



Willy Egset and Lena C. Endresen

Paying a Price

Coping with Closure in Jericho



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ISBN 82-7422-351-9
ISSN 0801-6143

Cover page: Jon S. Lahlum
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Unmanned roadblock

Printed in Norway by: Centraltrykkeriet AS

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Abbreviations and Currency

Abbreviations and Acronyms

ADP	Al-Alami Arab Development Project
DCO	District (Security) Co-ordination Office
IDF	Israeli Defence Force
MAG	Ministry of Agriculture
MLG	Ministry of Local Government
MoH	Ministry of Health
MSA	Ministry of Social Affairs
PA	Palestinian Authority
PARC	Palestinian Agricultural Relief Committees
PECDAR	Palestinian Economic Council for Development and Reconstruction
PLO	Palestine Liberation Organisation
PRCS	Palestinian Red Crescent Society
UNDP	United Nations Development Programme
UNSCO	United Nations Special Co-ordinator for the Middle East

The Oslo agreements divided the Occupied Palestinian Territory into three zones: Areas A, B, and C:

- Area A: The PA has sole civil jurisdiction and responsibility for internal security in these areas, but Israel still retains authority over movement in and out of these areas.
- Area B: These areas are under Palestinian civil jurisdiction, but with a joint Israeli-Palestinian security regime. Israel maintains a security presence and “overriding security responsibility”.
- Area C: The remaining areas remain under full Israeli civil and military administration/occupation.

Currency

Israeli New Shekel (NIS), Jordanian Dinar (JD) and US Dollars (USD) are all used as tender in the West Bank. The approximate exchange rate at the time of fieldwork was: 1USD=4.2 NIS =0.7 JD

Summary

“Closure” means 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 Territory.

This study reports the findings of fieldwork carried out in late May and early June 2001 in the West Bank city of Jericho. The purpose of this study was to understand how the closure of the West Bank following the start of the second Palestinian *Intifada* in September 2000 affects the economy and daily life of the people in Jericho and how they cope with the situation. The period of study is September 2000-June 2001.

Jericho’s private sector economy is based on the two main pillars of agriculture and tourism, both of which are external market-oriented. A varied service sector of shops and restaurants and smaller owner-operated farming represent the more internal market-oriented private sector. Employment in Israeli settlements in the West Bank and to a lesser extent in Israel is normally very important especially to the young, male Jericho workers. Finally, the public sector is of a considerable size and has assumed critical importance during the current crisis due to the relative security of public employment so far.

Jericho’s agriculture sector faced a profound shock when the closure was imposed. Exports were almost completely stopped for up to half of the period of study, and seriously obstructed in the other half. The collapse in the export market for agricultural products to Israel hit the largest producers the most, and less those with a larger share of output in the local market, notably the smaller owner-operated farms. Certain tenure arrangements and credit practices serve to cushion the economic shock for some groups, though the effects of such arrangements are bound to taper off as the crisis continues.

Tourism has had a considerable upswing since 1994, but particularly in the last two to three years during which time several large-scale investment projects have been realised and planned. Tourism disappeared completely from the first day of the closure. As a result, local and external investors are taking great losses and a large number of jobs have been lost. According to the Chamber of Commerce out of the 550 persons previously employed in the tourist industry, 500 lost their jobs because of the closure. The tourist industry is the economic sector that has probably borne the heaviest direct, financial losses as a result of the closure as the recent investments in that sector were so large.

Similar to the other business activities, effects of the closure on the industry sector are of three main types: First, heavily increased transaction costs in nearly all aspects of business operation. Second, periodic reinforced closures that prevent all or nearly all supply of inputs and all export of outputs. Third, a sharp drop in demand and permanent loss of important markets or market segments (tourists, Israel, Gaza).

Workers are intermittently able to carry on working for Israeli employers in settlements or in *Khan al-Ahmar* industrial enclave, where they receive wages that are higher than what they can obtain in Jericho.

The local economic activity thus slows down, but does not collapse completely. The closure mainly increases the costs, in the broad sense, of the enterprises' input good and reduces the purchasing power of their customers. Many have lost incomes and others have cut costs in anticipation of difficult times, creating almost a complete end in demand for anything other than essential goods and services.

As a result of the steep decline in economic activities, taxes and fees accruing to the public sector are strongly reduced. The Jericho Municipal Authority estimates their incomes have been halved because of the crisis, but has so far been able to continue paying wages to its staff. Many public sector employees, who live outside the city and normally commute to work, are now facing problems reaching work.

The education and health sectors have significantly more difficult working conditions than before, but are still able to function. The operation and use of health services have been hampered by obstructing the access of staff and users from outside Jericho, heightening risks on health personnel at work during confrontations and causing damages on equipment and facilities, and increasing demand for emergency help, intensive care and associated surgery. Education is directly affected by the closure in periods when students and teachers from outside Jericho City cannot enter the schools in the city, and indirectly by disturbing the concentration of the students. In addition, some students have been shot and injured during clashes with the IDF, contributing to reduce their and their fellow students' concentration on schoolwork. Finally, many families can no longer afford to pay university fees for their children and students are reported to drop out at that level.

Basic services such as electricity and water have been maintained, but the electricity supply has been particularly unsteady. Difficulties in getting spare parts through the Israeli checkpoints have caused delays in vital repairs and hence black-outs have occurred in various parts of Jericho from time to time.

External aid to individual households has been handed out occasionally. This aid is of help, but it is not a crucial contribution to the survival of the households. Food aid has reached nearly the entire population. According to the Ministry of Social Affairs, 4,400 households (of a total of 5,200) in the district of Jericho have received at least one food package once or more during the period of study. Some households interviewed described their food packages as having a marginal impact.

However, for the 400 to 800 most needy households, defined as recipients of poverty support from the Ministry of Social Affairs and *al-Islah*, that are specially targeted for food aid, this aid is most probably crucial.

Remittances from relatives abroad, the Gulf states in particular, was an important form of assistance during the first *Intifada* (1987–1993). Currently, relatives of people in Jericho who live abroad mainly live in Jordan, and cannot afford to assist their relatives in the West Bank. A number of externally financed development projects have been postponed.

The continued operation of the public sector has thus become essential in sustaining social and economic life under the closure. A prolongation of the closure and further erosion of the economy of the Palestinian Authority quickly undermines the ability of the public sector to pay wages and provide services. In the event, social consequences will be much graver than the already serious situation existing today.

Acknowledgements

The authors would like to thank the people we met in Jericho for their hospitality and generosity in sharing their lives and experiences with us. Special thanks go to Ms. Wiam Erakat, Public Relations Officer in the Jericho Municipal Administration, who worked as our assistant during the fieldwork. Her dedication and professionalism contributed significantly to any merits of this report. We would also like to thank the other staff in Jericho Municipality for their invaluable help and friendliness. The Ministry of Local Government, located in Jericho City, has been involved in the project since its inception. We are most grateful for the help and guidance offered by the Ministry and their staff on every request from the project team.

Many others have been involved in making this study possible. Mr. Akram Atallah from Fafo facilitated the fieldwork by providing contacts, local goodwill and practical arrangements. Ms. May Haldorsen at the Norwegian Representative Office to the Palestinian Authority has been helpful and instrumental in getting the field researchers past the checkpoint into as well as out of Jericho City.

At Fafo, Research Director Jon Pedersen was responsible for designing the study, and he also supervised the fieldwork and the preparation of its report. In addition, researcher Tone Sommerfelt provided wise and useful comments to an earlier draft of this report. However, the responsibility for errors and misunderstandings rest fully with the authors.

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 their staff, in particular Elizabeth Cousens and Arjan Van Houwelingen.

Introduction

The West Bank city of Jericho, or *Ariha* in Arabic, is located more than 300 metres below sea level in the Jordan Valley and claims to be the oldest city in the world, tracing its history back more than 10,000 years. In 1994, it became the first city in the West Bank to be controlled by the PLO under the Oslo agreements and the unofficial and temporary capital of the Palestinian Authority. A closure on the West bank and Gaza Strip was imposed by Israel in September 2000 as part of the escalation of violent conflict that erupted in that period. Information was collected in three main ways. First, twenty-five semi-structured interviews with specifically selected respondents. The respondents were selected according to their experience with the various aspects of Jericho's closure that we wanted to learn more about. Second, a number of persons in official positions, in important NGOs, or in the business or other sectors, were contacted for specific information. Third, statistics from local sources and the PCBS, and other official documentation, have provided background information on social and economic conditions.

The situation in Jericho, and elsewhere in the West Bank and Gaza, has become even more severe since our fieldwork was completed. This report describes the situation in Jericho City in the period from September 2000 to June 2001, focusing mainly on the effects of the closure in the socio-economic and public service delivery fields.

What is referred to as the closure of Jericho City in this report refers to the physical control of movement of persons, cars and goods between Jericho City and its surrounding villages, roads and other areas, exercised by the Israeli Defence Forces (IDF). The control is imposed by manned checkpoints and unmanned roadblocks on all regular roads into the city, trenches in the fields outside roads, and military patrols and remote supervision of areas without manned checkpoints. Closures have been intermittently applied since 1993.

Closures may last for less than a day to several weeks. Passing of checkpoints (as well as unmanned areas) is subject to a degree of control that varies daily, depending primarily on the climate in the Palestinian – Israeli relations, ranging from an almost complete halt of any traffic of persons or goods in or out of the city in periods of intensified conflict to a quick check of identification papers in periods of relative calm. The Israeli press has coined the descriptive terms “breathing closure” versus “suffocating closure” to differentiate between these two types of closures. The

main components of the control regime, described in more detail below, were imposed immediately after the start of the *Intifada*.

This report is organised in three parts. In section one, we give a description of the administrative and social organisation in Jericho, as well as its infrastructure and social services. This outline provides the context for understanding the effects of the closure. In section two the closure is described in more detail, and section three discusses its socio-economic effects.

1 The Community

Raising sheep and goats used to be the predominant economic activity in Jericho until the founding of the state of Israel and the waves of refugees this set off, including large numbers to Jericho in the then Jordanian-controlled West Bank. Jericho's pre-1948 population of about 1,500 people rose to more than 100,000 in the span of a few years into the 1950s, a great deal of which later dispersed to other areas. Among these were also leading farming families from the agriculturally advanced north, who introduced large-scale irrigated agriculture and the commercial production of fruits and vegetables to the area in the following decades. Irrigated agriculture quickly became the main economic activity, whereas sheep and goat raising remained a traditional activity among the original Jericho families. In addition to these, a few Bedouins would seek out Jericho's famous springs, raising camels and sheep.

