pre *Intifada* levels. Shop owners in Beit Furik report similar drops in turnovers.

Another way of reducing consumption that was reported from Beit Furik was that of shifting from private to public health services.

Shops and businesses that sell durable goods are perhaps harder hit by the reduction in consumption than food shops are. A man in Beit Furik who sold electrical appliances had to close the shop. For the stonemasons in Beit Furik, for whom an important market is stone slates for kitchen tops, business is slow. In Rantis, many people were building new houses, but suspended this activity after they lost their income. Nevertheless, construction was continuing in at least five houses during the fieldwork in Rantis.

A village council member in Rantis summed up the situation as follows:

> If the situation gets worse than it is now, I don't believe that the number of poor will increase in our village, but we have to adjust to the situation. Before the *Intifada* everyone in our village had work, and everybody had something extra. They bought cars, satellites and many things they did not really need. Now they don't have money for all this, but I can't say that there are really poor people in Rantis, because nearly all are still buying vegetables from the cars for about NIS 50 twice every week. I believe most of the people here still have their basic needs covered, but they can't buy anything extra. – Village council member, Rantis.

Figures from the Occupied Territories as a whole suggest that the council member may not be entirely correct: The World Bank estimates poverty to have risen from 21 percent of the population in September 2000 to 32 percent at the end of the year[4].

Nevertheless, during our fieldworks we did not find examples of complete destitution that can be linked to the closure. However, as the following description from Beit Furik shows, the closure deepened the malaise for poor families, through making the task of finding a new job even more hopeless than before.

> A family of five lives in the house of the wife's mother. The house is simple, with a TV set, a refrigerator, and one sofa. A diploma from a Jordanian school is framed on the wall, with a *kafiyeh* around it. The family prefer to stay there, as they have no food and electricity in their own home.
>
> It is not the first time they have moved. Israeli soldiers destroyed their original home in the first *Intifada*. The husband was in prison for 5 years. While in jail, he was forced to sign a paper promising never to enter Israel again. So if he goes there he will be imprisoned and cannot go there to search for a job. He was also unemployed before the *Intifada*. He is unable to work, he is sick as he was in the jail for so long. Nevertheless, he is trying to find work. He has a truck driver's licence, and tries to find work in Nablus.
>
> His parents have land, but he is not on good terms with them, so there is no exchange of help. They live on his wife's parents and brothers. She has two single brothers who support her and her parents while her married brothers do not support them.
>
> The Municipality cut the electricity in their house one month ago. Then the family owed for four months, of NIS 300 each. The Municipality requires instalments of NIS 50 until they have paid back everything before the electricity can be reconnected. The family has credit in "all the shops of Beit Furik". The

[4] Office of the United Nations Special Co-ordinator "Report on the Palestinian Economy Spring 2001". Gaza

wife estimates the total to be JD 1,000. They do not have land. – Woman without income, Beit Furik.

The example above shows the kind of household that falls easily into poverty because of the closure. First, it is marginal to begin with. The husband had difficulties finding a job before the *Intifada*, so his problems have become worse. The household is also weakly tied to the husband's family network; instead of obtaining help from both the families of the husband and the wife they can depend only on the wife's kin. Second, there are no sons or daughters who can work. Finally, the household does not have land and they do not have a business. The case also shows how people get by, and the importance of having access to public sector wages, or put less formally: having a relative who works in the public sector with a (so far) quite dependable income.

Depending on Credit

One of the most important institutions for dealing with the income shortfall is that of taking credit. It takes several forms: asking for credit in shops; delaying or non-payment of bills; borrowing money from friends or relatives.

Dating cheques so that they can only be cashed after some weeks or months used to be a very common way to create credit prior to the *Intifada*, but as a number of cheques have bounced after the *Intifada* started, this way of payment has become rare. Cheques are now exclusively used in business relationships where the buyer and seller trust each other. As one man said:

> These days one has to know people to accept cheques from them. – Owner of stone cutting factory, Beit Furik.

That there are reasons for the decrease in trust in cheques is easily seen in aggregate data. From September to October 2001 the number of bounced USD cheques in the Palestinian banking system increased by 38% and the number of bounced NIS cheques increased by 67%[5].

Before the *Intifada*, credit taking in shops was common both in Rantis and Beit Furik. Some types of businesses do not give credit, such as the vegetable vendors, but in general all fixed shops with a stable clientele do. A widespread system was that customers acquired what they needed from the shops, and paid once every month when they got their salary. In shops selling goods other than food, credit is negotiated for each transaction. Interest is never paid.

[4] Source: United Nations, Office of the United Nations Special Co-ordinator, Report on the Palestinian Economy Spring 2001. Gaza.

There are obvious reasons why the system should be extended during the closure and just as obvious reasons why it should not. While the customers benefit from delaying payment, the shop owners do not since bulk vendors do not as a rule extend credit to the retailers. Therefore shop owners try to regulate how much credit they give, and to whom they provide credit. For example, customers owe NIS 2,000 to a shop in Beit Furik that currently has a weekly turnover of NIS 400. The owner says she still extends credit, but not to people unknown to her; nor to those that already have defaulted; nor to people she has been warned against.

> I still give credit to people who have work and can pay at the end of the month. Before the *Intifada* I had given credit for NIS 60,000 to about 30 people. From this I have only received about NIS 5,000. Now I only give credit to 15 people. Ten of these I know will pay me at the end of the month, because they still have work. – Shop owner, Rantis.

But the credit is not only strictly commercial as the owner also gives credit to some people that he knows will not be able to pay him back in the near future:

> In addition, I give credit to 4-5 families because they have special difficulties or are very poor. Some of these families are relatives and some are not, but I want to co-operate with them. If they get some money, I know they will pay me. – Shop owner, Rantis.

The shop owner's description is substantiated by one of the poor families:

> I usually do my shopping at xx's store, he will give me credit because he is my friend. He told me I could get everything I needed from him; he knows my husband has no work. If he gets some income we will pay parts of the credit. I use my cash to buy vegetables from cars that come to the village. I also use cash to buy gas and chicken. – Housewife, Rantis.

Our information on credit to households is somewhat equivocal and ambiguous. Some shops say they lend out more, some say they do not. Some say they lend only to relatives, some tell us that they avoid lending to relatives because obtaining payback is more difficult with relatives than with non relatives. The ambiguity probably reflects the nature of the current state of the system. Simply put, it cannot continue easily as there is no external financing and no large internal sources of credit to draw from. Social stratification is not very pronounced, and there are no "closure profiteers". Therefore there are few rich patrons that can extend credit to others. Thus, the level of credit in the medium and long term is basically a function of the income that people have, and that income is decreasing.

A particular form of credit is that of deferred payment of bills. Two types of expenses of particular importance here are water and electricity. In Beit Furik, water

must be paid for as it is delivered by truck, but in Rantis people can, and do, avoid paying the water bills. Thus, only a few people in Rantis have paid their water bills since the *Intifada* began, and the village now owes NIS 137,000 to the Palestinian Water Authority (on average NIS 385 per household, but some owe as much as NIS 5,000).

