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THE ECONOMIC AND SOCIAL SITUATION AND  
POTENTIAL OF THE PALESTINIAN ARAB PEOPLE  
IN THE REGION OF WESTERN ASIA

Frame of Reference for a study

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### THE ECONOMIC AND SOCIAL SITUATION AND POTENTIAL OF THE PALESTINIAN ARAB PEOPLE IN THE REGION OF WESTERN ASIA

#### A. Justification and Content of the Study

The Palestinian people are in an unenviable position in the world. They find themselves half under occupation, half displaced and in forced diaspora. Political considerations apart, the disruption of the economic and social life of these people has had extremely deleterious effects on them, on the performance of their manpower and on their income and level of living, in addition to the less tangible though no less real agony associated with uprooting, statelessness and the shattering of community ties. Indeed, had the Palestinians remained in their homeland, their economic and social conditions today would have been at least on a par with those of the most advanced Arab countries.

A few indicators can bring these points into sharp relief. The Palestinian people had been established in Palestine, their homeland, for millenia before their traumatic experiences, first in 1948/49 and later in 1967. When the State of Israel was established, the Palestinian Arabs constituted about 70 per cent of the country's total population, owned 94 per cent of the land, and had a going economy, an established social and economic structure, and the cultural heritage that people steeped in history normally possess. Though a discernible entity by themselves, they formed part of the larger Arab Homeland and community of peoples, with a continuous circuit of life with this community. In 1948, the economic performance of the Palestinian Arabs, reflected in national product per capita, was one of the highest in the Arab world. Their educational level was only outdistanced in one or two Arab countries, although Palestine had no Arab institutions of higher learning in comparison. The public administration which ran the affairs of the country was the most efficient and had the best performance in the Arab world. These aspects of the Palestinian community began experiencing severe dislocations starting in 1948.

Some 55 per cent of this community, or 75,000 Arabs had to flee the country for safety leaving behind homes, farms, businesses and other assets. They sought refuge in Trans-Jordan, Lebanon and Syria, with a small number running for safety further afield. Relying first on their own resources and the hospitality of their fellow Arabs for a few weeks, it soon became evident that their forced exile was to last much longer. International aid of an urgent nature, like food, tents, medical help and some clothing began to come in; this was soon after centralized in a United Nations agency [ United Nations Relief Work Agency for the Palestine Refugees (UNRWA) ] set up for the purpose.

These temporary and make-shift arrangements, initiated twenty seven years ago, turned out to become a long-term phenomenon and almost a regular feature of life. The host countries over the years compiled a body of rules and regulations, and designed arrangements, to govern the movement and work of the Palestinian refugees, including their community relations.

Partly, in continuation of their tradition of attaching high priority to education and training, partly as a form of compensation, and partly to equip themselves with the only instrument within reasonable reach for the improvement of their life, the Palestinians sought education for their children with greater insistence and determination than anything else. The educated and trained Palestinians came, over the years, to form a manpower reservoir of immense value to the host countries and to other Arab Countries, particularly the oil-producing ones in the Arabian Peninsula and North Africa. Without a country of their own to which to direct their energies, they have been distinctly instrumental in the development work of many Arab countries in most sectors including public administration.

Though not enjoying self-determination, the Palestinians have attempted, to a certain extent, to restructure their life and build an adjusted social organization, especially in the camps, within the existing physical, economic, administrative, legal and political constraints. This has been particularly true after the establishment of the Palestine Liberation Organization (PLO) in 1964, but more so since the emergency into prominence

of the resistance movement in 1967/68. Today, the diaspora Palestinians have a complex of institutions in the political, social, cultural, economic, medical and trade union realms. However, they lack the most significant and fundamental political organization: a state inside which the community can find the fullest expression. Whatever they now do, whatever organization they institute, whatever achievement they attain, largely remains possible through the understanding and co-operation of their hosts. There is no territorial base of their own in which they can act in sovereignty and freedom, and in which their potential can be truly fulfilled.