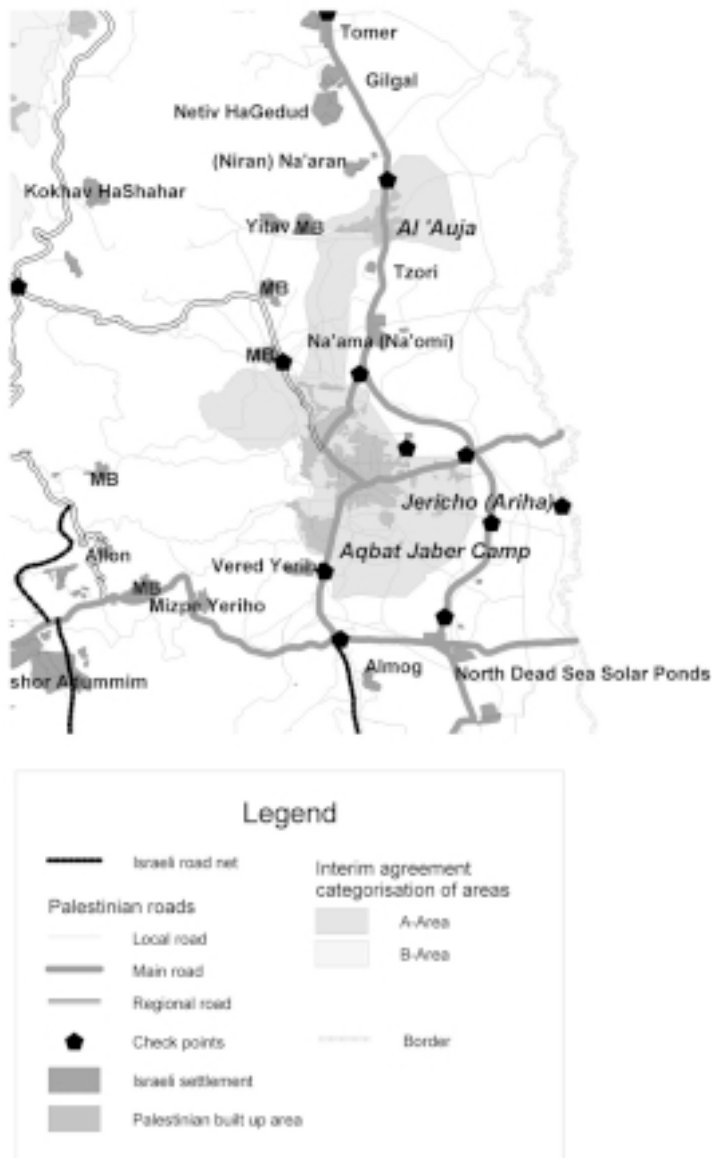
When in 1994 Jericho became the temporary capital of the Palestinian Authority (PA), and seat of emerging PA offices and institutions, the limited existing public sector strongly increased in importance. Today the public sector provides wages to a large number of bureaucrats in the PA and municipal authorities, policemen, teachers, nurses and doctors, and in services such as garbage collection and water supplies. Many are educated sons and daughters of farmers and other traditional trades. However, in some cases small farmers and others who previously held traditional jobs have taken up work in this sector, which is not considered to offer high wages, but *regular* wages, which is an important added value.

As a rather small town, Jericho City depends on the supply of specialised workers from outside, predominantly from the West Bank, both from the villages in the Jericho District and from other West Bank cities. Many teachers in the city's schools live in al-Oja, the largest of Jericho's villages, outside the checkpoints encircling the city. Other professionals, such as several doctors working at the public hospital and with NGOs and managers of larger industrial enterprises commute from Ramallah. Similarly, a number of officials in the various PA institutions in the city, such as the representative offices of government ministries also commute from Ramallah.

With the establishment of the PA, an effort was also initiated to develop the local tourist industry. The effort received a boost with the opening of a large casino in 1997, with a staff of 2,000 persons¹, thus attracting moneyed visitors from Israel

¹ Among them approximately 1,500 specialist workers, many of them from Europe and the USA.

and abroad. This was soon followed by other large investments attracting a more varied crowd. Associated services, such as restaurants, car rentals, souvenir and gift shops, developed alongside. The younger generations in particular have found employment in the tourist industry, the up-market parts of which offer wages that are very competitive locally. Yet many still prefer to work for the higher than local wages offered by the Israeli market, primarily in the nearby settlements or in resorts at the Dead Sea, some in Jerusalem or other cities.



1.1 Population

Some 5,200 households, about 30,000 persons, live in the District of Jericho, including Jericho City and four villages north of the city, the largest of which is al-Oja. Half of the population, or about 15,000 persons, live in Jericho City. There are two refugee camps within the city limits; Aqbat Jaber and Ain es-Sultan, with populations of 5,000 and 2,500 respectively.

Jericho shares the demographic characteristic of a young population with the rest of the West Bank and Gaza Strip (Table 1 below). Yet in 1997 when the presented data were collected, the proportion of Jericho's population below 15 years of age was lower than the rest of the West Bank and the Gaza Strip, possibly a result of some in-migration to Jericho of unmarried adults working in the growing tourist industry.

A more noticeable difference is found between Jericho and other Palestinian areas when looking at the population's achieved education levels (Table 2 below). Jericho stands out with 37% with no completed education compared to 28% and 25% respectively in the remaining West Bank and the Gaza Strip. The customary predominance of agriculture, traditionally a low-skill industry, in Jericho's economy probably explains its educational disadvantage..

Table 1 Population below 15 years of age in percent of total

	West Bank	Gaza Strip	Jericho	All
Below 15	45	50	41	47
Above 15	55	50	59	53
Total	100	100	100	100

Source: Demographic Survey, PCBS/Fafo (1995).

"West Bank" excludes Jericho.

Table 2 Highest completed education in percent of total

	West Bank	Gaza Strip	Jericho	All
None	28	25	37	27
Basic	48	43	44	46
Secondary	16	22	15	18
Higher	9	11	5	10
Total*	100	100	100	100

Source: Demographic Survey, PCBS/Fafo (1995).

"West Bank" excludes Jericho.

*May not add exactly to 100 because of rounding

1.2 Administrative Organisation

The Municipal Administration is Jericho's local government, headed by the Mayor and the City Council of five members, which includes the Mayor. The larger villages in the District of Jericho have their own village councils. The current City Council represents some, but not all, of Jericho City's leading families. It works by consensus, internally and externally, with a view to preserving the balance of interests between the city's dominant families. The Municipal Authority employs approximately 250 persons working in nine technical departments. Whereas the Municipal Authority is the centre of local politics, the PA remains centralised, reflected in the fact that higher positions in the municipality are appointed by the Ministry of Local Government directly. In addition, public health, education and social assistance services are provided by the PA, relations with the outside that involve commercial or personal permits of travel or transport are the responsibility of the PA *Civil Affairs Office* and the Israeli DCO. The police and the criminal and family courts are also PA institutions. Most government ministries keep local offices in Jericho, and the city is host to a police intelligence training centre.

1.3 Associations

A total of 35 organisations are registered with the *Association of Organisations* in Jericho, an association that includes both the truly non-governmental organisations with private funding and organisations sponsored by the PA, including the Municipal Authority. In addition to the municipality, major organisations include the Palestinian Agricultural Relief Committees (PARC), the Farmer's Union, the Islamic Organisation, several sports clubs, the confederation of trade unions, the Palestinian Red Crescent Society (PRCS), and the YWCA, among others. The *Association of Organisations* assists the member organisations to raise funds from the PA, via the Ministry of Local Government, and co-ordinates the work of the organisations when concerted action is needed, such as in managing assistance under the closure.

1.4 Social Differentiation

There is a fundamental social distinction in Jericho between its "original families" and the ones who have moved to the city over the past decades, most of them after

the wars in 1948 and 1967. The “new families” are today in the majority, but the Jericho families remain the largest single group. The six Jericho families represent 1,800 voters altogether, while the largest new families are the Hebron families (1,400 voters), the Jerusalem families (900 voters), and the Gaza families (less than 900 voters). The first two Mayors after 1994 represented the Jericho families, and these families opted not to sit in the council after the two Mayors vacated their positions. According to popular opinion, the Jericho families feel overrun by the newcomers who came with educational resources, capital and commercial and agricultural experience when Jericho was still a community of traditional sheep breeders. Thus, the new families dominate in formal political and business life, as reflected in the absence of the Jericho families’ representatives in the City Council, and their poor representation in the administration.

Another feature of social differentiation in Jericho is the distinction between Christian and Muslim families, the former being a small minority of 500 to 600 persons, or about 2%, not affiliated with any of the dominant “city families” mentioned in the previous paragraph. Sectarian tension between Christians and Muslims does not seem to be an issue; both Christian and Muslim sources take great pride in their peaceful co-existence.

A third distinct population group in Jericho is ethnically defined, namely the black population of the villages of Duiok and Nweimeh at the north-west outskirts of the city. Knowledge of the origin of the group is scant, some claiming they arrived in Jericho as far back as during the construction of the Hisham Palace in the first century of Islam, others suggesting a much later arrival as servants accompanying the British presence in Jericho in the first decades of the 20th century. The group has practised endogenous marriage and remain racially distinct, although today at least their men may marry outside the group. They have traditionally practised small-scale agriculture, but their area is only partly irrigated after local springs have dried out, and higher earnings are sought elsewhere, including in the Israeli settlements.

Finally, Jericho hosts a number of Bedouin families with a total population of around 1,000, most of whom reside along Road One running south-west out of the city along the Wadi Khelt rift. The Bedouins arrived in Jericho searching for water and grazing lands for their sheep and camels. They remain distinct both socially and economically, living in tents with their herds nearby.

1.5 Infrastructure and Social Services

Water

Jericho's water supply comes from the Ain es-Sultan spring. The municipality charges individual households for the water per cubic metre used. Drinking water is piped, whereas irrigation systems are open. The irrigation system reaches most of the Jericho gardens as well as agricultural fields where the weekly supply is collected in ponds in the outskirts of the town. The farmers irrigate the fields with water from the ponds.

Sewage and Garbage Collection

In the city, sewage is piped. The municipality has established a regular garbage collection system.

Electricity

Electricity is private and provided by an electricity company based in Jerusalem. The company provides East Jerusalem, Bethlehem, Jericho and other areas of the West Bank with electricity.

Roads

From Jerusalem and the Dead Sea regional road 90 leads into Jericho. Running south-north through the city, it continues northbound in the Jordan valley towards Beit Shean and Tiberias. An Israeli checkpoint has been set up both at the southern and the northern city borders (See section 3). Towards the east, regional road 449 leads to the King Hussein ("Allenby") bridge border crossing to Jordan. Towards the west, along the Wadi Qelt, a main road turning into an unnamed local road leads to main road 1 between Jerusalem and Jericho. It climbs the steep mountains west of Jericho and is paved in a narrow line the width of one car.

Telephones

Most houses in Jericho are connected to telephone lines via the Paltel Company. A number of people have mobile telephones.

Health Services

There are 12 governmental health clinics in Jericho and a number of small private clinics and specialists, including dentists.

Three NGOs also provide primary health services, the largest of which is the *al-Islah Charitable Society*. *al-Islah* is an Islamic organisation funded by local and international *zakat* money, as well as international donors including the World Bank. *al-Islah* operates a day clinic in the city centre with several specialists available. The organisation also operates a mobile clinic. They have ten doctors available, all of them part-time, working in shifts and on demand. The *Medical Relief Committee* is a smaller organisation, which also operates a mobile clinic. Finally, the Jericho branch of the *Palestinian Red Crescent Society* (PRCS) offers emergency help and rehabilitation. The PRCS has a staff of 10 in the emergency unit, and 12 in rehabilitation, and operates two ambulances and a mobile hospital.

Secondary health services are provided in the new Jericho public hospital, which replaced the old hospital in 1998. Situated near the Oasis Casino, it has 55 beds and a polyclinic department. It has a total of 120 staff, of whom 40 are doctors and 45 are nurses.

The hospital serves the population from Jericho and elsewhere on the West Bank. It provides planned surgery for patients from other parts of the West Bank, as well as emergency cases and deliveries.

Social Welfare Services

Social assistance is provided primarily by the office of the Ministry of Social Affairs (MSA), which is responsible for the official PA social assistance programmes of which there are two main types; a regular, cash poverty relief programme and a food aid programme intended to meet shorter term problems. In addition, social assistance is provided by some NGOs, notably the *al-Islah Charitable Society* (poverty relief, food and cash aid), and political parties and trade unions (food aid). The MSA normally assists families suffering from physical or mental health problems among its male providers, families of imprisoned providers, or families that otherwise are not supported by able-bodied males. These criteria are, however, relaxed during times of crisis, such as the closure. Families may apply for help, or may be contacted by the MSA based on rumours that they are in a difficult situation. Prior to the closure, 372 households in the District of Jericho received regular poverty support. *al-Islah* operates two main assistance programmes; an orphan programme supporting orphans with money and in kind gifts such as school books to some 100 orphans (i.e. children without fathers), and a poverty relief programme providing monthly cash support (and other support on occasion) to 595 families prior to the closure.