In Rantis, electricity is paid directly to the company in Ramallah, and they will disconnect a subscriber who does not pay. However, that is sometimes easier said than done:

> I know three families who had their electricity cut during the *Intifada* (mentions names of the families). Some representatives from Fatah in the village went to the electricity company in Ramallah to ask them to put the electricity back on. We put a lot of pressure on them because of the difficulties in the current situation, and succeeded. Now nobody in the village has their electricity cut. – Local Fatah leader, Rantis.

This story is in contrast to Beit Furik, where part of the income from the electricity goes to the municipality. Then the community has little interest in not enforcing payment, and electricity is cut when the subscriber cannot pay. Although the municipality accepted that 60 families deferred payment at the beginning of the year, by mid March 2001, 40 families had had their electricity cut off. Some of these then paid.

In Rantis, we were told that some families steal electricity through unauthorised connections to the grid. One family did this for two years before it was discovered and they were disconnected, and another family was discovered in February. This probably occurs in Beit Furik as well, but in neither village was it reported as specifically related to the closure.

Depending on Aid: Most People Do Not

In both Rantis and Beit Furik, food packages have been distributed to villagers. In Rantis, the Village Council has distributed food packages from the Ministry of Agriculture on four occasions, each time providing food to 50-70 families. The Children's Club (Fatah) and the Women's Committee also reported that they had distributed food packages. Altogether eight to ten food distributions have taken place in the village during the *Intifada*.

> When we distributed aid from the Orthodox Church, they came ten times to visit the families we had suggested as recipients. The criteria were families with many children or with chronically ill children, widows, or if someone in the

family had lost their job. This is a small village, and we will always know who has lost their job etc. – Local Fatah leader, Rantis.

The other organisations suggested similar criteria for their distribution of the aid packages. Small conflicts arose in the wake of such distributions, as some people who considered that they deserved a package did not receive one. Promising the malcontents that they would be in line for the next distribution usually solved such conflicts. The occurrence of distributions is unpredictable, and no one was or could be totally dependent on such aid. Nevertheless, it was a welcomed supplement in times of hardship. For some it did not really matter:

> We are a refugee family from Kuli, but have lived in Rantis since 1948. My family received aid from UNWRA for 25 years, but later this only continued for Special Hardship Cases. Since the *Intifada* began they have started to distribute aid to the other refugee families again, if they still hold their refugee card. This has happened twice. – Refugee, Rantis.

The head of the family in question works in the Ministry of Education in Ramallah, and his economical situation had not changed from before the *Intifada*, except for increased travel expenses.

Similarly in Beit Furik, various donors have provided food aid during the closure. The Red Cross gave 500 packages funded by the Kuwaiti government early

Distribution of UNWRA food packages in Rantis

on. The Arab Israeli village, Um El-Fachem, provided 10 tons of sugar and wheat. Other institutions have also supplied help, among them the Governorate of Nablus. This aid has been distributed through the municipality. In addition, all the political parties represented in Beit Furik have donated packages to selected families, and the Zakat committee has provided support in line with the zakat criteria.

> Her husband is unable to work, as he waits for a larger operation in hospital. The family owns no land. They buy or get the wheat from neighbours and hamula members. To get olive oil they pick for other people and get 1/3 of the harvest. They go themselves and ask for these jobs, landowners do not come to them. They do not have trees to harvest every year, they get to do that in good olive years when there are many olives. They have received food aid three times since the *Intifada* began, through the Municipality. Each package contained a sack of flour, 1kg of rice, 1kg of sugar, and 1kg of margarine. Once there was also a container of milk. – Family, Beit Furik.

In addition to the food aid, there has been one so-called "labour intensive project" implemented by the Municipality of Nablus and the Municipality of Beit Furik, which was to upgrade the toilet facilities in the elementary school for boys. The project required 1,200 days of work, and the Municipality of Beit Furik received USD 20,000 for materials and wages. Local workers received approximately 65 percent of this as wages.

We had expected that remittances from relatives abroad would be a major factor in coping with the income shortfall, but we found no evidence of that. During the years before the Gulf war many people left Rantis to work in the Gulf, and many families still have relatives abroad. But we could not find any that received remittances from such relatives. The villagers explained that when the emigrants from Rantis still worked in Kuwait, they sent money and then mainly to their parents. When Palestinians were expelled to Jordan in 1991, their prosperity had gone, and they had no more money to send. The villagers believe that their relatives are now poorer than themselves. They thought many of these relatives wanted to come back to Rantis, but since they have no valid identification card they cannot return. Respondents in Beit Furik told similar stories.

Selling Assets: Not a Common Occurrence

Neither in Rantis nor in Beit Furik does the selling of gold, jewellery, household appliances or other assets seem to be a common occurrence. That does not mean that it is not happening at all, but unlike credit it is not something that was mentioned in almost every interview.

Merging with Other Households

A final strategy for a household that cannot make ends meet is to merge or move in with another household. We described one such case above, namely that of the household that had moved in with the household of the wife's mother because the electricity had been disconnected. The strategy does not magically create more money, but it does exploit benefits of scale. The use of electricity, which is mainly for lighting and appliances, is a good example, since such use does not increase much with household size. A television set, for example, does not use more power if more people watch.

Living with the Shortfall: So Far, the System is Holding

In a way, the results of our study of the economic effects of the closure on households are encouraging. So far, there have been few extreme effects. Many experience difficulties, but few have been thrown into destitution. The economic activities of the households have been slowed down, but they have not stopped.

Why is this? There are probably three main factors. First, workers still go to Israel. They do so intermittently, and with great difficulty, but, at the end of some days, some money is coming in. Second, the large public sector in the West Bank together with the NGO sector still provides work and dependable (if sometimes delayed) wages to a large proportion of the breadwinners. Third, agriculture plays a role for some households. As long as these three factors remain as they are, people are able to eke out a living. But should the closure be imposed more harshly than today, or continue for a long period of time, and the payment of wages be discontinued, there is little reason to expect anything but a breakdown in people's ability to secure their livelihood.

As it is now, the most severe effects of the closure are perhaps on the economic structure of the villages, in the sense of businesses slowing down or being forced to cease operations. It is this we turn to next.

Enterprises: Business Slowing Down

Because Beit Furik is much larger than Rantis it has a much more diversified economic life. Nonetheless, both villages serve as sleeping towns for nearby centres. Beit Furik also functions as a market place and supports some small industry. Rantis has few enterprises, only a few shops, some workshops and some chicken farms. These enterprises provide jobs for the owner and no one else, except in the case of the blacksmith.

Notwithstanding the differences between the two villages, enterprises in Rantis and Beit Furik experience parallel problems. The retail businesses are primarily affected through the decline in local demand. As the villagers lose their sources of wage income, they reduce spending, and this affects the local retailers. The retailers can still bring the goods from their suppliers and into the village (sometimes dealers come to the village with goods), but the transport is more difficult and more costly, and goods are sometimes damaged at the checkpoints. All the same, the main problem is the fall in demand – there are goods in the shops, but the selection is smaller and there is less money to buy them.