Although indicative, these general statements are not sufficient for a detailed and precise appreciation of the conditions of the Palestinians today. Although the question of Palestine, in its political context, is central in Arab and international politics, the economic and social conditions of the Palestinians, under occupation and in the diaspora, remain matters only vaguely and imprecisely known and understood. Better understanding is imperative, now that the PLO came to acquire observer status under resolution 3237 (XXIX) of the General Assembly, and more particularly as the Economic Commission for Western Asia has accorded the PLO the status of permanent observer by Resolution 12(II).

According to this latter resolution, ECWA indicated its desire "to afford the Palestinian Arab people an opportunity to benefit from the Commission's activities in the fields of planning, studies, training and economic and social development".<sup>1/</sup> It further requested the Executive Secretary "to prepare a report on the requirements for the conduct of a general study of the economic and social situation and potential of the Palestinian Arab people in the region of Western Asia...".<sup>2/</sup>

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1/ ECWA resolution 12(II), Palestine Liberation Organization, operative paragraph 2.

2/ Ibid., operative paragraph 3. It may be noted, however, that an all inclusive and realistic study of the economic and social situation and potential of the Palestinian Arab people needs to address itself not only to the Palestinians living in the region of Western Asia but should also cover those living in the Arab countries of Africa as well as those under Israeli occupation.

B. The Present Economic and Social Conditions of the Palestinian Arab People in the Region of Western Asia

The present conditions cannot be properly investigated and evaluated (and evaluation is necessary for the subsequent exploration of potential), unless they are examined against their background. For a contrast can be made between the present situation and what the Palestinian people could achieve in their homeland only if the present is related to a reference point in the past. This point is the conditions of the Palestinians on the eve of the eve of their diaspora. Furthermore, a study of the background will make it possible to appreciate the hardships which the Palestinian people have suffered, and the stultifying effect on them of life under occupation, on the one hand, and diaspora, on the other. Hence the need for a brief and concentrated examination of the pertinent economic and social conditions, and for the performance of the community in its homeland.

However, the present situation has to be investigated much more thoroughly and extensively. The investigation will comprise several components. These are presented more formally further down in the outline in Section D, but some space to them shall be devoted at this point. They include, first the determination of the statistical universe under study, as well as the geographical distribution of the community and its demographic characteristics. This should take into account the size of the population in its entirety including those under occupation.

Immediately after, and because of its significance and impact, comes the institutional framework which determines the living and work conditions, as well as the community relations and movement of the Palestinians. This includes the political, legal and administrative constraints (and promotive factors, where they exist). An assessment of this framework is necessary for an examination of the level and quality of the economic performance of the Palestinians, as well as their social organization and activities. It would also suggest how the Palestinians can achieve greater fulfilment of their potential were the framework to be more amenable to the community's needs and more clement to its drive and endowments.

The economic conditions and performance will be investigated next, including as far as is possible, the sources and levels of the income of the Palestinians, their activities in the various locations and sectors, and their economic establishments. Likewise, the degree of economic security enjoyed will be assessed, as a small degree of security should tend, in effect, to make one discount the Palestinians' performance heavily. Finally, economic relations between the diaspora Palestinians and all their hosts<sup>1/</sup> will be determined and their implications assessed. On the other hand, the economic and other relevant laws and regulations imposed by the Israeli authorities on the Palestinians under occupation, and their implications, will be explored.<sup>2/</sup> In this latter case, not only will the implications for income and economic performance be explored, but also for longer-term development which primarily serves the interests of the Palestinians.

Closely related to economic conditions and performance is the question of manpower. Various aspects of the Palestinian manpower, including its size, experience, education and training, and values and motivation shall be studied. This part of the study is a most important element in the proper appreciation of the community's conditions, and will be significant for the exploration of its potential. Of special relevance here is the question of the underutilization and misallocation of this manpower brain drain, and how better utilization and allocation can be achieved were the political and socio-economic conditions to change in the future in a manner permitting the Palestinians to enjoy sovereignty in their homeland.