Education Services

The Ministry of Education provides the education services in Jericho through primary, elementary and secondary schools. All of the 13 public schools in the Governorate are gender-separated, with a total of 4,468 students in the primary and elementary cycles, and 601 students in the two secondary schools. Classes in elementary and secondary schools are large, with 35–45 students in each class. A total of 217 teachers work in the public schools.

In addition, there are three private schools in Jericho city, including the Jericho Women's Benevolent School, the Franciscan Sisters' School and the Terra Santa School, with 390 to 650 students in each. There are UNRWA schools in each of the two refugee camps; Aqbat Jaber (40 teachers, 1,300 students) and Ain es-Sultan refugee camps (32 teachers, 1,000 students), and one UNRWA school in the al-Oja village (17 teachers, 700 students).

Seasonal Activities

A varied production and the use of advanced technology (including irrigation systems, greenhouses, covers) stretches out the agricultural season in Jericho and cushions the effects of a hot and dry climate with an average annual rainfall of only 140mm. However, cold storage facilities are rare and not commonly used for fruits or vegetables. With the exception of the hottest summer months from June through August, planting and harvesting are carried out successively through the year, from September to June. Many products are harvested twice annually, including a major crop such as tomatoes that is harvested first in October-November and secondly in April-May. The rain normally starts in November, but heavy rain showers sometimes start in October. Sheep are slaughtered and their wool is cut in the spring, in April-May, after they have given birth and before the start of the summer heat.

Table 3 Jericho at a glance

	Jericho
Governance	City council (and village councils in the villages)
Area	A (city, village centres) and B (other)
Type of locality	Small city, agricultural villages
Population in 1997 (households)	30,000 (5,200) in Jericho Governorate 15,000 (2,600) in Jericho City
Agricultural land (dunums)	285,000 arable 40,000 cultivated (app.)
Type of agriculture	Dry: olives, wheat
Percentage of households with agricultural land (1997)*	23.5 % in Jericho Governorate 15.4 % in Jericho city
Percentage of households with agricultural land with 0-9 dunums of land (1997)*	39.3 % In Jericho Governorate 49.5 % in Jericho City
Percentage of employed persons working in Israel (1997)*	1.9 % in Jericho Governorate 1.5 % in Jericho City
Percentage of employed persons working in settlements (1997)*	11 % in Jericho Governorate 7.6 % in Jericho City
Economic enterprises	Several large and medium size agricultural enterprises 4 -5 larger industrial enterprises (50-100 employees), some smaller manufacturing enterprises 5 construction companies 80 (app.) service enterprises (restaurants, shops), many tourist-based
Infrastructure	
Piped water, % connected to public system*	84.2 in Jericho Governorate 96.5 in Jericho City
Sewage	Network
Garbage collection	Yes
Electricity grid	Yes, Al Quds
Telephones	Fixed lines, cellular phones common in higher income groups
Health care	One hospital (55 beds, 45 doctors, 40 nurses), 12 governmental health clinics, 3 larger NGO health associations, pharmacies
Education	11 public primary and elementary schools, 2 public secondary schools, 3 private schools, 3 UNRWA schools
Number of pupils in 2001	4,468 in public primary and elementary schools 601 in public secondary schools 1,500 (app.) students in private primary and elementary schools 3,000 in UNRWA schools

*Source: Palestinian Central Bureau of Statistics, 1997. Population, Housing and Establishment Census 1997. Ramallah- Palestine. (Unpublished data).

2 The Closure

The closure was imposed with the setting up of checkpoints and roadblocks at the entrances of Jericho on 30 September 2000. A two-meter deep trench was dug by the IDF to cut off Jericho from the bypass road to the east. Up to 1 June 2001, ten persons from Jericho had been killed in *Intifada*-related violence. Homes, farms, tourist facilities, and PA institutions have been shelled. Land and crops have been destroyed on several occasions. There have been demonstrations against the occupation and the closure in Jericho city centre and at the checkpoints. In the following we describe the closure, damage to property and warlike situations in the period.

2.1 Movement Restrictions

Physical Controls

Manned checkpoints (hereafter called checkpoints) on the main roads leading into and out of Jericho City are the most visible feature of the closure and the ones with which the general population are most familiar, since all regular traffic passes through them. Out of the seven regular roads leading out of Jericho, four have a checkpoint manned by a group of five to ten Israeli soldiers. The soldiers are armed with automatic firearms, there is normally one or more watchtowers with fixed machine guns, and armed military vehicles including tanks on the main ones. The checkpoints are routinely upgraded in terms of staffing and equipment during periods of tension. The main regular checkpoint, called Jerusalem Street, is on Road 90, and is located a few hundred metres outside the Oasis Casino and Intercontinental Hotel and Jericho New Hospital in the Jerusalem direction. Jerusalem Street is Jericho's main connection with the outside, taking traffic to Abu Dis, Jerusalem, Ramallah, Bethlehem, the Dead Sea, Israel, tourists arriving from the same places, and workers going to the large Israeli settlements in *Maale Adumim* and *Khan al-Ahmar* industrial park. The checkpoint is equipped with modern information technology and reinforced by several watchtowers as well as an entrenched tank position. It is adjacent to the Israeli DCO, which grants permissions to work in or visit Israel within the green line or the settlements.

Two smaller checkpoints are set up on Road 449, Ain es-Sultan Street. The first of these heads north-east towards Ramallah and Nablus, and the second is on Al-Magtas Street going south-west towards the Jordan River. These checkpoints are not nearly as busy as the main checkpoint on Road 90, and are not so well staffed and equipped.

Finally, a large checkpoint controls the border crossing with Jordan on the eastward direction of Road 449 before the Hussein Bridge to Jordan. The checkpoint, the access point to Jordan for all Palestinians, is a regular border control station manned by Israelis and Palestinians but controlled by Israel according to previous agreements. Thus, the border crossing is frequently closed during periods of political tension, as has been the case during most of the current closure.

Three major roads have been physically blocked by the IDF without a permanent presence of soldiers, not including minor tracks that have been closed by the trench. A pile of cement blocks block the northward direction of Road 90, towards Tiberias. The Wadi el-Qelt Street to the east of the city has been closed by the IDF with a 5m high pile of stones, just above the point which marks the A-area limits of Jericho. This road leads out of the city through a mountain canyon and can be used as an alternative to Road 90 when travelling towards Jerusalem or the settlements of *Maale Adumim* or *Khan al-Abmar*. It is possible to pass this pile on a narrow ridge

Two women bypassing the roadblock in Wadi el-Qelt to enter Jericho. An outside taxi took them to the roadblock, other taxis are waiting on the inside to take them into the city



Photo: Lena C. Endresen

in the steep mountainside, and it is often used to bypass the manned checkpoints despite a major Israeli installation and an Israeli settlement nearby. A similar pile of stones blocks the eastward Ahmad Ashuqairi.

A trench that is approximately 2m deep and 1m wide has been dug by the IDF in order to prevent the movement of cars and persons out of the city across agricultural fields. The trench runs from the aforementioned Israeli border control station before Hussein Bridge, parallel to an Israeli bypass road across the agricultural fields of the Arab Development Society (ADS) and then in a south-west semicircle towards the main checkpoint on Road 90 (see map). The trench is not continuous and has been bridged by locals in some places. In addition to the main trench, several smaller trenches around 30cm deep criss-cross fields of the ADS near the bypass road in order to prevent cars from running up to the trench.

Finally, the closure is enforced by mobile patrols and remote monitoring from patrols, checkpoints, and various military posts and larger military installations. When approaching the trench or other areas without manned checkpoints, military patrols would quickly appear or shots could be fired from a distance. As will be described, however, certain areas seem to be silently ignored most of the time.

Restrictions on going to Israel and Israeli Settlements to Work

Palestinians who want to work in Israel or in the Israeli settlements need permission from Israeli authorities under all circumstances. Previous agreements between Israel and PA state that the Palestinian *Civil Affairs Office*, a PA institution, receives applications for work permits from the workers, and forwards their applications to the local Israeli DCO. The DCO then issues work permits via the *Civil Affairs Office* after a security check.

Eleven percent of the Jericho Labour force, the majority of which are younger men, depend on work in the Israeli settlements and industrial parks, most notably the *Maale Adumim* settlement and *Kahn* industrial park, and in Israeli resorts at the Dead Sea. Some 500 workers were registered by Palestinian authorities with permits to work in these places prior to the closure, 400 of them in the settlements. Work in Israel proper is less important, with 60 registered workers prior to the closure (2 % of the labour force according to PCBS statistics). In addition, there is most probably a group working in these areas, especially in the settlements, without proper permits, but the group is probably not very large considering the risks involved.

When the *Intifada* began, permissions to work in Israel and the territories were cancelled immediately. At the same time, the Palestinian *Civil Affairs Office* terminated co-operation with the Israeli DCO, so that the official distribution of work permits ended. However, contrary to official Palestinian policies, workers turned instead to the DCO directly. According to the CTU, most settlement workers re-

obtained work permits this way after a period of one to two weeks in October 2000, whereas those working in Israel have not received such permits during the closure. As regards the settlement workers, their ability to resume at least periodical work seems to be due to a large extent to the intervention of their Israeli employers. Respondents informed us that their employers would submit lists of Palestinian employees to the Israeli DCO, and that the list would be distributed electronically to the checkpoints with approvals (or disapprovals). In the case of simpler checkpoints lacking the technology to receive and check these lists electronically, the soldiers must call the DCO by telephone to check the names, which takes longer; normally an hour or two.

In order to avoid the problems involved in these procedures some workers stay on in the settlement for longer periods, as was reported for *Khan al-Ahmar* industrial park.

The Israeli security check involved in this procedure has been stricter than normal, so that any record of political activities not accepted by Israel or even kinship with people with such records could mean the denial of a permit. As indicated, the closure varies in intensity, and in periods of tightening most of these workers are not able to go legally, either because they have not been granted permission or because permission is cancelled by political orders and the workers are held back at the checkpoints. Workers in this category indicate that they have lost around half of the working days during the period of study. In addition, there are many days when the checkpoints are open for workers with permits, but with delayed passing making workers late for work. Finally, some workers take the chance on leaving Jericho to enter a settlement for work, leave it the same day, and return to Jericho without a permit for any of the three operations. In such cases, workers without permission would typically contact previous employers in the settlements and agree with them to meet them in the settlements for minor jobs. It is impossible to estimate the number of people involved in such activities, either before or after September 2000. However, it is unlikely to be very many as both leaving and returning to Jericho outside the checkpoints, and in particular entering and leaving the settlement without a permit, involve serious risks.

Restrictions on going to Nearby Centres

Movement within and between Palestinian A and B areas in the West Bank is normally not subject to Israeli control, although this is not always the case in the B areas. The closure has imposed controls on every movement into and out of Jericho regardless of the intended destination or place of departure. For private persons, there is no formal system of permits established to control travel within A/B areas in the West Bank, unlike travel to Israel, Gaza or entry to settlements. Thus, under the

closure, the normal procedure for travelling out of or into Jericho would be to pass through one of the manned checkpoints to show identification papers and wait for the soldier to accept or decline. In the best periods during the period of study this procedure would not take more than minutes, while in the strictest reinforced periods a private person would not even be permitted to enter the checkpoint itself but be waved back from the line where cars must stop for signal, some 30m outside the checkpoint. Such near total closure has been in effect for two longer periods between 30 September and June; during November and December 2000 and from 1 to 16 June 2001, as well as on a number of individual days. In such periods, only those with exceptional permits would be allowed to pass, including the political VIPs (such as PA ministers), Jericho ambulances, and certain UN personnel. At some points, these have also been prevented for shorter periods, usually for an hour or two, and more for the VIPs. In between the relatively easy closure and the almost complete closure are several levels of restrictions. A typical first tightening includes lengthier and slower control of paper and permissions, which quickly translates into long queues of waiting cars, trucks and people, especially on the main checkpoint on Road 90 and the border crossing towards Hussein Bridge. People considered suspicious, for example single men below 40 years, persons with a security record, or persons in a family with someone with a security record, would be prevented from passing in such a period. A second step would also be to stop the passing of private cars, forcing travellers to make arrangements with taxis outside and inside the checkpoints.