> A shop owner tells us that there has been less of a demand for a number of goods since the *Intifada* began. This pertains to expensive brands of cigarettes (Marlboro, Parliament, Kent), baby's disposable nappies, sweets, nuts, salty biscuits, Nescafe, imported (more expensive) shampoo and soap. He used to buy nuts from the Abu Lil shop in Nablus, which has the best nuts, and he is himself known for good nuts. People came from outside Beit Furik to buy nuts from his shop but now he does not sell many nuts.
>
> Before the *Intifada*, the owner bought goods for the shop seven days a week in Nablus, for NIS 3-4,000/week. Now he goes three days a week and buys goods for NIS 1,000-1,500/week. He used to have sales totalling NIS 6-7,000/week, now he only manages NIS 2,500-3,500/week. – Shop owner, Beit Furik.

In the same way, the local service enterprises are affected primarily through a fall in demand. In Beit Furik, there are two exceptions: water trucks and construction. The construction sector sells its services to the outside, and is therefore adversely affected by the movement restrictions (in addition to diminished demand), and the water trucks depend on transporting water in to the village through the checkpoint.

It is harder to analyse the impact of the *Intifada* on the agricultural enterprises in Beit Furik, as they sold their output to markets both outside the village and in the village. For those involved in bringing in goods necessary for agricultural production, the closure has clearly created difficulties. Nevertheless, it is not clear whether this has been passed on to buyers through higher prices. As agricultural production is often household based and complementary to wage labour, the general income reduction may easily have reduced demand for agricultural inputs, thus counteracting pressures for higher prices.

It appears that selling to markets outside of the village has been more difficult due to the closure. This is the case with the olive oil, but the picture is less clear for items such as sheep and cheese. However, for Beit Furik, olive oil is the main agricultural product, and the producers have not been able to sell all their oil this year, even after they lowered their prices. Normally, olive oil is primarily sold to traders

who buy large quantities and who resell to those parts of the Occupied Territories that do not produce sufficient olives (such as Gaza), to Israel, and to Jordan. This market appears to be more affected than the market for livestock and cheese.

We asked the manager of the co-operative olive press in Beit Furik why there are no buyers for the oil this year. He blamed the closure, and cited three cases:

- A trader who bought 20 gallons of oil in Beit Furik a couple of months ago was stopped by settlers or soldiers who destroyed all the containers, opening them with knives, saying he could be hiding explosives in them.
- A man from Nablus who works in the stone factory in the valley always buys 100-110kg of oil from the press. This year he ordered oil, which has been set-aside in the press, waiting to be picked up, but the man has not been able to collect it. He is afraid to drive his car through the checkpoint - when he comes from Nablus to Beit Furik for work he comes by foot or shared taxi, as he does not want to drive his own car any longer.
- An olive oil trader from Beer Sheva wants to buy two tons from the press, but cannot reach Beit Furik to collect it.

The shops have goods to sell, but the customers are out of money

The manufacturing enterprises in Beit Furik are not very dependent on the local market, but are very dependent on getting inputs in, and outputs out. It appears that their major problem has been to get their goods to markets, combined with a general drop in demand in Palestinian markets. The sweets factory depended on the Israeli market for supplies and for selling its products. It is still able to obtain its inputs, but is unable to sell to the Israeli market. The stone factory can get its stone (from Hebron and Italy), and can also sell the output, but again demand has been lower than expected.

Despite the differences in scale between the two villages, enterprises in Rantis and Beit Furik have followed a similar range of strategies. These strategies may be termed "Business as usual", "Scaling down" and "Closing". The strategies are comparable to those of households, except that a household does not have the option of closing. Furthermore, there are few if any support mechanisms available for businesses, thus making the option of depending on aid or others impossible.

"Business as usual"

The "Business as usual" strategy is perhaps a name that is slightly inaccurate, since the drop in demand affects businesses in a general way. Thus it is hard to find any business in Rantis or Beit Furik that is not affected by the closure. Nevertheless, with respect to activities, business as usual may be an apt term. If anything, some of the businesses now employ more people, because they employ family labour that cannot find other options. In Rantis, the shop that sells towels and linen is one of the least affected. The owner who also has a shop in Ramallah still makes good money from his shops, but has nevertheless faced difficulties and changes in his business.

> I used to have 13 dealers from Israel who came here to Rantis to sell me goods for my shop. Since the *Intifada* began only one of my dealers still wants to come here. He has a factory in Bat Yam. He is not willing to drive through the checkpoint, but drives to the roadblocks at the entrance of the village near the gas station. There we have to load the goods over into my car, and I take them up here to my storehouse. This dealer is willing to come because he is a good friend; we have known each other for 15 years. But he is not willing to sell to his other Palestinian customers.
>
> I had to find new dealers after the Israelis stopped coming. I now buy from Nablus and Hebron, but they do not have the Israeli products I used to sell. They sell me imported products from Turkey and China. My profit from the shop is maybe 60 percent less than before, but I am still earning money, and I don't think I will face any difficulties in the future.

> Before the *Intifada*, I paid everything by cheque through the Arab Bank. Now I have to pay everything cash. I used to give credit for one-two months, and I think I have outstanding credit for more than NIS 100,000 at the moment, but this is not a problem for me. One customer paid NIS 15,000 by cheque, but there was no money in the bank. After this I stopped accepting cheques. Before the *Intifada* this was never a problem.
>
> I still give credit to people from the village, and I don't ask if they have money. We are like one family in the village. I write it in my book, and believe they will pay me one day when they have money, maybe after one year or maybe after two. This is no problem for me. – Shop owner, Rantis.

This case is an illustration of how the closure shuffles the geographic links that recall what the case was for employment. From being a business with close ties to the Israeli market, it has been oriented to the West Bank.

The case also illustrates another issue that is a problem for businesses, that of credit. Payment by cheque appears to have been very common for businesses, and often with a credit facility built in through the dating of the cheques. However, the payment problems that people have experienced during the closure have made businesses reluctant to accept cheques. The reality of the problem is well supported by aggregate figures; from September to October the number of bounced NIS cheques in the Palestinian banking system as a whole increased by 67 percent[6]

"Scaling down"

Scaling down the business is perhaps the most common response to the situation. It partly happens by default because of the reduction in demand. Nevertheless, when considered as a strategy, "scaling down" entails not only lower sales volumes, but also a reduction in the productive capacity. For example, in Rantis there is a furniture shop, but this shop now only opens once a week. Many shops had to adjust to a lower turnover.

> Before the *Intifada* began I sold products for NIS 15,000 every month. My net profit was NIS 2,000-2,500 a month. Now I only sell for about NIS 5,000 in a month and my profit is about NIS 800. I used to buy larger quantities and got a price reduction, now I have to pay more and I have to pay everything cash. There is also a big drop in demand for dairy products and some other products as well, such as shampoo and nappies. – Shop owner, Rantis.

[6] Office of the United Nations Special Co-ordinator "Report on the Palestinian Economy Spring 2001". Gaza, p 4.

> Before the *Intifada* began I had seven dealers who came here, one every day. They came from Ramallah, Nablus, Hebron etc. Now only two dealers come here. One will come on Mondays the other will come on Tuesdays. I usually call them and ask them to bring what I need. The result of the *Intifada* is that people only buy small things from my shop. – Shop owner, Rantis.

The village butcher has also scaled down his business during the *Intifada*, but the butcher shop has always been a side income for him.

