



# **Aid and Development in Palestine: Anything, but Linear Relationship**

## **Can Aid Contribute to Development?**

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# Aid=Sustaining Occupation and Fragmentation?!

‘Receiving aid is not just like receiving an elephant but like making love to an elephant; there is no pleasure in it, you run the risk of being crushed and it takes years before you see the results. Aid is twice cursed: it curses him who gives and him who receives’ (Streeten 1976).



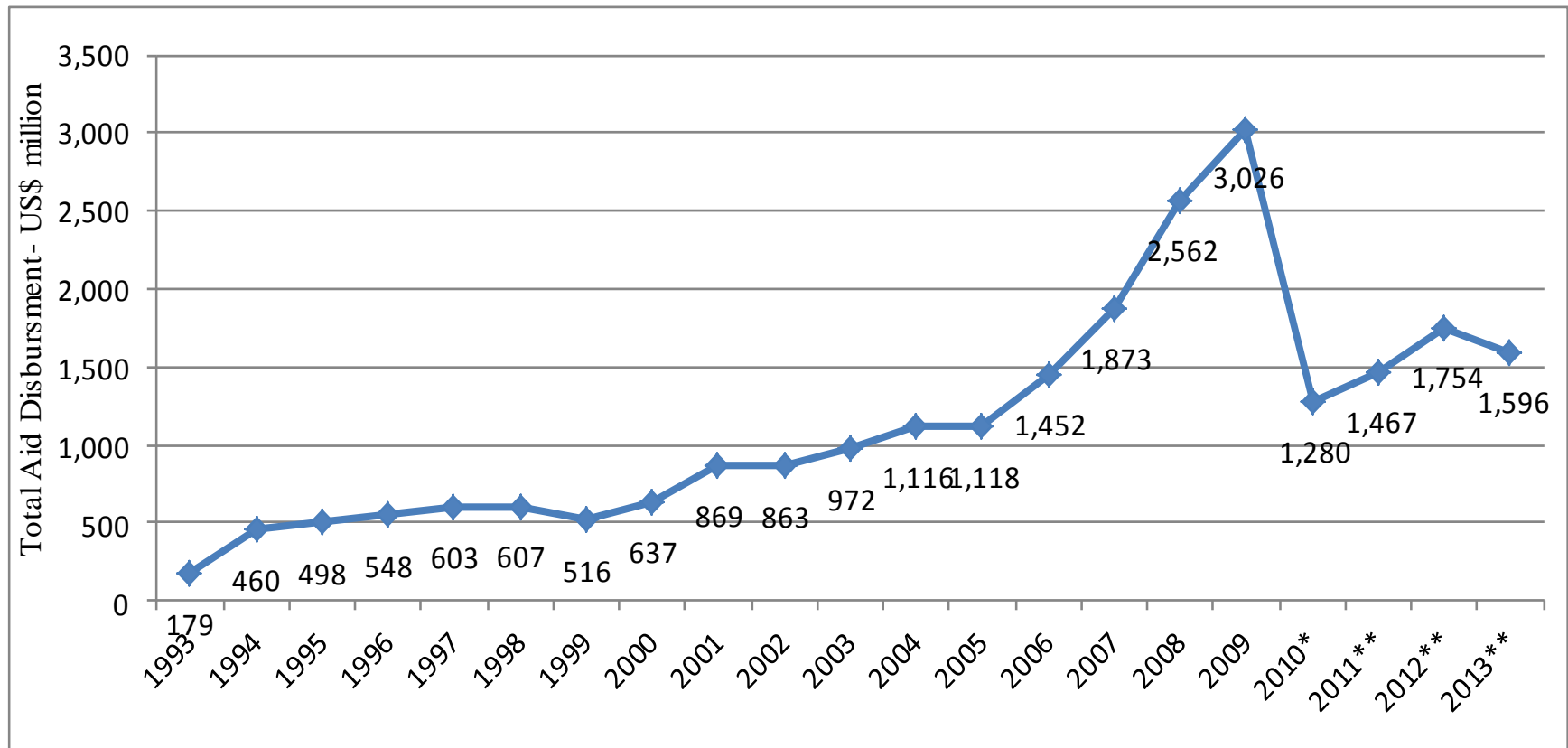
1<sup>st</sup> message: Just in case we forgot, they belong to the same Watan!