Restrictions on Transport of Goods to/from Village

The transport of goods to and from Jericho during the period is subject to tight control, and the system of control is discussed in more detail below in the section on consequences on economic activities. Any shipment of goods entering or leaving Jericho requires permission from the Israeli DCO upon a written request for each individual shipment to pass. In addition, the control on the checkpoint is tight and time-consuming, although the procedures vary as they do for the control of persons. In general, export to Israel has been almost non-existent from the start of the closure, export to Gaza has been on and off, while export to the West Bank has been permitted in principle, though only with major administrative obstacles and with no export during the periods of reinforced closure. Under the regular closure, imports are allowed in principle from Israel (including imports from abroad via Israeli harbours), Gaza and the West Bank with permission. Most imports from Jordan are restricted under any circumstances. The closure subjects imports to discretionary administrative procedures making the supply unpredictable, not least affecting the local industry depending on imported raw materials.

2.2 Damage to Property

Material damage resulting from actions taken by Israeli military forces during the period are mainly of five types: (i) destruction of police structures by shelling; (ii) destruction of and damage to tourist enterprises by shelling; (iii) destruction of and damage to farms, farmland and irrigation systems by bulldozers and shelling; (iv) destruction of and damage to private homes by bulldozers and sniper fire; (v) damage to roads by the construction of heavy road blocks by bulldozers.

Four police structures have been destroyed in targeted attacks with heavy shells. Three of the attacks occurred in February: The first one was a police academy (no injuries), the second and third were two separate attacks on the premises of the national security police, damaging main offices and barracks (3–4 casualties). Finally, the police intelligence buildings were completely destroyed in May. The attack occurred without warning at 11 am, inflicting total damage on several buildings. Fifteen persons were injured, one seriously.

The Oasis Casino and the Intercontinental Hotel and the exclusive Dolphin Fish Restaurant are located near the Israeli checkpoint on Road 90, which is also not far from the *Vered Jericho* settlement (see map). The checkpoint and the settlement have been the main local points of confrontation during the *Intifada*. Both the hotel and the casino have been exposed to Israeli fire. The damage has subsequently been repaired. The nearby Dolphin Restaurant, which is closer to *Vered Jericho*, has been completely destroyed as a result of several rounds of heavy shelling, and only ruins are left of the building today. Minor damage has been caused to many other enterprises from sporadic sniper fire sprayed across the city at low heights on various occasions. Such damage has been borne, for example, by The Spanish Park, a popular family entertainment venue.

Damage to farms and farmland has been of several different types and of varying degrees of severity. According to reports from the Palestinian Agricultural Relief Committees (PARC) and Ministry of Local Government (MLG), 19 farms and livestock raisers have been exposed to a direct material impact. One major irrigation supply channel has been destroyed by bulldozers, as have many irrigation systems on the individual affected farms. All estimates of costs incurred are made by the PARC, and provided to us in writing.

Among the 19 farms, 7 are fruit and vegetable producers whose damage includes one shelled and destroyed greenhouse. One farm was set on fire by an Israeli military flare used to lighten up the scenes of nightly clashes. Five farms (two banana, one aubergine, one tomato, and one grape producer) had crops and various constructions and houses bulldozed and destroyed. The tomato farm had its irrigation system destroyed. Damages on these 7 farms are estimated to be USD 1.4 million.

Two of seven incidents happened in the village of Naemi, north of Jericho city, the other five in Jericho city.

Four chicken farms have sustained various types of damage mostly from sniper fire, including the destruction of eggs and water supplies. All of these except one are located in the Aqbat Jaber refugee camp, across Road 90 opposite the Oasis Casino and Intercontinental Hotel, which is the populated area in Jericho that has been the most exposed to fire during the closure. The fourth chicken farm is in the village of al-Oja, and the combined cost of damage is estimated by PARC to be USD 96,000.

Eight sheep, goat, horse and cattle raisers have sustained various types of damage to animals, buildings or land, of which the largest damage was borne by the al-Alami Arab Development Project (ADP). Their land borders the Israeli bypass road east of Jericho city on which large parts of the trenches mentioned above have been made. The combined losses of these farmers are estimated to be USD 259,000, the majority of which was by the ADP. Only the ADP farm is in Jericho City. Of the others, one is in Aqbat Jaber camp and the remainder are in al-Oja.

Finally, farming in the village of al-Oja was severely affected by the destruction of a traditional irrigation channel, which was crucial to the village's supply of irrigation water and bulldozed in November 2000. The damage to the channel is estimated to be USD 219,000.

The damage to farms, farmland and irrigation systems took place on various dates during the period of study, but most incidents took place in the second half of November 2000, the first and mid part of December 2000 and in the first week of January 2001. A total of 67 separate incidents involving material damage were recorded by the MLG.

According to the MLG, a total of 600 private homes have been subjected to various types of damage from Israeli gunfire or bulldozers. Most of these have sustained light damage, such as bullet holes in walls, windows or roofs, whereas six of them were completely destroyed. Most homes have been damaged in the Aqbat Jaber refugee camp.

Two larger roads have been closed by piles of cement blocks or stones, as indicated above. The operations have caused some damage, especially on Wadi el-Qelt Street where bulldozers have turned up stones and sand from the road itself when making the blockage.

2.3 Warlike Situations

The most violent situations involving larger numbers of people have been the frequent clashes at the checkpoints, mainly the main one at Road 90, and confrontations with the *Vered Jericho* settlement, which has particularly involved the Aqbat Jaber refugee camp.

There have been bombardments (several times) of the Casino area, in the Fish restaurant, the Intercontinental Hotel and the Casino itself, in October 2000, when the Jericho New Hospital was also shot at. The offices and barracks of the national security police and the Police Academy have been shelled (3–4 casualties). On 5 May there was bombardment and total destruction of police intelligence offices, resulting in 15 casualties.

The fields along the bypass road east of the city were “flattened” and destroyed by bulldozers when the trench was dug in mid-December 2000.

Fatalities

Eight persons have been killed by Israeli gunfire during the *Intifada*, mostly in clashes at the checkpoints or in exchanges of fire with nearby settlements. These fatalities were all men aged between 19 and 45. The two policemen on the list were killed by Israeli military snipers while on duty outside their police station in Jericho City.

Table 4 Fatalities

Date	Name	Age	Location
02/10/00	Ibrahim Sameeh Nayef Barahmeh	27	Jericho (residency in Jordan)
02/10/00	Mohammed Amin al-Sajdi	19	Jericho (Aqbat Jaber Camp)
05/10/00	Salameh Saleh Ziadat	20	Jericho
02/10/00	Mohammed Amin al-Sajdi	19	Jericho (Aqbat Jaber Camp)
05/10/00	Salameh Saleh Ziadat	20	Jericho
27/10/00	Aziz Yousef Al-Tineh	32	Jericho
15/11/00	Abdul Hafez Mohammad Ghrouf	20	Jericho
17/11/00	Haseed Mohammed Haseed Farwan	45	Jericho (member of PNF*)
17/11/00	Khaled Abdallah Ahmad Salameh	35	Jericho (member of PNF*)
29/05/01	Mohammad Hussein Haleileh	20	Jericho (Aqbat Jaber refugee camp)

*PNF – Palestinian National Forces, police.

Source: Jerusalem Media and Communication Centre

3 Economy and Public Services Before and After the Closure

An Economy Deeply Integrated with External Markets

Economic activities in Jericho are closely integrated with external goods and labour markets, primarily in the West Bank, Israel, and Israeli settlements and industrial parks near Jericho. Jordan is an important source of customers to the service industry, but trade of goods is limited. Other Arab markets are even less important, and have diminished in importance since the establishment of the PA when politically motivated preferential trade arrangements for Palestinian products were abolished. International markets are important for imports of input material to the manufacturing industry, and for international brand names, mainly in cigarettes and soft drinks. The important tourist industry obviously depends on customers from the outside, primarily from the West Bank, Jordan, Israel, and (particularly in the two years preceding the closure) from Western countries, often Southern Europe.

Jericho's rather small size and limited industrial sector means that the enterprises that exist and facilities such as water and the supply of electricity rely on imported intermediate goods, machinery and spare parts for their operations. Certain intermediate goods are imported from Europe, while others are normally imported from other West Bank cities where larger trading companies are located.

Jericho also relies on outside markets for the import of a range of consumer goods, medicines and foodstuff, including fruits and vegetables during the summer. Again, the West Bank (notably Ramallah) is the main supplier, but certain food products (such as refined milk products and dry milk) are imported from Israel, certain goods (such as certain brands of cigarettes) are imported from Gaza, and some very few Arab specialities from Arab countries. International brands are normally imported via Palestinian agents in Ramallah or Gaza City.

Jericho's limited manufacturing industry produces for the local market and for the West Bank, to a lesser extent for Gaza, and to a minimum extent for export abroad including Israel. Two of the largest enterprises, i.e. the two mineral water facilities, produce predominantly for the West Bank market outside Jericho.

3.1 A Diverse and Commercial Agricultural Sector

Agriculture has been the dominant economic activity in Jericho throughout its history, unrivalled as a source of income and employment until the tourist boom in the late 1990s. As shown in Table 3 above, 24 % of the households in the Jericho Governorate have access to agricultural land. In addition, may work as hired labour or otherwise. According to the MAG, some 40% of Jericho's families are involved in agriculture today, although not all of these have farming as their main activity. Of the 500,000 dunum² area of Jericho District, 285,000 dunums are considered arable by local agricultural authorities, of which approximately 15% or 40,000 dunums are cultivated. The cultivated area varies every year, but has shown a diminishing trend in recent years due to a declining supply of water following deep-well drilling in the nearby Israeli settlements and decreasing rainfall. The total output from all springs has declined by 50% in the same period, according to the MAG.³

Agricultural production is divided in three main types of tenure systems, the most important of which in terms of size and output, is sharecropping. The sharecropping system is dominated by 30 land-owning families who control about 20,000 *dunums* of land altogether, and with their tenant families the production system accounts for an estimated 70% of agricultural employment in Jericho. Each farm has several tenant families, up to more than 100 families on the largest farms, each of which is given the responsibility of cultivating a certain part of the land on behalf of the landowner and marketing the production, mainly fruits and vegetables. The annual profits are split 50–50 between the tenants and the landowner, as are major expenses including those for fertilisers, electricity and water. Housing is provided by the landowner, and the tenants may be allotted a minor plot which is entirely for their own use, according to the MAG, landowners and tenants interviewed.

The second largest share (about 20%) of the agricultural employment is in owner-operated farms that do not normally hire labour outside the household, except – for some – during the high seasons. This is a diverse group of farms that includes plots not much larger than kitchen gardens, as well as larger pieces of non-irrigated land used for sheep and goat raising, and at least some of them have rather low productivity, as reported by their owners. Most of the meat production would be found in this group, and in the larger NGO and public agriculture projects mentioned below. A third group of farms are operated by their owners with seasonal or long-term labourers hired on cash wages, mostly producing fruits and vegetables.