> Before the *Intifada* began I slaughtered one calf nearly every week, now it has only been once a month. People have less money to buy meat. Last month I only slaughtered one calf for a wedding. – Butcher, Rantis.

"Closing down"

In terms of actually closing down businesses, Rantis appears to be more vulnerable than Beit Furik. A specialised business in Rantis, namely that of chicken raising, is vulnerable to the closure. One reason for the vulnerability is that those who sold eggs to Israel have lost their market, as the dealer will not currently risk bringing eggs illegally into Israel. Another reason is that meat chickens rapidly loose their value if there are delays on the way to the market – a very real possibility even though most of the chicken production was for meat to be sold in Ramallah.

> I opened a chicken farm in 1999 with a loan from Caritas. I had 1,500 chicken for meat, and my profit was NIS 1,000 every two months. But I stopped when the *Intifada* started. Even though my husband had lost his work in Israel, I felt it was too risky to continue. – Housewife, Rantis.

The most experienced chicken farmer in Rantis both produced eggs and chicken for meat. Before the *Intifada* began he had about 4-5,000 chickens.

> I stopped completely at the beginning of the *Intifada* and sold all the hens and chickens. The dealer stopped coming here, and the roads were very unpredictable, so the business became too risky. I stopped for several months, but now I have started again with 1,700 chickens for meat. I have many years experience and know the market. I hope to get good prices now in April. – Chicken farmer.

The blacksmith in Rantis was experiencing problems because of the closure.

> I had a shop in the village where I employed three others, and we worked for several villages around here. In those days I used to go around two to three times every week to take measures for new orders. These days I might only get work

every 10th day. People still ask me to do work, like making doors or windows, but they don't pay. This creates major difficulties for me.

In March I think I did work for NIS 2,000 in cash, and some paid back some debts, but it wasn't enough because my materials are very expensive. I had to sell my tractor. I also closed my workshop down in the village. This is mainly a signal to my customers, which tells them that I am out of business. In this way I can avoid giving more credit. I have also sent a letter to the tax authorities, that I am out of business, so I don't have to pay more tax.

I have the small workshop in my basement, and will only do work for people I know will pay. I continue to give credit if I believe they will pay in two months. I will only do work for others for cash.

If the situation continues I will stop completely. When I closed my workshop and moved down here, my plan was to close little by little. I don't know what I will do then, I can't work in Israel since I have been to prison, maybe I can find work in Ramallah. – Blacksmith, Rantis.

We have not recorded similar stories from Beit Furik. They may certainly exist. The reason may again be the different size of the villages. A specialised business that would have to close in Rantis can survive in the larger internal market of Beit Furik even if the external market has disappeared.

4 Six Months Later

The field workers returned to Rantis and Beit Furik in early November, six months after the initial fieldwork. Throughout the summer the conflict between the Israelis and the Palestinians had escalated, and all reports suggested that the difficulties for the inhabitants of the villages had increased.

Increasingly Difficult to Go to Work

The most noticeable change was the severity of the closure. Every morning in April the workers bound for Israel had assembled around the coffee shops at the village entrance close to the Israeli Petrol station outside Rantis. They were waiting for cars that would pick them up and bring them to work. Now, the area was deserted, and the coffee shops that had a brisk business previously were closed. Although, all have not given up trying to go to work. Two men who were waiting at the Israeli petrol station had the following to tell as they were preparing to leave for the day:

> We are waiting for a car to take us to Israel. We work in Tire, in farming. We have been trying to enter since five in the morning. First we entered, but were stopped a little down the road by soldiers and sent back. We then called for a new car to collect us. While we have been waiting some other soldiers came and asked why we were sitting at the entrance of the village. We answered that we were improving our land. The Israeli workers in the gas station often report us to the soldiers while we are sitting waiting for the cars.

One of the men continues:

> Last month I succeeded in going to Israel four or five days, but I try every day. It is difficult, but we will never stop trying. You know, they have checkpoints down the road, and stop us. Sometimes they keep our ID for eight to ten hours, and we can't leave. Other times they take us back to Tulkarem as a punishment. They know it is very difficult for us to go from Tulkarem and back here in this situation. I think now only 20 people from our village succeed going to Israel. Then they will not come and go every day; they stay inside Israel for the whole week and only come back for the Saturdays – if they succeed!

> I have not had a permit since 1992. I was arrested during the first *Intifada*. I think that is the reason I don't get any permit. But I went illegally for work. Life is very difficult now. I have 7 children, and I only get about 300 NIS a month now. It is very difficult to feed a family from this.

A difference from before is that the soldiers now not only man the checkpoints, but also try to stop the workers evading the checkpoints much more often.

> One morning Mohammed was walking in the field on his way to AlAd in Israel. It was about five in the morning. A helicopter came above him and his friends. It went very low, and someone shouted through the loudspeaker that they should walk to the main road. They had to walk under the helicopter until they reached the main road. There, a military jeep waited and took them down to the checkpoint. At the checkpoint the soldiers took their identity papers and they had to sit in the sun for 4 hours and wait. Then they went home.
>
> This happened in the field at a place called Kufrincha, about 4 km from here, and about 2 km from the main road. This happened shortly after the 11 September. We often hear stories like this now from the workers trying to go to Israel. – Wife of Mohammed, Rantis

The controls are not only stricter for the Palestinian workers, but also their employers must be more careful than before. The wife continued to say that

> Mohammed only worked in AlAd for one week after 11 September, then the work there was terminated. Afterwards, he stayed home for one and a half month, and had no work. This was from the middle of September until the end of august. One week ago he got a new job for the same manager in Rehovet. He has been there since 4 November. That is further inside Israel. From AlAd to Rehovet, it costs 100 NIS with a taxi. His manager helped him to move all of his things and equipment to the new workplace, but he refused to bring Mohammed. This is because the manager was caught once with a Palestinian in his car, and he had to sign a paper with the Israelis that he should never transport any Palestinian again. So Mohammed has to take a taxi when he is going to Rehovet. – Wife of Mohammed, Rantis

Many have tried hard to go on working in Israel, but have finally decided to try less lucrative jobs, for instance in the settlements. This is the case, for example, of the man from Rantis who obtained a permit to work in Israel during the first fieldwork period:

He got his permit in the end of April, but he lost it again after one month after the bomb in the Tel Aviv Dolphinarium[7]. The permit was then cancelled. Since then he has not been in Israel for work. I don't think he worked at all in June. In July he got work in the Ofera Settlement close to Ramallah. He worked ten days in July, in August he worked six days, in September he worked three days and in October he worked five days. Now, in November, he has worked for two days and he is still working.

He is travelling to the settlement every day he is working. He leaves home five-thirty in the morning and goes from village to village to Ramallah. Then he goes to Silwad where some Israelis from the settlement collect him and take him to the settlement. After work he takes the same rout back, and he will be home at seven. He works as an assistant to a contract manager. The contractor is from Rantis and brings four other workers with him. – Wife of former worker in Israel, Rantis

The stories from Beit Furik are similar, but it may be even more difficult to go to Israel from Beit Furik given the fact that the village is farther into the West Bank than Rantis. One man, who was a regular worker in Israel in April, now finds it next to impossible to enter. He has tried several times, but on two occasions he has just barely managed to evade arrest. In his view, only around twenty to thirty men currently go to work in Israel. When they do, they usually stay for longer periods than previously, and send money back home with the few returning workers from the village. The worker also tells that once in Israel, Palestinian workers now usually try to rent rooms with ethnic Druze. The reason for this is that many Druze are policemen or soldiers. This protects them from raids by security forces looking for illegal workers. The Druze usually rent out a room to approximately ten men and charge each NIS 200 per month. Staying with Israeli Arabs is also possible, but not nearly so secure as with the Druze.