The area of the study to follow next is that of social characteristics and organization. This broad component includes, inter alia, community structure and relations, socialization and social values, the role and function of women and youth and their visualization of their place in the community. The investigation will attempt to draw a contrast between camp and non-camp Palestinians, including social and economic (and possibly psychological) characterization. The living conditions and quality of habitat of Palestinian human settlements will be examined in this context.<sup>3/</sup> Finally,

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1/ This is assuming that the scope of the study will be extended beyond the region of Western Asia (reference page 4, footnote 2).

2/ See page 5 footnote 1.

3/ Not only the static conditions will be investigated, but also the activities undertaken in the various spheres in order to describe the situation in motion. This will involve the study of the programmes undertaken for women and youth, welfare activities, and medical and health care.

as in the case of economic conditions, here too relations of diaspora Palestinians with the host populations will have to be identified and their implications for both communities assessed. Of more importance, however, is the study of relations between the Palestinians under occupation and the Israelis, since the motivation and the quality of such relations, and their implications, will be vastly different than in the former case.

As to education, it is a wide and most significant area of study, both because of the social and economic valuation attached to it by the Palestinians and of its pertinence to the study of their potential. The investigation will cover the school system, the curricula and methodology of teaching, the financing of education, and other matters of relevance. It hardly needs to be stated that all three cycles of education have to be included, as well as professional and vocational training at all levels. This area will also include the cultural and artistic expression of the Palestinians, as a component of the quality of life of the community. Of particular relevance here is the manner in which the harsh experiences suffered by the Palestinians have influenced the media, the content, and the modes and styles of their expression.

Finally, the institutions, programmes and activities falling under the PLO and related to economic, socio-cultural, and trade-union matters have to be examined, owing to their variety, spread and impact on the community. Likewise, the structure and functions of camp authority will be investigated in the case of the host countries, as well as the municipalities and other social and economic structures in the West Bank and Gaza.

The examination of the various components of the economic and social situation of the Palestinian people in the region of Western Asia, wherever they are found in large concentrations, and the insights discovered with respect to the interaction between the components and the manner they shape this situation, should together provide a clear enough picture of the current situation. Likewise, they are expected to suggest some corrective measures, even within the constraints currently operative. Without prejudging the investigations, it can safely be said that the picture which will emerge will be one of an economically and socially underfulfilled community.

C. The Potential of the Palestinians

Underfulfilment is itself suggestive of the noteworthy potential of the community. However, it is much easier conceptually, methodologically, and practically to examine present conditions than to evaluate future potential. There is, to begin with, the problems of defining what is meant by "potential". As ECWA's resolution does not define the term, it is here taken to mean the economic and social potential of the Palestinian people, were it to be sovereign and master of its affairs in its homeland. However, for the sake of realism, "potential" is first explored under the prevailing conditions of diaspora and occupation which seem most likely to continue at least in the short-run. In addition to the definitional problem, there is the added difficulty of formulating the assumptions that are to lie behind the evaluation of potential. These essentially relate to the political/territorial framework within which the community will be supposed to live, work and interact and, as one political entity, to deal with other entities.

There is no one such political/territorial possibility that can be taken as the definitive assumption to make. Indeed, conceptually, there are four possible alternatives, apart from gradations between them. The first is the assumption of the status quo of dispersion and statelessness. The second is a Palestinian state in the West Bank and Gaza Strip. The third is a state in the territory allotted to the Arab state under the Partition Plan of 1947. And the fourth is a democratic, secular state in the entirety of historical Palestine, in which Palestinians of any faith (i.e., whether Arab or Jew) can live and work together.

Obviously, the potential and the preconditions for its fulfilment vary from one alternative to another. It will be possible in the investigation to show how the magnitude and directions of the potential vary as one alternative is assumed after another, without making subjective political judgments. In other words, the multiplicity of alternatives itself is evidently the outcome of political considerations. However, the investigation must not load any of the alternatives by injecting personal bias and prejudging the conclusions.



This part of the investigation is not value-free, but it must remain bias free. It cannot be value-free under the circumstances, when the whole study centres around a dispossessed and dispersed people, and when in fact ECWA resolution 12(II) itself asserts that the Palestinians are prevented, by the continuing Zionist aggression to which they are exposed, from exercising their right to self-determination, independence and national sovereignty in their territory. The political position underlying this statement could hardly be clearer, more explicit, or more strongly supportive of the Palestinians' political rights in their homeland. Yet, within this value-framework, the investigation must be as scientific, impartial and honest as is humanly possible.