² 1 Dunum equals 1000 square meters

³ The village of al-Oja has been most affected by the settlement wells. The area of cultivation in al-Oja has thus decreased from 6,000 *dunums* to 700 since 1967 because the eight local springs have dried out, compelling 300 farms in the area to close while the remaining ones rely on drilled wells.

In addition to the private farms, there are two large agricultural development projects; one public (the Palestinian Agricultural Relief Committees (PARC)) and one NGO (the al-Alami Arab Development Project (ADP)), which are both among Jericho's largest farms.

Production is market-oriented in all of the three tenure systems, with tomatoes as the main product, followed by other vegetables such as cucumbers, aubergines, peppers and salads, and fruits such as bananas, grapes, oranges and mandarins. Milk and meat production of sheep and goats is also substantial, while a smaller number of cows are raised by the largest farms. Production is highly mechanised, with the partial exception of the owner-operated system, which is smaller and less developed, and the traditional meat production with outdoor grazing herds tendered by their owner and his family.

Export-oriented Agriculture Lost Key Output Markets

Agriculture is Jericho's main industry and is very outward market-oriented. All the larger agricultural entities produce for sale out of the city, usually via the central wholesale market (the *hezbe*) in Jericho City where outside traders buy produce on behalf of merchants in other West Bank cities and in Israel, and to a lesser extent in Gaza. For the large producers who have the resources to develop high-quality products, Israel is by far the most important market taking "99%" of the products, according to one of these producers. Export abroad, except Israel, is limited. The only example mentioned by local producers was lemons sold to Jordan.

Jericho's agriculture sector faced a tremendous shock when the closure was imposed. Although the closure has not been watertight at all times, exports have been almost completely halted for up to half of the period of study and seriously obstructed in the other half. The collapse of the output market has of course hit the largest producers the most, and less those – notably the smaller owner-operated farms – with a larger share of output in the local market. However, as in other business activities, farming is also affected by a drop in demand in the Palestinian areas, including in the local market, and increased transaction costs in acquiring inputs such as fertilisers and pesticides, which often have to be imported via tracks bypassing the Israeli cordon. In addition to the collapse in export markets, several farms have sustained direct material damage to land and/or buildings as described above. Although some produce has been permitted for export during certain periods, the closure has cut sales down to minimum levels:

The only market now is Jericho, and that is next to nothing. Before last week [i.e. the 1 June bomb in Tel Aviv] some goods could be sold; we were able to sell perhaps 20% of the normal. The season for vegetables is now over and this time

we had to leave 2,500 tons of tomatoes and 1,000 tons of aubergines, and many other things, in the fields. No one was interested in it. Jericho is overflowing with tomatoes. A farmer's crops are as dear to him as his own children. We let in the sheep to eat it, all of it. Can you imagine how painful it was? – Landowner of 1,000 *dunums*, with 44 tenant families

Savings, Credits, and Sharecropping Buffer Market Shocks – But How Long?

The three main tenure systems outlined above face the closure differently according to their characteristics as market participants. The largest landowners seem to be so strong economically that they are to some extent self-insured against market shocks, while in addition they have a market power strong enough to obtain favourable arrangements for their inputs as well as their credits. The landowner quoted above reported a financial loss of USD 500,000 because of the closure, but at the same time denied any prospects of giving up his farm:

I can go on for 400 years if need be. I am like the Australian desert frog – it can survive in the desert for three years without a drop of water. I will never give up.
– Landowner

To a certain extent, the sharecropping system serves to protect the tenants against economic shocks like the one represented by the closure, since the relation between the tenant and the landowner is not a monetary market exchange. The tenant offers his labour to the landowner, while the landowner provides (partly or fully) a range of goods in kind, including housing and agricultural inputs. Significantly, the landowner also negotiates the terms of trade for these inputs. A large part of the expenses are paid back by the tenant during the bi-annual estimation of profits and shares, but given an aggregate deficit the landowner may serve as the tenant's creditor. This way, the tenant accumulates dependency to the landowner, but is simultaneously protected against the direct impact of the shock as long as the system is sustained. However, the landowner may decide to cut production and sever his obligations towards the tenant at any time, including ousting him from his house and land.

Other, similar arrangements serve to cushion the shock for other agricultural persons less able to draw on their own resources than the landowners. Most of these, that is the medium-sized commercial producers, use a middle man, a so-called "com-mizion" in their transactions with the *hezbe* wholesale market, where inputs are also bought:

Only the very big farmers can buy everything they need themselves; the fertilizer, the irrigation pipes, before the products are sold. These things are very expensive. Everyone else has to borrow the money from the commizion, who gives us money for our grapes in August, so that we can buy all those things we need. The merchants do not have enough money either to pay for all the fruits they want to buy before they have sold them. The commizion sells the fruit to them, but does not take the money until after they have sold them on to their customers. The commizion himself takes 8%-12% of the loans as a charge. Then when we cannot sell the grapes to the merchants we owe a lot of money to the commizion.

– Grape producer

In the smaller owner-operated farms, income diversification within the household seems important, as indicated, diminishing the importance of the agricultural market. We will discuss this type of household further under household responses below.

3.2 The City Enterprises

According to Jericho's Chamber of Commerce, there are nearly 600 registered economic enterprises in Jericho, not including regular farms. Of these 600, 380 are members of the Chamber of Commerce and are distributed as follows:

- 197 commercial enterprises, including many smaller grocery stores
- 82 service enterprises, many related to tourism
- 48 industrial enterprises
- 6 agricultural enterprises
- 5 construction enterprises

Of all employees in these enterprises, 87% are men and 13% are women. In the following, the situation of three important sectors; business enterprises, the tourist industry and the manufacturing industry, are examined in more detail.

Small-traders Facing Increasing Costs and Decreasing Demands

Jericho's city centre is organised around a large roundabout with a small park and a cafeteria in its centre, called the Palestine Square, which is overlooked by the premises of the Municipal Authority. The square and the six roads leading out of it, are the

hub of the city's small trade, made up of numerous grocery stores, fruit and vegetable stores, pharmacies, electronics shops, a bread shop and factory, fruit stalls, and a number of small coffee shops and cafeterias. Most of the shops and stores are operated by the owner, and one to five assistants. The bread factory and sales store, the main fruit and vegetable store and some of the cafeterias are somewhat larger, employing five to ten persons each. Altogether, this small business sector employs a significant share of Jericho's workforce

The closure mainly increases the costs, in the broad sense, of the enterprises' input good and reduces the purchasing power of their mostly local customers. Although the import of goods for sale has only been completely blocked for shorter periods, the closure has slowed down and constantly complicated the supply, and made it very difficult for periods of weeks and months at a time. The grocery stores, for example, are all rather small and with very limited storage space, and depend on a steady supply of goods. The suppliers from the West Bank or Gaza are able to enter Jericho during the regular closure, but controls on the checkpoint create delays. Suppliers from Israel are not allowed to enter Jericho, and a procedure of back-to-back reloading is required for Israeli imports. During the most reinforced closure, no goods except medicines (which have also been delayed) are allowed in on a regular procedure. Other critical goods, such as foodstuffs and gasoline, can be held back at the checkpoint for days and allowed in only after lengthy discussions involving a range of participants on both sides. For example, gasoline stations have been out of gasoline for periods of up to 3-4 days during these periods. On the demand side, many have lost incomes and others have cut costs in anticipation of difficult times, creating an almost complete end in demand for anything other than basic food.

Everyone now only buys only the most necessary things – and cigarettes, which are the most important thing for everyone who smokes. Before the closure, I sold for 300 or 400 NIS a day - now perhaps 100 NIS a day. No one buys the biscuits, drinks or ice-cream anymore. Everyone thinks that the shop owner is a rich man, everyone is asking for credit, and no one pays the credit they have already. I have asked the court for help in collecting the money that people should have paid a long time ago, but the court says no. In these times, they will not take money from people. I only give credit now to people I know can pay later, some farmers, some good friends with money. Only the employees in the Municipal Authority [neighbouring building] buy anything now – they used to be poor, now they are the rich ones! – Shopkeeper, small shop with one assistant

The fact that most goods are nevertheless available, albeit in a reduced quantity and in a somewhat narrower selection even during the reinforced closure that was in place when fieldwork for this report was done, may seem surprising. It is due to the daily

efforts and complex arrangements made by the local businessmen and their contacts inside and outside Jericho. Goods that are considered to be essential, such as sugar, flour, cigarettes, are either negotiated at the checkpoints for a day or more, or more likely smuggled in outside the checkpoints, involving personal risks for the smugglers.

I have been asking for 20 sacks of flour and some sugar, I have almost nothing left, and people ask everyday. Today the flour came – but only 5 sacks, and no sugar. Cigarettes arrived yesterday, it took ten days to get them and I paid 200,000 NIS for them instead of 40,000, which is the normal price. People who get these things, flour from Tel Aviv, cigarettes from Gaza, take many chances to get it into the city. They take illegal roads - it is very dangerous and they charge a lot of money for it. But I cannot charge more than usual, everything is a fixed price; cigarettes and essential foodstuffs have prices that are fixed by the Palestinian Authority – Shopkeeper

Whereas the grocery stores and the small cafeterias linger on, many shops that have specialised in the “non-essential” goods, such as electronics, souvenirs, gifts, have closed down. Yet a couple of gold and silver shops remain open, one of which was even established during the period of study by a returned Scandinavian migrant. Although business is certainly slow, certain occasions require jewellery - enough to maintain the self-employment activity in spite of slashed earnings.

The Collapse of Tourism, Large Loss of Jobs

Tourism has had a considerable upswing since 1994, but particularly in the last 2-3 years, which have seen the establishment and planning of several large-scale projects. Jericho’s businessmen commonly refer to this recent period as the city’s “golden age”. Since 1994, USD 187 million has been invested in tourist projects in Jericho according to the city’s Chamber of Commerce. The largest group of tourists are Palestinians from the West Bank who have a long tradition of visiting Jericho in the winter. Another large group is Palestinians residing in Jordan, for whom Jericho serves as a hub for visits to relatives in Palestine. Finally, new resorts and guided tours attract Western groups interested in the city’s historical and biblical sites.

Key tourist attractions are the old Jericho (Tel es-Sultan), the Mount of Temptation, where Jesus was tempted by the devil after having fasted for forty days and nights in the desert, the Sycamore tree in which Zaccheus climbed to see Jesus pass, and Hisham’s palace, a unique Ummayyad construction. In the high season of 1999–2000, the palace attracted some 200 to 300 visitors every day, the majority of which were Europeans and Americans.

Larger up-market projects attracting mostly foreigners include first of all the Oasis Casino. When the Casino was established in 1997⁴ it was not open to Palestinians, except as workers. The building of an adjoining 184-room luxury Intercontinental Hotel was completed in June 2000, and immediately became popular. The second international hotel is the Jericho Resorts Village, with apartments and bungalows, established in 1999. Both of these hotels were fully booked in August and September 2000, and plans to enlarge the Casino were discussed.

In total, Jericho hosts four hotels and two hostels, and 16 tourist-oriented restaurants, as well as smaller tourist businesses such as souvenir shops and camel hire. The tourist industry thus gave direct employment to 556 persons in Jericho, which does not include the 2,000 persons working in the Oasis Casino, of whom about 500 were from Jericho and many others residing in the city long term. Over the past three years several outdoor parks and leisure resorts have been constructed. The Spanish Gardens Park and the Papaya Park, and the International Stadium attracted many Palestinian tourists in the evenings and weekends. The Horse Riding Club established a number of foreigners residing in Jerusalem as steady customers.