Another man sleeps at his workplace in order to avoid needing to move around in Israel at all:

I am just back from Israel – I came back on October 24th, and have been here since. I have been working in Israel for two years, in the same factory. When I go there these days, I stay in the factory for a month. I do not leave the factory, and sleep there at night, because I am afraid of getting caught.

[7] In the Tel Aviv club 'Dolphinarium' a suicide bomber killed 21 people on 1 June 2001.

> I am of no use to my family if I should just be sitting at home doing nothing. Although the wages are low (NIS 100/day), I can support three families (12 persons) with the income. – Worker in Israel, Beit Furik

The stories illustrate two strategies for obtaining an uncertain income: The first is the high-risk strategy of going to Israel, but then obtaining a comparatively high income. The second is the comparatively lower risk one of working at the settlements for lower income than in Israel. Both are difficult, but they still are pursued. According to the labour force survey of the Palestinian Central Bureau of Statistics, in the third quarter of 2001 there were still 60,000 workers from the West Bank working in Israel and the settlements. Of these, 41,000 had Palestinian (as opposed to Israeli) identification card. The daily wage does not seem to have decreased (source: PCBS website: www.pcbs.org). One should note, however, that the results of the PCBS pertain to the period before Israeli cabinet minister Zeevi was killed[4]. Moreover, only about 20 days of the three month survey period covered the time after the Israeli operations subsequent to the September 11th destruction of the World Trade Center in New York. The Israeli occupation of towns in the West Bank following the September 11th event probably led to reduction of the number of workers in Israel.

A third strategy pursued in Rantis, that of working in Ramallah, is not much easier than that of working in Israel:

> My husband has changed his job since you were here the last time [He worked then as a tailor in a workshop in Ramallah area]. His former job was good, but he had a problem with the manager. They didn't get along, and Ali couldn't take it, so he left. This happened around 1st August. Now he has started a small business with some friends. They are four sharing and apartment in Betunia. They still have to stay in Ramallah the whole week because the road is very difficult. They have four machines and they also live in the same place for the whole week. Two of the tailors come from Rantis. He was in Israel to get jobs for the workshop, but now they have finished this. It is very difficult, but I hope it will be better in the future. When people have to buy new winter clothes it will be better.
>
> For the time being we are living from my salary. This month and the last. But we cannot manage on my salary in the future. Ali spend NIS 1000 every month only for himself. He has to pay the rent in Ramallah, and buy food and cigarettes. He cannot cook for himself so he eats in a restaurant. We hope his work

[4] Rehavam Zeevi, the Israeli minister of tourism, was shot on17 October in a Jerusalem hotel. Following the killing, Israeli military activities on the West Bank was considerably stepped up.

will be better in the future. It is not an alternative that he stays home to save money so we can live from my salary, because after two days he gets bored, he can't take it. – Teacher and wife of tailor, Rantis

Nevertheless, some manage to go to Ramallah:

I still go to Ramallah every day for work. The checkpoint in Ein Arik is the most difficult. We have to stop the car about 100 meters from the checkpoint, and walk for about 200 m before we can take a new car. When the Israelis have operations they close the checkpoint totally. They refuse us to pass. But when it is quiet, they let us trough. – Worker in Ramallah, Rantis

Thus, as was the case in April 2001, people differ in the risks and difficulties they are willing to face in order to go to work outside of the village. Their need for going also varies. But the number of people who go has been reduced.

Those who are employed by the Palestinian Authority in the villages still receive wages, although several of the informants report that their wages have been reduced by NIS 150 to 200 per month.

The shops and businesses: adapting to a contracted market

In April, the local businesses and shops in Beit Furik and Rantis had three principal problems: the lack of demand from customers, the demand for credit from customers who needed goods but could not pay, and the narrowing in geographic scale of the customer base due to the closure. These problems all remained and increased in severity during the next six months.

The owner of the towel show who, in April, was able to carry out business more or less as previously, (with the main exception being that his business had become more oriented towards the West Bank rather than Israel) now faces a major collapse in earnings:

I still run the shop, but it has become worse since I last saw you. I cannot close it because this is what gives life for my family – 13 people.

My son runs the shop in Ramallah as before. But the market for the products he sells is very bad these days and the road is very difficult. So he lives there in the shop [he commuted between Rantis and Ramallah originally].

> But I don't loose money, I still earn a little. I think my sales have gone down about 90 percent since before the *Intifada*. The money I get now is enough to feed my family and pay our expenses. But I have to pay new products from my savings. But I see it as another way of saving; I save in these products now. The reason I have to use my savings to pay for new products is that I have given a lot of credit, so there is not enough money from the sales to buy new products at the moment. Still I will give credit to my customers, I have no other choice.
>
> I have lost several of the customers I used to deal with. The shops in Tulkarem, Qualkiliya, and Nablus don't buy from me anymore because the road is too difficult, so I cant send them the products. Also, some of the cars I used to sell to have stopped coming. Some of them have continued. I don't remember how many stopped and how many are still working. People don't buy so much of these products now.
>
> I can't buy any products from Israel now. Even the dealer who came here the last time has stopped. The last time he was here was four months ago. About three months ago an Israeli merchant was killed close to Tulkarem while he was bringing products from Israel to WB. He was from Netanya and was going to deliver some products to a Palestinian in Zeta. This is a village close to the green line just like Rantis, but this village is close to Tulkarem. After this man was killed, my friend and dealer refused to come here anymore. – Shop owner, Rantis

Some new shops have even sprung up. There are three main factors that lead to the new establishments: the low opportunity costs of new establishments; the need for alternative outlets for merchants and the restructuring of demand.

The first factor, that of low opportunity costs, is simply that of not having anything else to do, so one might as well start a shop. In Rantis and Beit Furik there are few signs of the petty trade of poverty – such as small tables with goods on the wayside tended by people with nothing else to do. The attempts of trade are somewhat more upscale, but they are still a sign of small opportunity costs. A shop worker in Beit Furik says:

> The store was opened about a month ago. The owner of the store is married to his wife's sister, and is a wholesaler of groceries in Beit Furik.
>
> I used to work at a stone-cutting factory close to Beit Furik, but this was closed after last Ramadan. After that I have not really had a job, but has done various odd jobs. My current salary is not fixed, there is not definite agreement with the owner. But I can either stay at home, or sit here and maybe earn some money. So the choice is easy.