Once the examination of present conditions and the exploration of the potential have been undertaken, the study will end with a summary and salient conclusions.

D. Outline of the Study

In this section, the proposed content of the study will be reworded in a formal outline form. The outline will be brief, but will, nevertheless, suggest the areas to be investigated in sufficient detail for the frontiers and features of the study to be visualized in advance.

THE ECONOMIC AND SOCIAL SITUATION AND POTENTIAL  
OF THE PALESTINIAN ARAB PEOPLE IN THE REGION OF  
WESTERN ASIA

- I. Introduction
- II. The Palestinians in Perspective
  - A. The Palestinian people in Palestine, their homeland.  
(demographic characteristics)
  - B. Economic and social organization and performance.
  - C. The Palestinians forced into diaspora or under occupation,  
1948/49 and 1967.
- III. The present economic and social conditions of the Palestinians
  - A. The geographical distribution and size of the Palestinian "communities".
  - B. Demographic characteristics of these communities.
  - C. Institutional framework determining living and work conditions,  
relations, and movement.
    - 1. Legal constraints on residence, ownership, work, movement.
    - 2. Political constraints.
    - 3. Administrative constraints.
    - 4. Economic and social constraints.
    - 5. Promotive factors and measures.
  - D. Economic conditions and performance.
    - 1. Sources and level of income.
    - 2. Degree of economic security.
    - 3. Economic relations with host populations in the diaspora.
    - 4. Economic relations with the Israelis in their political, legal,  
and economic framework; the implications of this framework  
for long-term development of the area under occupation.
  - E. Manpower: size, skills, experience, proportion actively employed,  
geographical and sectoral distribution of employment, occupations  
and functions, brain drain.
  - F. Social features and organization.
    - 1. Camp versus non-camp Palestinians: social and economic  
characterization.

2. Community structure and relations.
3. Socialization and social values.
4. The role and function of women and of youth in the community.
5. Programmes and activities for women and youth.
6. Welfare and health care institutions, programmes and activities.
7. Habitat and living conditions of the human settlements.
8. Social relations with host populations in the diaspora.
9. Social relations with the Israelis in occupied territories:  
their framework, motivation and implications.

G. Education and training.

1. "Stock" of educated and trained Palestinians and level achieved.
2. Number and distribution of Palestinians being educated: geographical-ly, by cycle, and by field of study.
3. Professional and vocational training.
4. Authorities in charge of education and training.
5. School system, curricula and methodology.
6. The financing of education and training.
7. Cultural and artistic expression: media, content, mode and style  
(with emphasis on the impact of experience on expression).

H. Institutions and activities under the PLO.

1. Economic.
2. Social, health and welfare (including women and youth affairs).
3. Cultural.
4. Trade Unions.

I. Concluding remarks.

1. Interaction between components A-H.
2. Possible corrective measures within status quo.

IV. The Potential of the Palestinian People

- A. Definition of "Potential".
- B. The pre-conditions for the fulfilment of potential.

C. The Potential under four alternatives.

1. The status quo: dispersion and statelessness.
2. A state in the West Bank and Gaza Strip.
3. A state under the Partition Plan.
4. A democratic, secular state in historical Palestine for Arabs and Jews together.

V. Summary and Conclusions

E. Methodology of the Study

The study falls in three parts: the immediate background of the Palestinian people; its present economic and social situation; and, its potential. The first part is necessary as a reference point for the subsequent two parts, but it needs to be brief. In the nature of the case, the preparation of the background material will have to rely mainly on library research, plus some interviews with knowledgeable Palestinians whose age permits them to have familiarized themselves with the relevant aspects of the life of the country before 1948.