From day one of the closure, tourism disappeared completely from Jericho causing a collapse of the tourist industry. Israelis have not been permitted to enter Jericho since the closure was imposed, whereas travel restrictions, security risks, and declining income levels in the local market, have eliminated other tourist segments. Tourists staying in the hotels when the *Intifada* started were instructed to leave by the IDF, and the hotels closed. Most hotels have remained closed, but the Intercontinental Hotel now keeps a minimum level of operation with a staff of 25 out of the previous 250. Many other tourist enterprises have closed down, including several souvenir shops, the tourist restaurants, gift shops, the Cable Car and associated restaurant at the Mount of Temptation. In addition to the disappearance of external tourists, the locals who used to be a large group of customers in some of the leisure parks (such as the Papaya Park and the Spanish Garden which are both locally-oriented) stopped frequenting the places due to the unrest and anticipated or actual income losses. Of the 556 persons previously employed in the tourist industry, 503 lost their jobs because of the closure according to the Chamber of Commerce.

The customers disappeared immediately, from one day to the next. On the Friday, when the killing of the prayers happened, we had a lot of people as usual, between 700 and 1,000 visitors. Next morning, no one came. No one wanted to come, even if they could, such as the people from Jericho who used to ac-

⁴ When established, the casino was outside the city borders and under PA jurisdiction. Since then, the city borders have been expanded and the casino is now under municipal jurisdiction.

count for about 40% of the visitors. They were afraid. In the days that followed there was shooting. People did not have peace in mind to go to an amusement park like this. Later, in November, the Israelis shot at the park itself, bullets flew over it, some hit the palms and some of the buildings. We keep the park open, but only 20-30 persons visit in the evenings. In the first half of 2000 the park had a profit of JD 30,000, in the same period this year we have only lost money in spite of the reduction in staff. – Local investor, one of four managers of the Spanish Park

Investments Lost, Debtors Squeezed

The tourist industry is the economic sector that has probably borne the largest direct, financial losses as a result of the closure because the recent investments in that sector were so large. Many of the largest investments, including the Casino and the international hotels, were made by Palestinian, Arab or foreign investment groups with a diversified portfolio that may be able to sustain considerable losses (although the comprehensiveness of the current closure undercuts the insurance value of diversification). Problems would be more acute for the medium-scale investors, often locals with their business activities concentrated in Jericho, and whose investments are usually funded by bank loans in addition to their own means. Such investors are now squeezed both by their creditors and by the local government, to whom fees and taxes are due, in a characteristic process of day-to-day negotiations. As seems to be a typical pattern, creditors show flexibility and bankruptcy is avoided for as long as possible.

For the Spanish Park we committed ourselves to an annual rental fee of JD 14,000 per year for a three-year period starting in 1999 to the Municipal Authority. We are now discussing the terms with them, and they agreed that we only pay JD 2,000 for this year. For the entrance gate, we paid a fee of JD 48,000 in 2000, while this January they gave it to us for JD 500. We are in discussions with the banks too, but I don't know how long we can go on doing that. We have cut all costs, but there is no income to pay the loans and the fees. In the park we reduced the number of employees from 17 to 2, in the car rental from 3 to 1, in the bus station cafeteria from 5 to 2, and in the stadium cafeteria from 2 to 0. In the park we are like one big family, we help each other, the employees did not even ask to take all of their last wage when the closure came, in return we lend them a little bit of money now and then. – Manager of the Spanish Park, one in a group of four locals who also operate a car rental company and a cafeteria at the international stadium and one at the bus station for Jordan

Industrial Enterprises – Keeping Wheels Turning, Slowly

Jericho's 48 industrial enterprises consist of 4-5 larger enterprises, and several smaller ones. Among the five, with some 30 to 60 employees, are two mineral water production facilities; the Jericho Natural Water Company and the Culligan factory. Both of these produce bottled water for the West Bank, Gaza, and to a lesser extent to Israel and – even less – to Jordan. Furthermore, there is an iron factory that produces construction iron bars and a meat processing factory that used various meat products from imported frozen meat, for markets in the West Bank and, to a lesser extent, Jordan. Among the smaller enterprises are a number of textile manufacturers that sew together clothes on a subcontract basis for West Bank enterprises.

The industrial sector's output market is – as noted above – mainly the West Bank, with Gaza and Israel as secondary markets, whereas inputs are imported from the same markets as well as Western markets. Since access to the West Bank output markets is relatively easier than to the Israeli and Gaza markets under the closure, and since this market also has not collapsed to the same extent as the tourist market, the effects of the closure have been somewhat less deleterious to industrial producers compared to export agriculture or the tourist industry.

Similar to the other business activities, effects of the closure on the industry sector are of three main types; first, strongly increased transaction costs in nearly all aspects of business operation; second, periodic reinforced closures that prevent all or nearly all supply of inputs and all export of outputs; third, a sharp drop in demand and loss of certain markets or market segments (tourists (important customers of bottled water), Israel, Gaza). Increased transaction costs are incurred on both importing and exporting goods, primarily because Palestinian vehicles are not allowed to enter Israeli areas and vice versa under the closure. Thus, goods are reloaded from Israeli to/from Palestinian trucks and subject to strict Israeli security checks, requiring time and extra equipment such as fork lift trucks. Goods can also be damaged in the process, such as when Israeli security staff demand that foodstuffs are spread out on the road at the checkpoint for inspection. In addition, costs are incurred by difficulties in communication with customers and partners, management of labour (many of whom, not least in managerial positions, are from outside Jericho), and administrative work pertaining to import and export permissions, which are required for any shipments of goods entering or leaving Jericho.

The managing director of one of Jericho's water factories describes the situation of his enterprise under the closure:

Every day is a new story with regard to the methods of getting material and people into and out of the factory.... long days and nights with telephones, applications for permits, cancellations and rescheduling of appointments and meetings, every day there is something new to work out – a shipment stuck in the harbour,

a person stuck in Ramallah, a truck denied exit at the checkpoint. We import our pre-form bottles from France. Normally we receive 2 containers every 2 or 3 weeks via [the Israeli harbour] Ashdod. According to normal procedure an Israeli clearing agent does all the usual paper work, customs and so on, and after that a security office does a security check on Palestinian goods. We cannot contact the security office, and especially after the closure we never know how long the control will take – a week, a month? The security checks cost USD 150 per container. But in addition to that the security agent always opens two cases of pre-form bottles in every container, which means that the bottles, which must be chemically clean, are exposed to air and dust and become useless. Two times 7,600 units are thus damaged. At a cost of USD 62 per thousand, the total damage costs nearly USD 1,000 per container. Then we wait for a period of up to several weeks...if I only knew exactly how many weeks, it would be ok, I could make plans.... and then a truck with yellow [Israeli] plates brings the goods to the checkpoint, where we have to reload to a truck with green [Palestinian] plates, after the stuff and our import permissions have been inspected by the Israeli soldiers. This procedure alone, on the checkpoints, has increased our costs by 16%. In addition, we needed extra forklift trucks to do the job on the spot. Because our system of production is on-demand we do not keep large quantities of water in stock, which is too costly, but the difficulties involved in getting the pre-form bottles in have disrupted our organisation. We have tried to shift to exporters nearer Israel in order to reduce the time involved from placing an order to receiving the goods, we have tried Cyprus and Turkey, but have not changed so far, we need a very reliable supplier. Now, for every truck of water that we want to send out of Jericho we have to apply for a permit – for every single transport across the checkpoint, every day, from the DCO. The applications include the name of the driver, the license number of the truck, and details on the load, with my signature. But this is only the normal procedure, in addition there are many days that the checkpoints are closed completely. We have to find somewhere to store the water we have produced, make arrangements with the customers.... and one day, an employee from one village may not make it through the checkpoint, another day I am myself stuck in Ramallah where I live. Then sometimes you need spare parts, to get in a simple thing takes a lot of effort.... every day is a major hassle, for everything and every person moving in or out. – Managing Director of bottled water factory

The Director cited reports a loss of 60%-70% due to the closure, a figure that accords with that reported by other industrial enterprises. The water factory has tried not to fire any of its 50 (approximately) members of staff, but has given some leave and kept others on reduced hours in rotating shifts. Others report more dramatic

cuts in staff, such as the meat factory where employee numbers are down to 17 from 50 prior to the closure.

Firing someone is just like cutting the employee and his family's throats. One working person supports six to ten people – nearly 500 people rely on our 50 employees for their livelihood. As long as there is any production at all, we try and keep people working, even just a little. – Managing Director of bottled water factory

3.3 Public Services and Jobs Continuing, But Access Restricted by Closure

Restricted Access to Health Services for Those Living Outside Checkpoints, Risks and Adverse Working Conditions for Health Workers

The closure has affected the operation and use of health services by obstructing the access of staff and users from outside Jericho, incurring risks on health personnel at work during confrontations and inflicting damages on equipment and facilities, and by increasing demand for emergency help, intensive care and associated surgery.

The majority of the staff (75 out of 120) and patients (70%) at Jericho New Hospital are from outside Jericho City. During the closure, travelling to work from the surrounding villages and cities, such as Ramallah where many of the specialists live, has been difficult most of the time and impossible some of the time.

Dr. Achmed Saima, the hospital's only anaesthesiologist tells us he spent several hours travelling from Ramallah to Jericho City that morning, via the Wadi el-Khelt Road, which was closed by the IDF who threatened to shoot people bypassing the blockage. This was the third time during the closure that he had to use that road. In the same week, three of the hospital's specialists – the orthopaedist, the paediatrician, and the gynaecologist – were absent because of travelling restrictions. Dr. Saima and others have begun sleeping at the hospital in periods when they know travelling is difficult, and a special sleeping quarter has been established at the old hospital for the nurses. The nurses from outside Jericho City now only go home once or twice a month.

Restrictions on passage also affect supplies of food and equipment, and to a lesser extent medicines for which special permissions apply. Food is usually brought weekly by the Ministry of Health, but during the reinforced closure in effect during the week of the interview, supply cars were not allowed to pass the checkpoints, thereby

creating a shortage of food for patients at the hospital, which has no budget to buy local food.

Since the hospital is near the checkpoint and the *Vered Jericho* settlement, two focal points of confrontations, access to the hospital itself is difficult during clashes, when the road to the hospital is alleged to be fired on by the IDF or settlers. More immediate health risks are incurred by IDF preventing patients from entering the city and the hospital. A need for medical treatment, even, on some occasions, urgent help critical to life and death, is not seen as reason enough for being permitted to pass the checkpoint. Doctors report that patients with serious and acute heart conditions have been turned away at the checkpoint, as well as women about to give birth, as a result of which births have taken place at the checkpoint in private cars unattended by health personnel. In one case, a woman was only allowed to pass after she had given birth, and had to walk through with her newborn baby still attached to the umbilical cord, according to doctors at the hospital. On the day of the interview 12 operations were planned to take place, but only three of the patients were able to make it to the hospital.

The Jericho New Hospital has been hit once, in October 2000, by the IDF, on the side facing the checkpoint and the *Vered Jericho* settlement. The generator and water containers of the hospital were damaged, as well as parts of the building façade.

The local Director of the Palestinian Red Crescent Society (PRCS), which offers first-line medical assistance during confrontations, claims that their two ambulances are “always shot at during the big clashes” and that their “staff are always hit” in such situations, but usually by rubber bullets that cause limited damage. He further reports that the staff mostly get light bruises, but one was hit and injured by a metal bullet in the arm. Their ambulances withstand rubber bullets, but windows are sometimes broken. It was reported that the ambulances have been hit by Israeli metal bullets three times, one of which penetrated the backdoor, medical equipment inside and stopped in the driver’s seat. Two other bullets have penetrated the other ambulance, and the ambulance still has the bullet holes, and they were shown to the interviewers.