> The property costs JD 500 per year to rent. Today the sales was for about NIS 500. The wholesaler opened the shop because he has the goods here in Beit Furik anyway, so why not open a shop instead of just storing them in a warehouse? – Shop worker, Beit Furik

Nevertheless, petty trading has started to appear:

> In the beginning of the *Intifada* my work on the settlement stopped. This was already in October. Since then I have not worked at all. I cannot go there because it is closure, and nobody comes to collect me and bring me to the settlement. Besides it is illegal and very dangerous. People get arrested and fined if they try.
>
> For one year I have not worked for one single day.
>
> From September up to now I have sold tomatoes in the streets of Rantis. I obtain the tomatoes trough a relative in Ramle [in Israel]. This work does not bring big money, because people here in Rantis have difficult times. They don't have work and sometimes they have to buy on credit. The situation is difficult for everybody. – Former worker in settlements and in Israel, Rantis

The second factor that stimulates the establishment of new shops and trade is the reduced geographic scale of the markets. This is seen in the example above, in that the wholesaler sees that his customers, that usually come from a larger market than just Beit Furik, now have ceased to come. Thus, he must reorient his business to sell in the smaller market of Beit Furik.

The third factor, the restructuring of demand, is seen in another example. Two brothers have started a workshop where they produce aluminium frames for windows:

> They used to work in Israel, but started this workshop two months ago, because it became too hard to go to Israel to work.
>
> They bought the equipment used from a similar shop in Nablus that had to close. Several people also work at the workshop – if they find work, they can come here and do it, and pay the brothers.
>
> Their big problem these days is getting the aluminium profiles from Nablus – transport has become extremely expensive. – Brothers at a workshop, Beit Furik

It is commonly observed that with economic development and improved transport, small shops in villages must close because their customers increasingly use the better-stocked shops in towns. Thus, towns grow and villages are reduced to suburbs. Such a process also has occurred in the West Bank, but has been reversed by the

closure. Some of the many shops in Nablus where people used to buy window frames were forced to close because their market used to be Nablus and its surroundings. Now, Nablus is cut off from its hinterland, and the market has disappeared. This creates opportunities in the villages.

In practice, new shops may open because of the combined influence of the different factors. That is the case in this example from Rantis:

> We opened this shop because our life has to continue. I opened this shop on commission. That means that I don't pay for the goods before I have sold them and received the money. I get clothes from a friend I know in Ramallah. Yesterday, I got clothes for more than NIS 4000, but I don't have to pay before I have sold them. My friend in Ramallah accepts that the money comes a week later or more. I get shoes from someone my husband's brother knows. I have the same deal with him.
>
> I don't get a lot of money, but it is enough for me to pay the expenses for my house and get the basic things we need. This is my house, so I don't have to pay rent for the house and I don't have to pay tax. I don't know about my profit. I think I earn about NIS 5 for everything I sell, and I spend it on my expenses.
>
> Until now we have lived from our savings. I don't know how much it was, but now we have spent it all. The most difficult now is the road to Ramallah, it is difficult to get the products here. You should try – it is difficult.
>
> If you take the shoe over there, I don't get much money from it. The price for it is NIS 27. In the beginning I sold it for NIS 30, now I will sell it for NIS 25, that means I will loose money. Then I hope I will earn more money on other products I sell. Those sneakers over there cost NIS 100, then my profit is bigger. In this way I have enough money for my house and living, but I have nothing to save. I can't take too high prices in this situation. – Shop owner, Rantis

It is also noteworthy here that the contacts in Ramallah now accept to sell goods on credit. In April, retail shops accepted that customers bought and paid later. In contrast, shop owners generally reported that wholesalers required immediate payment upon the delivery of goods. Now, this is no longer the case. Retailers have apparently managed to pass on some of the risk to wholesalers. With their market in the villages otherwise disappearing completely, the wholesalers probably do not have a choice. Some of this may, however, be simply an effect of the fact that some new shops have been established, and that wholesalers usually provide credit to new shops. It may also be a return to the system that operated before the *Intifada,* where wholesalers usually accepted to provide credit to retailers. In the beginning of the *Intifada* retailers ran up a large debts with wholesalers, and they therefore restricted

credit provision. Now however, the system may have been reinstituted, albeit on a lower level of operation.

Another example of former town-based businesses moving to villages is an electrician in Rantis who has just started a business to install electric wiring and equipment for people. He used to work in Ramallah, but cannot easily go there and there is less work.

The effect of these processes is that the market for goods continues to exist, but has become cellular and less integrated. In contrast, shops depending exclusively or predominantly on the market outside of the villages have been forced to scale down or close. This is the case, for example, for the chicken farmers in both Beit Furik and Rantis, the stonemasons, and the olive press in Beit Furik is not operating for the harvest. The latter fact, may, however, also be a result of a rather bad olive season. To a large extent, the degree of closure that was operative in April, had already drastically diminished the export oriented businesses.

Living with the Income Shortfall: a System on the Brink of Breaking Up

Given the income reduction households increasingly experience, and in particular, the loss of the comparatively large incomes from workers in Israel, households have increasing difficulties in making ends meet. Their strategies for coping with the situation remain similar: reducing consumption and investment; depending on credit; depending on aid; or selling assets:

> We only buy what is necessary. For example, we don't buy any sweets anymore. What we buy now is only wheat, sugar and vegetables.

> Our situation is much worse than before. Now we have to buy everything with cash [In April she told that she could get credit from a shop when she was]. Also, when we have to pay cash, we buy in much smaller amounts, which makes the prices higher. The shop I used to get credit from is closed. It closed because it extended credit to too many people. I think this happened two months ago. This is the only shop in Rantis that have closed down. Now I will do my shopping in the other shops like Abu Muphtah's shop Abu Muphtah has told my husband that we can receive credit in his shop. We owe him NIS 40 now. – Housewife, Rantis

The quote above is indicative of the problems that households face in obtaining credit. Even though the housewife presents the situation as worse, the present debt of the household is actually smaller than it was in April, as it has now repaid the 1,000 NIS it owed to the shop that is now closed. This situation illustrates the danger to shop owners in extending so much credit that they, themselves, cannot pay the wholesalers. Nevertheless, shop owners do provide credit. Abu Muphtah, the shop owner, reported in April that he did not provide credit to customers.

In April, there was little evidence of sale of private assets, like gold and jewellery. In November, some households reported such sales. For example, among one group of brothers in Beit Furik, only one had not sold any of the jewellery belonging to his wife. Similarly, in April, no household told of remittances from abroad, while in November some did. The aid packages that households receive are still too sporadic and small to make a real difference.

A noticeable change in Beit Furik is the policy of the municipality in cases in which people do not pay for electricity. As discussed in Chapter Two, Beit Furik municipality depends on electricity payments as its main revenue. Therefore, the municipality has been strict about cutting supply to defaulters. However, that policy has now changed, and the town is only cutting power if the nonpayer is more than three months behind. There is a dramatic increase in non-payment, but it is as yet difficult to ascertain if this is simply an adaptation to the fact that the town no longer cuts the power. Payment records kept by the municipality indicate that this may be the case, as there are many that have not paid for the last three months, but very few that have not paid for four months. Still, the number of people who have not paid for a long time is certainly higher than in April. A corollary is that the municipality now uses money intended for other purposes to pay the electricity company. For example, the deposits that people have paid for having electricity installed have now been used. According to the mayor of Beit Furik, the change of policy came about because they now consider that the situation is much more difficult for the households than it was before when they insisted on regular payments.