The second part relies much more heavily on field work and interviews, and less so on library research. The third part, being essentially explorative, will use less library research and field work than either of the first two parts. It will involve some form of model-building (under different assumptions to suit the four alternatives enumerated earlier). The model or models need not and cannot be rigorous, insofar as quantitative information on present conditions may not be sufficient for the purpose, and the evaluation of potential in large part centres around the fulfilment of political and socio-cultural potential which anyway is not as readily quantifiable as economic potential. Furthermore, the assumptions that have to be made relate to many imponderables (territory, point in time when statehood can be achieved, financial and physical resources then available, extent of co-operation between Arab and Jew in Palestine, the size of population, manpower, the educated and trained cadres at the time, and so on). Under the circumstances, any

rigorous model-making may end by being an exercise in frustration, if not in futility. Consequently, the most appropriate form for organizing the last part and coming out with some concrete conclusions would be to resort to what one might call a "common-sense, free-hand model", namely one which uses as much empirical inputs as possible, but which, where serious gaps exist, falls back on orders of magnitude, broad quantitative indicators, and qualitative characterizations.

The library research will virtually all be made in Lebanon, as the largest collection of books and reports on Palestine and the Palestinians to be found anywhere is at the Palestine Research Center of the PLO and the Institute for Palestine Studies which are both in Beirut. On the other hand, the field work will take the researchers to the host countries and the occupied land.<sup>1/</sup> It is assumed, for the sake of adequate coverage, that any Arab country with a community of over 5,000 Palestinians will be visited. Structured samples of respondents will be attempted and the interviews will follow a pre-designed questionnaire. The interviewing will not be restricted to Palestinians, in as much as certain aspects of the information sought for the second part of the investigation can only be obtained if both the Palestinians and some of their neighbours are questioned.

Finally, once the library research and field work have been completed, the material collected will be sorted out and will begin to be analysed. The last phase will consist first of writing up the material, then bringing it together into an integrated form, and subsequently edited and readied for typing and submission.

F. Personnel, Time and Budget Requirements

Obviously, the estimates of personnel, time required and budget requirements derive from the frontiers and content of the study as designed and outlined above. The kinds and levels of skill needed appear under "personnel". The length of time set for every person engaged in the study is also indicated there. The periods shown overlap. It is estimated that the first three months will be taken up by the design of the study in details

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<sup>1/</sup> See page 4 footnote 2 and page 6 footnote 1.

and the preparation of the questionnaire. This phase will include the undertaking of a pilot study in order to sharpen the concepts and research tools that are to be used in the main study. Simultaneously, library research will be initiated on part one and those sections of part two that can be researched.

Field work will be undertaken during the following 6 months. This includes the establishing of the statistical universe and of the samples in each of the countries where the research assistants and interviews will undertake the interviews. The teams will spend about two months in each of the countries where large concentrations of Palestinians exist, or 4 months in all (assuming 8 countries to be covered). Then two months will be taken up by the organization, tabulation and processing of the information collected.

Writing up of the findings relative to part two of the study, and preliminary thinking and model-building relative to part three will be undertaken in the three months to follow. The final three months will be devoted to the finalization of the study, including discussions with many knowledgeable people, in connexion with the findings and the evaluation of the potential. This phase of the work will involve the putting together of the study in an integrated form, editing the material, and then the final typing and stencilling prior to submission to the Executive Secretary of ECWA.

The study, in all its phases, will be carried out in consultation with and under the close supervision of ECWA.

On the basis of the visualization of the frontiers and content of the proposed study and of the methodology suggested, the following is an estimate of personnel, time required and budget requirements.

#### Proposed financing of project and source of funds

The financial implications for the implementation of this programme have thus been estimated by the Executive Secretary at \$306,241. These estimates include, among other requirements, the provision for the rental of office space, which is essential for a project of this size, irrespective of whether the work itself is to be carried out in Beirut or elsewhere. In

this way, the Executive Secretary can take appropriate action to ensure the continuation of work towards the implementation of the project without interruptions, either in Beirut or in one of the neighbouring cities within the region.

The proposed financing of this project, as shown in the estimates, will be undertaken by ECWA to the extent its financial and staff resources can permit within the allotment made available in the programme budget for the 1976-1977 biennium. The level of staff proposed to be absorbed by ECWA is indicated in the estimates.