In the period of study, the hospital treated 180 people who were injured in clashes or as a result of Israeli actions and who required overnight stays in the hospital. Polyclinic treatments have been provided to a larger number of injured persons. A new emergency system has been established to meet the increased needs brought about by the confrontations, situated in the old hospital. Since the beginning of the *Intifada*, this system has been used when access to the new hospital has been difficult, during clashes. The PRCS has increased its staffing during the closure, and has fielded its mobile hospital on ten occasions. The PRCS reported a need for an emergency care unit in Jericho, which was about to be established at the New Hospital. Other than that, Jericho’s health infrastructure seems to be able to meet the demands

of the situation in a reasonably adequate way, the most significant problem being the denial of access of staff and patients rather than a lack of facilities or equipment to provide the services.

Access to Schools Restricted for Students and Teachers

Education is directly affected by the closure in periods when students and teachers from outside Jericho City cannot enter the schools in the city, and indirectly by disturbing the concentration of the students. In addition, some students have been shot and injured by the IDF during clashes. Finally, many families can no longer afford paying university fees for their children and students are reported to drop out at that level.

Similar to the situation in the field of health, several teachers (in all stages) and students (at elementary and secondary school) live outside Jericho City, especially from the villages of al-Oja and Toubas. During two longer periods of reinforced closure, in November–December 2000 and in June 2001, students and teachers could not come to school in the city. As most of them were located in the same village, al-Oja, the school organised local instruction there. The periods also coincided with term exams, and both times exam papers were distributed to al-Oja. Also under the “normal” closure, passing checkpoints takes some time; enough to prevent teachers and students from outside from making it to the first morning class. Schools have reorganised their classes so that classes taught by teachers from outside are taught later in the day. During periods of exams or reinforced closures the schools have also been helped by volunteers, such as university graduates or public employees, and by regular staff increasing their working hours.

All teachers interviewed report adverse effects on concentration among students during the closure: “His body is in the classroom, his mind is in the street”, said Shukri Said, teacher and deputy principal of one of Jericho’s secondary schools for boys. Students of both sexes and all ages are very concerned about the situation and discuss the events every day. Many have a family member that has been hurt, killed, jailed or otherwise affected in a way that disturbs the entire family. A principal of a secondary girls’ school reports that one of her leading students lost her brother, shot by Israeli soldiers, after which she became chronically depressed, isolated herself from others, and quickly lost her high grades. Especially in the boys’ secondary schools, many of the students have personal experiences with the violence: in Shukri Said’s school of 430 students, 12 have been wounded by Israeli gunfire, one of them seriously. Periods with heavy shelling, attacks on property or electricity blackouts directly impede the students’ concentration on their school work.

Most schools and classes have nevertheless been able to finish the curriculum and arrange exams as planned, with some exceptions for subjects taught by teachers

from Toubas/al-Oja. Primary schools will have to set up extra classes and exams in English, Arabic and Computer Technology during the summer holiday, supported by the Ministry of Education. There are some variations in reports on the actual impact of the situation on performance as measured by exam results. The principal of a girls' school reports dramatically increased rates of failure in the spring exams this year, whereas the deputy principal of a secondary boys' school (where one might have expected the effects to be felt even stronger) reports that in spite of a tangible decline in performance, students have become more used to the situation in the term ending in June 2001 than they were in the previous term, and that results have stabilised accordingly, though at a somewhat lower than normal rate. The use of the Gauss curve (that distributes results according to a statistical normal distribution - i.e. approximately the same distribution of grades should occur in every student cohort) in assessments also contributes to preventing failure rates from increasing dramatically, even if the overall level may have declined.

Social Assistance Important to the Poorest, Problems Accumulating

Attempts are being made by the public and NGO actors to alleviate the economic difficulties facing the many households that have lost incomes as a result of the closure. These attempts are primarily through an expansion of existing official and NGO social assistance programmes (described above) and a variety of ad hoc food aid programmes implemented by the established organisations as well as others, including the parties and unions, but also international NGOs in some cases.

The Ministry of Social Assistance (MSA) has expanded the number of households covered by its regular, monthly poverty support programme from 372 households prior to the closure, to a subsequent 512. A similar increase is reported by the *al-Islah* although exact figures are lacking. An average family of six members receives NIS 331 per month under the MSA scheme, increasing by NIS 36 per additional member. *al-Islah's* support is more needs specific, varying from approximately NIS 50 to 750 per household.

Food aid is far more widespread than poverty relief, reaching nearly the entire population: according to the MSA, 4,400 households (out of a total of 5,200) in the district of Jericho have received at least one food package once or more during the period of study, including both those who received packages from the MSA and others. *al-Islah* has distributed food packages in two rounds; first to 1,200 households and second to 1,700 households (with some overlap) compared to a total of 300 in a normal year. As indicated, several other organisations have distributed food packages once or several times. Although distribution is supposed to be co-ordinated

by Jericho's emergency committee, such co-ordination seems weakly developed. Thus, says a representative of *al-Islah*:

“We do not seek to co-ordinate the distribution of food with the Ministry and the parties so much... we know that some of those we give have already received from others, but we don't want to exclude them for that reason – on the contrary, those who receive food are poor, and they need more than we give anyway.”
– Secretary of the *al-Islah Charitable Society*.

It is difficult to assess the actual impact of the food aid in the population without a much larger sample of interviews. The food packages are usually not very large, though considerable variations seem to exist, and the majority of the 4,400 households that have received packages would not have received more than one. Some households interviewed described their food packages as having a marginal impact. However, for the 400 to 800 most needy households, defined as recipients of poverty support from the MSA and *al-Islah*, that are specially targeted for food aid, food aid is most probably crucial.

Both MSA and *al-Islah* report that so far they have been reasonably able to meet the increased demands for assistance: “We cannot ignore the needs even though the funds are limited”, says Director Ahmed Maharmeh of the MSA in Jericho. He adds that the PA's increased contributions have been adequate until now. *al-Islah*, whose social assistance programmes are funded by local and international *zakat* money, similarly reports that they have been able to meet the increasing poverty problems due to increases in their contributed, international *zakat* money and Saudi Arabian support. However, representatives of the assistance organisations emphasise the limits to their funds:

“The number of families that need help and the amounts of money they need are now increasing simultaneously. For some time, people have lived on savings, help from each other, from employers, credit in the shops. Large expenses, such as housing rent, electricity, water, and university fees for their children, have been put off until maybe the situation would improve. And the people they owe money to have been patient. As long as some people ask for small amounts, for food, for some clothes, we can help. But now they are coming with big bills – thousands of shekels in electricity and rent, and many more than before – not only the poor, but even the ordinary and well-off people. But we have no capacity to pay these bills. In the previous *Intifada*, people had relatives in the Gulf who sent a lot of money, but now, there are no Palestinians there. Only in Jordan, and they are as poor as us, maybe worse.” – Secretary of the *al-Islah Charitable Society*.

3.4 Public Infrastructure Not Affected Much So Far, Except Roads

Drinking Water Not Affected, Irrigation Projects Postponed

A closed piped system for irrigation, funded by foreign donors, is under construction by a Chinese company that won the international tender for the USD 2 million project. The project has been affected by the closure in that it has been time-consuming and difficult to get materials into Jericho. A major irrigation channel has been destroyed in the village of al-Oja and other individual systems have been destroyed. The drinking water system is quite new (about one year old) and works well without a regular supply of spare parts, and has not been affected by military actions or otherwise.

Electricity Unstable Due to Lack of Spare Parts, Garbage Collection Unaffected

Difficulties in getting spare parts through the Israeli checkpoints have caused delays in vital repairs and hence blackouts have occurred in various parts of Jericho from time to time. Municipal austerity measures include an end to or reduction in street lighting. No particular impact on garbage collection has been reported because of the closure.

3.5 Crisis Encourages Political Unity, but Social Cohesion May be Strained

Section 3.5 is somewhat of concern to UNSCO. Specifically, the description of tensions between families could be dangerous to UNSCO. Would it be possible to redraft this section, limiting the emphasis on tensions along family lines?? Specifically, the paragraph directly following the quotes needs to be played down or completely removed.

The socio-political organisation of Jericho, by which we refer to its two main channels of mobilisation along familial and party-political lines, is affected differently by the closure. Whereas the closure contributes to uniting political factions, the hardship and austerity associated with it appears to increase inter-personal tensions, possibly including conflicts between Jericho's main families (see section 1). However, empirical evidence of this is limited.

Many interviewees emphasise that party political activities are limited in Jericho, although most of the Palestinian political groups are represented. The parties have not been represented in the City Council since 1995 when they withdrew in protest against financial irregularities in the council and the repeated postponement of local elections by the PA. As noted, the City Council – and local politics more broadly – have been mainly the domain of Jericho’s leading families. During the closure, the parties are acquiring a renewed importance since they, rather than the families, organise political action against the closure, in the form of political appeals in the city centre and demonstrations at the checkpoints. Such demonstrations are planned by the parties in joint meetings in the private homes of leading political figures:

Everyone comes, from the religious to the communists, Fatah and all the others, also the Sheiks...we are united now against the Israeli attempt to destroy us...we discuss strategies, where to hold the demonstrations and so on. Some only want to have quiet appeals in the city, away from the checkpoints and the Israelis, others want to go to the checkpoints. But then, how do we get there? It is a long walk in the heat, some suggested tractors and cars, but others said no...this time we decided after a very long discussion to stay in the city square. – Political figure representing the secular opposition, describing the preparations for the appeals on the *al-nakhba* memorial day (15 May)

The account was confirmed by representatives of the religious opposition:

Earlier, there used to be problems between us and the PA...you could be arrested if you did anything. But after the *Intifada*, we work together, Fatah, Hamas, and all the others, there are no problems now between us and the PA, and we don’t think it will change again – Member of *Hamas*

On the other hand, several sources point to increasing social and inter-personal conflicts because of the closure, such as between shopkeepers and customers, or between households and municipal authorities over the service fees. Thus says the shopkeeper cited previously, complaining about the increasing demand for credit in his shop:

Even my own brothers ask for credit every day, but what can I do? I cannot pay for them! They become angry with me. I am telling you – this morning one of my brothers did not say good morning to me! – Shopkeeper

It was also reported that the austerity measures introduced by the municipality may have contributed to heightened tensions over the now dwindling resources and wealth in the city also on the family level. Such tensions are based in the mundane distribution of local resources and power rather than national political aspirations

3.6 Households: the Public Sector Lifeline and the Search for Alternatives

Given a highly sector-uneven impact of the economic shock represented by the closure, the actual impact of the crisis on the household level depends on the constellation of each household's members from the various economic sectors discussed above. The mixture of traditional (e.g. agriculture) and modern (e.g. tourism) sectors in Jericho offers an opportunity for households to diversify their sources of income into income combinations that do not necessarily depend solely on incomes from one field of economic activity.

Unfortunately, the limited fieldwork involved in the preparation of this report precludes us from providing more than an indicative outline of the dynamics of household livelihood systems in Jericho and their responses to the events.

The Public Sector Lifeline

We found in the above that the export-oriented Jericho agriculture has been badly hit by the collapse of output markets. Yet the agricultural sector is economically diverse, and its significance in terms of incomes varies widely across its different segments. In addition, a typical household combination of incomes in Jericho is one in which income from traditional economic activities, such as agriculture, is supplemented by incomes from the more recent activities. For example, a farming family, large or small, where the parents are either fully employed on the farm or have stepped down activities, with one or more sons or daughters working either in the local public sector or with, usually sons, working in the tourist sector or in an Israeli settlement. This combination is commonly organised along generation lines, but not necessarily. For example, the owners of household farms may work in the public sector and still run the farm, but on a lesser scale.