In Rantis, the villagers also appear to delay payment as long as possible, while avoiding being cut off:

> We have not paid electricity or water. The water we didn't receive anyway since March. I think the settlement takes it all. It is not enough for us. For the electricity we owe NIS 1,200. That is for four months. For two years we have not paid for water. We have stopped to count the amount. Before four months we paid the electricity from our savings. We always try to pay the electricity bill, because we are afraid the bill will be too large if we don't. If we have five unpaid bills they will cut the electricity. Up to now this has not happened. [A neigh-

bour boy present can tell that someone in the village got their electricity cut because of a NIS 700 bill.] – Owner of new shop, Rantis

School fees are another cost that people now avoid paying. For example, the headmaster of one of the schools in Beit Furik report that of the 700 pupils in the school, 200 have not paid their school fees (NIS 50) for the current school year. He went on to tell that the sales in the school cantina have tumbled and pupils increasingly wear other clothes than school uniforms.

Public Services

Public services mainly depend on personnel, resources from the central or regional government (such as money for wages, equipment or consumables), and user fees. All of these resources have been increasingly affected by the closure. As regards personnel, at one school the headmaster had changed, since the original headmaster cannot leave the village were he lives, and the current, who actually works in another village, cannot go to his place of work. The shifting of personnel from one institution to another so that they work in the village where they live has become very common and affects both the schools and the health services.

Some teachers are unable to come to work, and have to be substituted with volunteers or teachers that normally teach another subject. Unpaid school fees necessitate cost cutting on the part of the schools,, as 75 percent of school fees are retained by the school to cover running costs. Thus, the headmaster in Beit Furik thought he might have to reduce classroom heating during the coming winter.

On the other hand, the primary health care system appears to have faced similar problems in April as in November. The health personnel in the two villages report that medicine and vaccine supplies had not been interrupted, although it is complicated to get them through the checkpoint. A doctor in Beit Furik pointed out that organising emergency and secondary care had become much more complicated during the summer and autumn.

> We need to send patients to Nablus for special services (such as X-ray, laboratory tests, and operations), and for emergencies. Since the 17 October, they are only allowed to go through the checkpoint in ambulances. That means that we need some 60-70 ambulance trips per day to meet the needs. I get 20 cases before lunch, and an additional 40 after lunch when the Beit Dajan cases are added – because they also go via Beit Furik now. In principle, there is only one patient in each ambulance, but we manage two, and sometimes three, depending on the soldiers on the checkpoint. – Doctor, Beit Furik

Six Months Later: More Difficulties

The months between April and November 2000 saw a worsening of the political situation in the West Bank, increased violence and military activity and a tighter closure than previously.

The effects of the closure and confrontations between the Palestinians and Israelis can be divided into two main groups. One group is the direct effects. These are for example the direct effects on household incomes of the inability to work in Israel or the lack of sales because customers cannot come. The other group is the indirect effects that stem from the duration of the closure and its accumulated effects. There are many examples. One is the drop in revenues for the Palestinian Authority forcing wage reductions in the public sector. Another is accumulated debt that forces shops out of business, or households to decrease consumption. Yet another is the structural changes in the economy following increasingly circumscribed operation and small markets of businesses.

During the first fieldwork in April, the direct effects were very clear, and the indirect ones only starting to appear. The second fieldwork saw both an increase in the severity of the direct effects as well as the much more visible accumulation of the indirect than before. Not surprisingly, the longer the closure lasts, the harder it affects people.

5 The Consequences of Closure

Despite having severely restricted possibilities for action, Palestinians adapt and try to cope with their situation. They have to secure their livelihood; they have to deal with the problems of their businesses; of the education of their children or the provision of health care. Some even see and exploit the few opportunities that the closure brings.

Palestinians are therefore not just passive victims. The specific ways the closure affects them are mitigated and transformed by their actions. In turn, the actions they take also change the social organisation of their communities. An important part of the analysis presented in this report is to try to depict and explain these actions, and how they influence the wider social organisation.

Such a perspective, that the victim is also an agent, is sometimes criticised for focusing the attention away from the transgression. That may be so. It is true that the analysis of the closure itself is not the topic of this report. But the effects are topics, and it should be clear that the effects we describe would eventually disappear if the closure was lifted, and the strategies that people employ to counteract the effects would not be necessary.

The important focus of this report, rather than to understand the closure itself, is to try to understand how people cope with the aim of uncovering the crucial factors that their coping depends on. The question that can then be asked is "What can be done to protect these crucial factors?".

Before the *Intifada* the small distances within the West Bank and Israel allowed a vibrant regional labour market. Not only did many men work in Israel, but people also travelled daily to other towns in order to work. The main direct effect of the closure has been to make these journeys impractical. As we have seen, one of the adaptations that private firms, individuals and the Palestinian Authority have made, is to relocate workers so they now work, if they work at all that is, closer to their home. While it may be said with a sort of twisted cynicism that it is better for people to work closer to their home, that is not what they chose themselves originally. Furthermore, to the extent that the allocation of workers to jobs in the labour market has functioned before, the spatial reorganisation probably leads to inefficiency in the use of labour.

It is nevertheless the overall contraction, especially of the private sector and of work in Israel, that is the most important consequence. The contraction stems, as

discussed in the preceding chapters, both from the actual travel restrictions, but also, in the private sector, to the dramatic decrease in demand for goods and services on the West Bank. Private firms have had no choice but to cut back on their number of workers, thereby deepening the crisis further.

Another mechanism of contraction that to some extent is seen in the villages, is that donors who have committed themselves to development projects pull out or postpone the projects. This in turn results partly in lack of employment opportunities for the villagers, and also in a slowdown of development in general terms.

The main reason why the consequences of the closure are not worse, is that the Palestinian Authority has continued its payment of wages to its employees, and that it has retained workers on its payroll even if they cannot show up for work. Given the large size of the public sector in the West Bank, this policy has given the population a basic safety net. It has also ensured that there is sufficient demand for goods and services to keep the private sector functioning, although on a very low burn.

A second factor that counteracts the effects of the closure is the fact that the closure is not complete. Even in villages such as Rantis, which appears to be one of the most thoroughly closed off villages on the West Bank, some openings exist. In particular, workers are sometimes able to return to their work in Israel, and when they do, they bring much needed income home to their families.

Perhaps the major change between April and November 2000 was that of the increased severity of the closure. In particular, in November work in Israel was much more difficult than in April.

The Households

A crisis hits different parts of a population differently. Some are deeply affected, and some are perhaps not affected at all. The crucial factor, of course, is how the income sources are affected by the closure. Thus, subsistence agriculture is not affected very much, while commercial agriculture is. Work in the public sector is generally not affected. Work in the private sector, including self-employment in small retail shops, is substantially affected, and even if workers are not made redundant they frequently experience income reduction. Work in Israel has not vanished completely as an income source, but the reduction has been very large. The main difference in these respects between the two villages is that Beit Furik has much more vibrant farming than Rantis, and that households in Beit Furik can fall back on agriculture to a greater extent than households in Rantis. Nonetheless, even in Beit Furik few households depend exclusively on agriculture.