In his statement of the financial implications relating to the draft resolution on the Palestine Liberation Organization placed before the Commission during the second session, the Executive Secretary proposed an expenditure of \$155,700 for the carrying out of this task by ECWA. However, owing to the continued stringency in the financial position of the organization, and the lack of adequate information on the outline of the study to be undertaken, the General Assembly approved a provision of \$59,560. Out of this provision, \$2,500 was expended for the initial preparatory work, leaving an unspent balance of \$57,060, which will be earmarked entirely for this project. Consequently, taking into account the availability of this balance of funds, it is proposed that the additional resources required to finance the project in the amount of \$142,758 be sought from extra-budgetary resources. As in the past, member Governments and financial institutions could be invited to co-operate towards furtherance of this project.

A breakdown of the cost of the proposed study is found in the following table:

FINANCIAL IMPLICATIONS RELATING TO A PROPOSED STUDY  
OF THE ECONOMIC AND SOCIAL SITUATION AND POTENTIAL  
OF THE PALESTINIAN ARAB PEOPLE IN THE REGION OF  
WESTERN ASIA

TOTAL ESTIMATED COST		PROPOSED FINANCING BY E C W A	
MAN-MONTHS	AMOUNT US\$	MAN-MONTHS	AMOUNT US\$
<b>A. STAFF REQUIRED</b>			
1. 1 consultant at D-1 for 15 months plus post ad- justment (class 12D) and common staff costs	15	6	30,844
	77,110		

	TOTAL ESTIMATED COST		PROPOSED REMUNERATION BY E C W A	
	MAN-MONTHS	AMOUNT US \$	MAN-MONTHS	AMOUNT US \$
<b>A. STAFF REQUIRED</b>				
2. 2 senior researchers at P-4 for 12 months each (1 in economics and 1 in sociology) plus post adjustment (class 12D) and common staff costs	24	87,145	12	43,572
3. 2 local level research assistants at L-6 (1 in economics and 1 in sociology) plus common staff costs	24	39,760	12	19,300
4. <u>secretarial assistance</u>				
secretary at L-5 plus common staff costs	15	17,360	6	6,944
1 typist at L-3 plus common staff costs	12	10,366	6	5,183
5. <u>Other temporary assistance</u>				
4 interviewers for 4 months each at L-5 for 4 months to be employed against special service agreements: total remuneration estimated at \$3,000 per person for the period of 4 months each				
\$3,000 x 4 interviewers	-	12,000	-	-
3 brief research assignments on specialized subjects at \$ 3,000 each.	-	9,000	-	-
<b>B. OFFICIAL TRAVEL</b>				
Official travel for 300 man/days (airfare, per diem, etc.)	-	20,000	-	-
<b>C. RENTAL OF OFFICE SPACE</b>				
1. Cost of rental of one apartment to provide the required office space in Beirut or elsewhere (in one of the neighbouring cities within the region)....		\$18,750		
2. Utilities and maintenance		\$ 2,250		



		TOTAL ESTIMATED COST		PROPOSED FINANCING BY ECWA	
		MAN-MONTHS	AMOUNT US \$	MAN-MONTHS	AMOUNT US \$
D. OFFICE FURNITURE & EQUIPMENT					
1. Desks and chairs for staff, and related furniture .....	\$5,000				
2 typewriters, 1 calculator 1 filing cabinet .....	<u>\$2,000</u>		7,000		
E. MISCELLANEOUS					
1. Reproduction supplies and materials	\$1,000				
Cost of translation of official documents	\$1,000				
Overtime	\$ 500				
Office supplies	\$1,000				
Cables, postage, telephone	<u>\$2,000</u>				
			5,500		
Sub-Total		90	306,241	42	106,423
F. FUNDS FROM HEADQUARTERS					
Funds allocated by UN Headquarters .....	\$59,560				
<u>LESS</u>					
Amount expended for the initial preparatory work	<u>\$ 2,500</u>				
Balance	57,060				57,060
TOTAL		90	306,241	42	163,483

Total Estimated Cost of Project      \$ 306,241  
 LESS Proposed financing by ECWA      (\$ 163,483)  
 Balance from extra-budgetary resources \$ 142,758