The lower the income from the farm, the more important the described combination is. It is therefore of the greatest importance for some of the owner-operated farms where low productivity has forced the owners to seek employment elsewhere. The story of Khalil's family describes this situation well:

Khalil's (age 30) household has 13 members: his father (60) and mother (55), his wife (25) and baby twins, and his six unmarried brothers (aged between 20 and 30). The household owns a 10-dunum plot of land where among other things they grow aubergines, tomatoes, peas, *mokhya*, lemons, and onions. Since Khalil's father arrived in Jericho, he has always worked on the farm, and he still does today as much as his health permits. Khalil's oldest brother is now mainly responsible for the farm, where he also offers his services as a blacksmith. A second and a third brother used to work in the casino and the *Khan* settlement respectively, but are now both un-

employed. A fourth brother worked in the bus station on the Jordanian border. This brother is now sick and stays at home. Brother number five works in the Ministry of Agriculture, and the sixth is a police officer. Khalil himself works in the Municipal Authority.

“The farm has not been important for a long, long time. It hardly makes any profit at all, although it contributes to the food with a few vegetables. We continue to cultivate mostly for our father; he loves the farm and closing it down will make him very sad. In fact, to keep it going we accumulate debt now – for plastic covers, fertilisers, seed, pesticides, pipes. We now owe the hezbe more than 1,000 JD.”

When asked if the crisis has forced them to rely more on their home produced food and perhaps made them consider getting some animals, the wife is surprised: “Should we begin milking goats and keep animals running around here in the city?”. Instead, they explain, those who still have wages help each other. For example, his sister’s husband (who lives nearby) has also lost his job in the settlement, but his mother works as a nurse at the Jericho New Hospital, so they manage too. But what if the public sector starts reducing wages? Khalil shrugs it off – “then there will be major problems, they cannot do it”.

However, while such combinations of income sources are widespread, one should not be led to believe that they are universal. Furthermore, since many of the jobs in the new local sectors – especially in the public administration – are of the skilled type, families with low educational resources would be less able to benefit from the employment opportunities and thus more vulnerable to shocks such as the current one.

For these, certain traditional practises and credit arrangements appear to offer some protection against economic vicissitudes, particularly but not exclusively in agriculture, as discussed in the section on sharecropping and the *commizion* credit institution discussed earlier. Additionally, the more formal credit market seems to offer flexibility in the face of the crisis, an attitude strengthened by the sense of national urgency that characterises the situation. Thus, says the auditor of the Arab-Egyptian Land Bank:

The bank is flexible, and until now we have not brought any of our debtors to court. We can also be more flexible because we are owned by the Egyptian state. Although we are entitled to take the houses or other properties of debtors, we very rarely do so. For example, we even have several loans that were due before the war in 1967 which still remain outstanding. – Abdul (38), auditor.

Loss of Jobs in the Private Sector and The Search for Alternatives

Many others, however, are far more directly hit, including those households that relied on incomes from the local tourist sector or on work in the settlements, which have been very unstable during the closure, as shown by the following example:

Hussein lives in a household of seven adults – a grandmother, his mother, one young and two adult brothers. He is married with two children, Rakan and Rami. They belong to the Jalaita family, from Jericho. He worked as a dealer in the casino until it closed at the beginning of the closure, with a monthly salary of USD 1,000–1,200 a month. Now he looks for day jobs in *Maale Adumim*, as a gardener or cleaner. More than 20 persons in Maale Adumim have his mobile telephone number. Other times he just goes there and waits in a special place for someone to pick him up for a job. He cannot enter through the gate where the guards will stop him, so he enters by sneaking over the fence:

“I enter like a thief: I go over the fence early, at 5–6 o’clock in the morning, in a place very near to the gate. The guards know that we enter there, but they ‘close their eyes’, but sometimes they ‘open their eyes’, and then they catch us. Two weeks ago, in the morning, they caught me. I was on the way over the fence alone. Two settlement guards were waiting between the trees to catch workers like me. They pointed their guns at me, but didn’t shoot because I stopped. I had been phoned by a man in Maale Adumim and had an appointment to work that day. This person works in the Israeli police. I phoned him when I was caught but he didn’t want to help. The guards took my ID and took me to the gate. There I had to wait under the sun for 5 hours, before they returned the ID to me and let me go. The two settlement soldiers have caught me several times before. But when they caught me they pretended they didn’t know me.”

On the day of the interview Hussein had been to Maale Adumim and worked for four hours in a garden, making NIS 100.

His brother Rakan has worked in the industrial settlement Khan al-Ahmar for the past two years, in a storage house making NIS 2,500 per month. On 16 May 2001, three boys from Jericho (two from the Jalaita family and one from Grof) threw a bomb in Khan al-Ahmar. The bomb did not ignite, but since then the settlement has been closed to Jalaita and Grof people. Rakan has not tried to go to work since then, because he has heard that it is not possible. Rakan has been unemployed since then, but hopes to be able to go back to work soon.

Rami used to work in the Ahava cosmetic factory in the Mitzpe Shalem kibbutz in the West Bank on the shores of the Dead Sea. He started working there in 1997, first as a cleaner, later as a technical operator. He liked his job and his colleagues, and he had a monthly salary of NIS 3,500. Since two Israelis were killed in Ramallah police station on 12 October he has not had access to the kibbutz and his job.

Just recently, the boss called him and said that an Israeli had been employed in his place. Since October, Rami has tried two jobs in Khan al-Ahmar; one in a dry cleaning place, and one as a forklift truck driver. The working conditions were unbearable and the supervisors unfriendly in both of these jobs. Jobs in Jericho, he says, have low salaries.

In the period of study, they received a food package once, from Fatah. But according to the brothers the food was bad, so they only used the sugar, and discarded the rest. They have had problems paying the bills. The electricity was stopped in May, when they owed NIS 4000 to the electricity company, but got it back when they paid one-quarter of their debt. They also owe NIS 1,600 to the municipality for water. They buy food on credit, but settle the bill once they have money. Their diet varies with the money situation. The married couple with the two children had to sell some of the wife's gold to make ends meet during the period of study.

Rather than a deliberate strategy of *diversification* as such, the described income combination probably aims at simply *increasing* the incomes of the individuals and the household, since the owner-operated household farms in particular tend to yield

Table 5 Effects on economic activities

Economic activity	Effect
Wage labour outside city - Israeli settlements and Israel	All work-permissions (app. 500) cancelled initially, later permissions to work in the settlements have been given more selectively than before. Those associated with anti-Israeli political activities, and relatives of these, are denied permissions. Workers not allowed to pass checkpoint - despite permissions - up to half of the working days of the closure. Permissions to work in Israel cancelled indefinitely (app. 60).
Wage labour outside city - public sector	Employees in PA institutions in Ramallah. Possible to travel in West Bank during regular closure, in reinforced periods (3-4 months) no regular passing of checkpoints
Wage labour inside city - public sector	Jobs and wages not reduced so far, but warnings of possible wage-reductions and involuntary holidays have been issued. Remains the most unaffected sector.
Wage labour within city - private sector	Tourist industry closed completely (800 workers lost jobs), large recent investments in jeopardy Scaled down or closed operation in manufacturing industry Souvenir and tourist-oriented shops closed
	Export-oriented manufacturing and other industry. Gaza and Israel markets lost, access to West Bank market is irregular and hampered by tight security and bureaucratic controls
	Small trade and cafeterias, local market, continue to function.
Wage labour within city – outsiders	International staff in Casino and two international hotels have left Chinese project workers still in city
Agriculture	Export markets practically lost, down to perhaps 10 percent of previous years. Internal market weak and huge supply surplus of local vegetables in the season.

low, if any, profits. The reverse combination, households relying mainly on public or service sectors, or work in Israel, that are seeking to keep a level of activity in agriculture on the part of themselves or other household members, seems to be non-existent, even in cases where such households own land and previously cultivated it. Thus, these types of households, particularly younger households depending on public salaries, have to a large extent no other source of income, making them very vulnerable to changes in that source of income. Combinations within the public and service sectors would be more likely, such as combining public employment with business activities, but these do not seem to be common.

Table 6 Effects on infrastructure and public services

Infrastructure/services	Effect
Electricity	Some current problems due to delays in supply of spare parts, some parts of the city dark in shorter periods Longer term economic problems expected due to outstanding payments
Drinking water	The drinking water infrastructure is only one year old and does not need spare parts frequently. No problems in supply so far. Half of households are behind on payment schedules, 60 households had water cut.
Irrigation water	One major irrigation channel destroyed in al-Oja
Sewage	no problems reported
Garbage	no problems reported
Primary Health	no problems reported
Secondary health care	Jericho New Hospital: Both staff and patients have been prevented entering the hospital. Births have taken place at the checkpoints while waiting for permission. Acutely ill patients, including with acute heart problems, have been prevented entry through checkpoint Ambulances and the New Hospital itself have been shot at by Israeli soldiers
Emergency health	Ambulances and personnel shot at by Israeli soldiers while collecting injured in clashes
Social services for the poor	Official and NGOs have been to attend to worst cases until now - problems with large bills such as housing rents, electricity, water are accumulating in the population and will not be covered by existing social assistance services
Local government	Incomes are halved compared to previous year, loss of income from rental of municipal ground and facilities to tourist industry and agricultural market, loss of investment fees. City development and environmental projects cancelled, support to various NGO activities stopped, street lightning reduced. Until date, services, staff or salaries not affected, but salary cuts are in the discussions every month and will be most likely be implemented shortly if crisis continues and other funds are not obtained.

4 Conclusion

The closure imposed on the West Bank and the Gaza Strip on 30 September 2000 has had serious and most likely long-term consequences on the outward-oriented economy of Jericho. First, the most dynamic segments of the private sector, notably the tourist industry, the fruit and vegetable exporting agricultural industry, and the export manufacturing industry, have lost between 70%-100% of their revenues. As a result, hundreds have lost their jobs, many more have lost most of their incomes, and huge recent financial investments in the tourist sector are now in jeopardy. Second, the loss of jobs and incomes associated with the closure has caused a broad economic downturn that affects all sectors, including the local market sector. The (local) public sector is not insulated from these developments; the collapse in taxes and recurring incomes threatens the activity level and wage-paying capacity of local authorities. In addition, the destruction of land and property adds high costs to those created by market effects, most particularly in agriculture.

On the other hand, the internal economy has not collapsed and the effects on the household level are perhaps somewhat less than suggested by the tremendous macro-economic impact. Furthermore, the provision of public services remains relatively undisturbed, although the use of some of these is certainly not. In this report we have indicated several factors that mitigate the shock: first, employment and wages in the public sector have not yet been cut back; second, certain traditional practises and a sense of national urgency contribute to protecting some vulnerable groups, though far from all. One example is lenient credit practises; third, some activity prevails in the private sector and some are still able to work in the settlements; fourth, public and NGO efforts to assist the poorest seem to be quite successful, though their targeting could probably be improved; fifth, income levels in some sectors were not low prior to the closure, and indications are that household savings have contributed significantly to the households coping with the crisis.

The effects of most of these mechanisms are likely to taper off as the crisis continues. For example, savings are spent and the formal and informal credit base gradually erodes. The continued operation of the public sector has thus become essential in sustaining social and economic life under the closure. A prolongation of the closure and further erosion of the economy of the Palestinian Authority quickly undermines the ability of the public sector to pay wages and provide services. In the event, social consequences will be much graver than the already serious situation existing today.

Paying a price

Coping with Closure in Jericho

“Closure” means 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 Territory. The current closure has been in place since the beginning of the escalation of the Israeli-Palestinian conflict – the second *Intifada* – that started in September 2000.

This report examines the socio-economic effects of the closure of Jericho in the West Bank, a city whose economy being based on agriculture and tourism was deeply integrated with external markets prior to the closure. Its primary data were collected by two researchers from Fafo Institute of Applied International Studies and a local assistant during a two-week fieldwork in late May and early June 2001.