The above observations allow us to identify vulnerability to the crisis with respect to types of households and livelihood systems. They also permit us to speculate about resilience, i.e. the degree to which households are able to bounce back if the closure is lifted.

It is clear that the least vulnerable households are those that rely on income from the public sector, perhaps in conjunction with subsistence agriculture. At the other extreme, households that primarily rely on work in Israel, or employment in the private sector in the West Bank, are extremely vulnerable to the crisis. Of the two groups, the West Bank employees are probably the worst off. This is because their income levels were often lower to begin with than what the workers in Israel could obtain. Furthermore, they often do not have the option of trying to go to work in Israel due to difficulties in obtaining permits and they may also lack the network of contacts that is needed. The workers in Israel, for their part, have the opportunity to try to seek alternative work in the West Bank, but more importantly they try to sneak into Israel to at least be able to work occasionally.

The role of agriculture as an income to fall back on is different in the two villages we have studied. In Beit Furik, agriculture is a fall back option, whereas in Rantis, farming may at best provide a little extra.

For a household that does not have any member with a public sector job, it is crucial to have access to such a household or person. We found that the households that experienced most problems were invariably those where none of the members had work themselves, or where they did not have any relatives that could help them. And relatives that could help were those with a public sector job.

The Palestinian population abroad has always been looked upon as an important provider of remittances to the West Bank and Gaza Strip. Surprisingly, neither in Beit Furik nor in Rantis were we able to find anyone who could say that remittances from relatives abroad were important to their ability to make ends meet. This was not because they did not have any relatives abroad, but because the relatives did not send anything.

The most resilient households are probably those that combine public sector work with work in Israel. Such households have the option of trying to maintain the network of contacts needed for working in Israel, because they can, at least for some time, use their income from their public sector job to keep trying. They can, for example, still pay for the mobile phone needed and they can afford to wait day in and day out at the checkpoint and hope to get through. Similarly, if they have also included a small shop in their adaptation, they do not have to close, at least if they manage the credit they allow customers prudently. Thus, such households are able to maintain their basic economic infrastructure.

It should be clear from the foregoing analysis that one factor remains fundamental, namely the ability of the Palestinian Authority to pay wages. If that ability disappears, the bottom of the current Palestinian adaptation falls out. Of course, the Palestinian Authority cannot pay wages from its own coffers indefinitely in a situation of closure, simply because the wages paid to workers in the public sector cannot be the tax base for paying the same wages. The Palestinian Authority is in a similar position to those that provide credit in Beit Furik and Rantis: if extraneous income is not available, then the system will grind to a halt. If that happens, the food aid, which is now largely irrelevant for all but a few households, may become a crucial component of survival for the households.

Service Provision to the Population

Seen from the two villages, the provision of basic services, such as electricity, water, refuse collection, education and health services, has not been very hard hit by the closure. People cannot pay for the services any longer. In Rantis, they have simply stopped paying, especially for water, and the Water Authority has not tried to enforce payment. The electricity company has tried, but has been told by the villagers that disconnecting power would not be accepted. In Beit Furik, in contrast, villagers must pay for water as it is bought in bulk from trucks. In April electric power remained an important income source for the municipality that it did its best to collect. In November, however, the municipality in Beit Furik had introduced much more lenient practices towards defaulters, and the municipality suffered an important drop in income as a result.

Education is affected, but schools are still open although the extent and quality of the teaching have probably declined because teachers sometimes cannot come to work. Emergency health care that requires hospitalisation of the patient is the most problematic area, as the transport to the hospital cannot be assured during the closure.

Of course, the service sector works for much the same reason the households do: the Palestinian Authority is still paying its wage bill. There are signs, however, that the private health care sector is experiencing the same decline as the rest of the private sector.

The Future: If the Closure Goes On...

Predicting what will happen if the closure goes on is difficult, because it partially depends on what will happen to the Palestinian Authority and its ability to pay its wage bill. If it can pay, it will reinforce the dominance of the public sector in the Palestinian economy. At the same time, for villages such as Rantis and Beit Furik, it will probably mean that the situation will continue to stay more or less as it is at present. If it cannot pay, then households will lose most of their remaining source of income.

Regardless of whether or not the Palestinian Authority is able to pay its wage bill, the main change will probably be that the private sector will slowly wither away, especially the small manufacturing businesses that we have described. The private sector has depended on the income levels that the workers in Israel have ensured, and also the possibility of exporting goods to Israel. At present, the indications are that both households and businesses are accumulating debts, and this cannot go on indefinitely.

In April, it appeared comparatively easy for workers to go back to Israel when they are allowed to do so. However, it may be surmised that the comparative advantages that Palestinian workers traditionally have had over other "imported" workers to Israel, such as language and a flexible network for matching employers and employees, will be reduced as the closure continues. There was signs of this in November, with workers reporting that they were being cheated by employers more than before.

In some ways the closure is like the slow tightening of a thumbscrew. When something happens in the *Intifada*, it is given a new turn, and it is eased up somewhat as calm returns. Nevertheless it is not eased up to the level it was. During the first year of the Al Aqsa *Intifada* it appears that there has been a stepwise increase in the level of the severity of the closure.

If the Closure is Lifted

An implication of what we have said so far is that if the closure is lifted, workers should be able to go back to jobs in Israel comparatively easily. That also depends, of course, on the degree to which the closure has damaged the Israeli economy, and especially the parts that have used Palestinian labour. But the social infrastructure for going still appears to be in place, not least because the closure is not total.

How easy it is for businesses, such as the sweet factory we have described, to reenter the Israeli market is another issue. Israeli purchasers will most likely have found

other sources to buy from, and the Palestinian producers may have to face an uphill battle in order to regain their market shares.

Another effect of the closure is the change of the structure of the Palestinian economy. The economic development of the West Bank in recent years has led to villages that to some extent function as suburbs. Towns like Nablus and Ramallah have developed into economic centres. The closure has led to a regression of the centres and villages back to a previous mode of economic activity. The former integration has been replaced with a much more cellular form where small scale shop keeping, crafts and manufacturing reappear in the villages because the larger firms in the towns now cannot sustain themselves.

Furthermore, households and businesses have accumulated substantial debts. These debts will have to be paid before the economy can start to function at its previous levels.

To summarise, even if the closure is lifted, the Palestinian economy has been set back. It is probable that the longer the closure lasts, the longer the recovery will take. Israeli employers will progressively develop alternatives to Palestinian labour, and in time their inclination to switch back to Palestinians will become less. The structure of the Palestinian economy will change even more. The debts will accumulate, and as time passes, it will be increasingly difficult to get businesses out of the red again, or for households to repay.

Paying a price
Coping with Closure in Two Palestinian Villages

"Closure" is Israeli restrictions on Palestinian movement of persons or goods across the border between the West Bank or Gaza Strip and Israel, and also internally within the Occupied Territories.

The *Al Aqsa intifada* – the new Palestinian uprising that started on the 28th September 2000 – made Israel impose strict closure on the West Bank and Gaza Strip.

"Paying a price" depicts the daily life in two Palestinian villages on the West Bank as they experience the effects of the closure and the conflicts of the new *Intifada.* The study is based on short field works made by researchers from Fafo Institute of Applied International Studies in April 2001.

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