2<sup>nd</sup> message: If you can not end the occupation, please don't be  
complicit in sustaining it!

3<sup>rd</sup> message: Donors promised their tax payers not to do harm!

# Is there an 'aid-development' puzzle in Palestine?

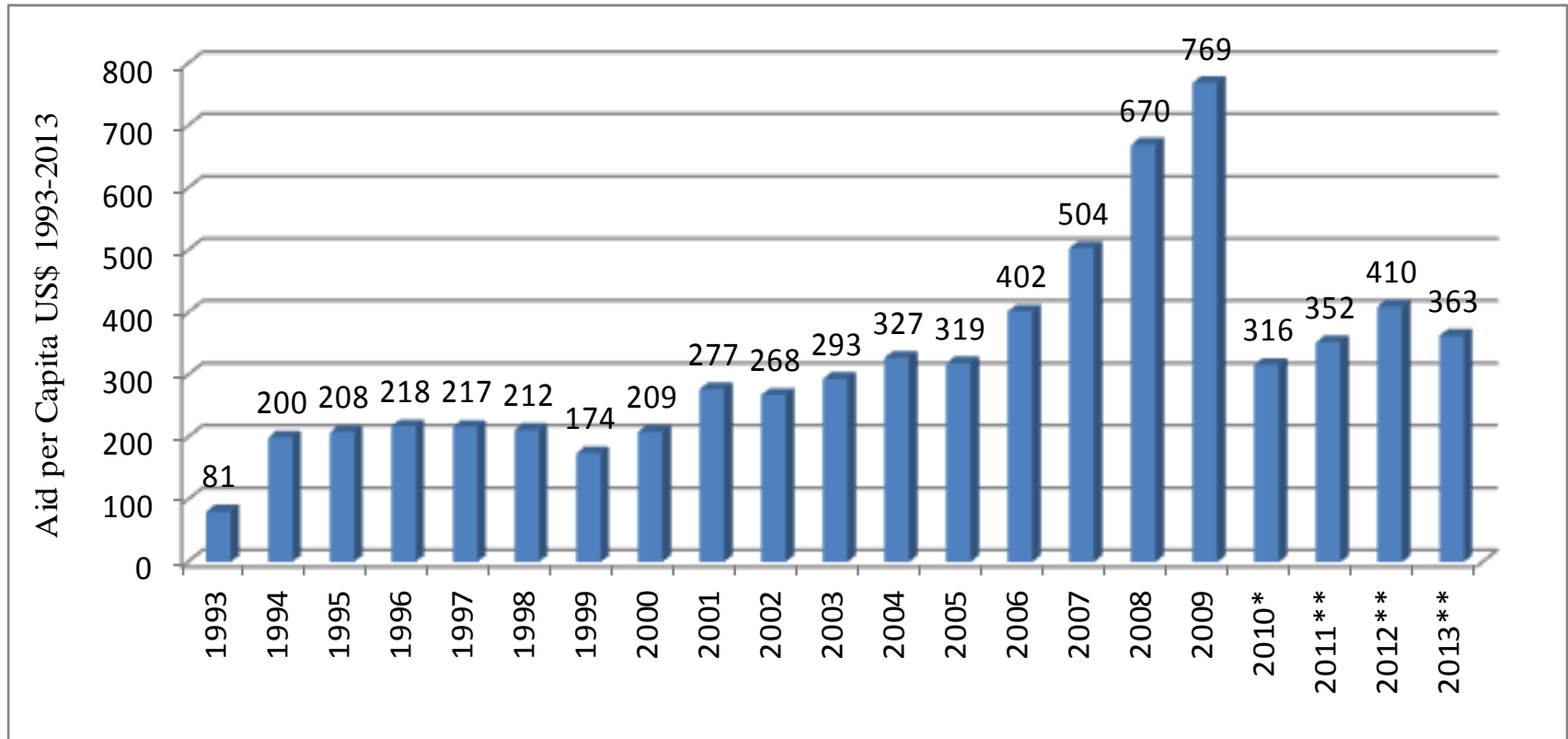
Total International Aid to Palestinian 1993-2013



Source: Compiled by Authors based on OECD/DAC, World Bank-WDI, and PAMS Databases, IMF (2011), World Bank (2011), NDP (2011), PNA (2011), PCBS (2011). Notes: (\*): Estimated figure. (\*\*): Amounts requested from donors by the PA according to the NDP.

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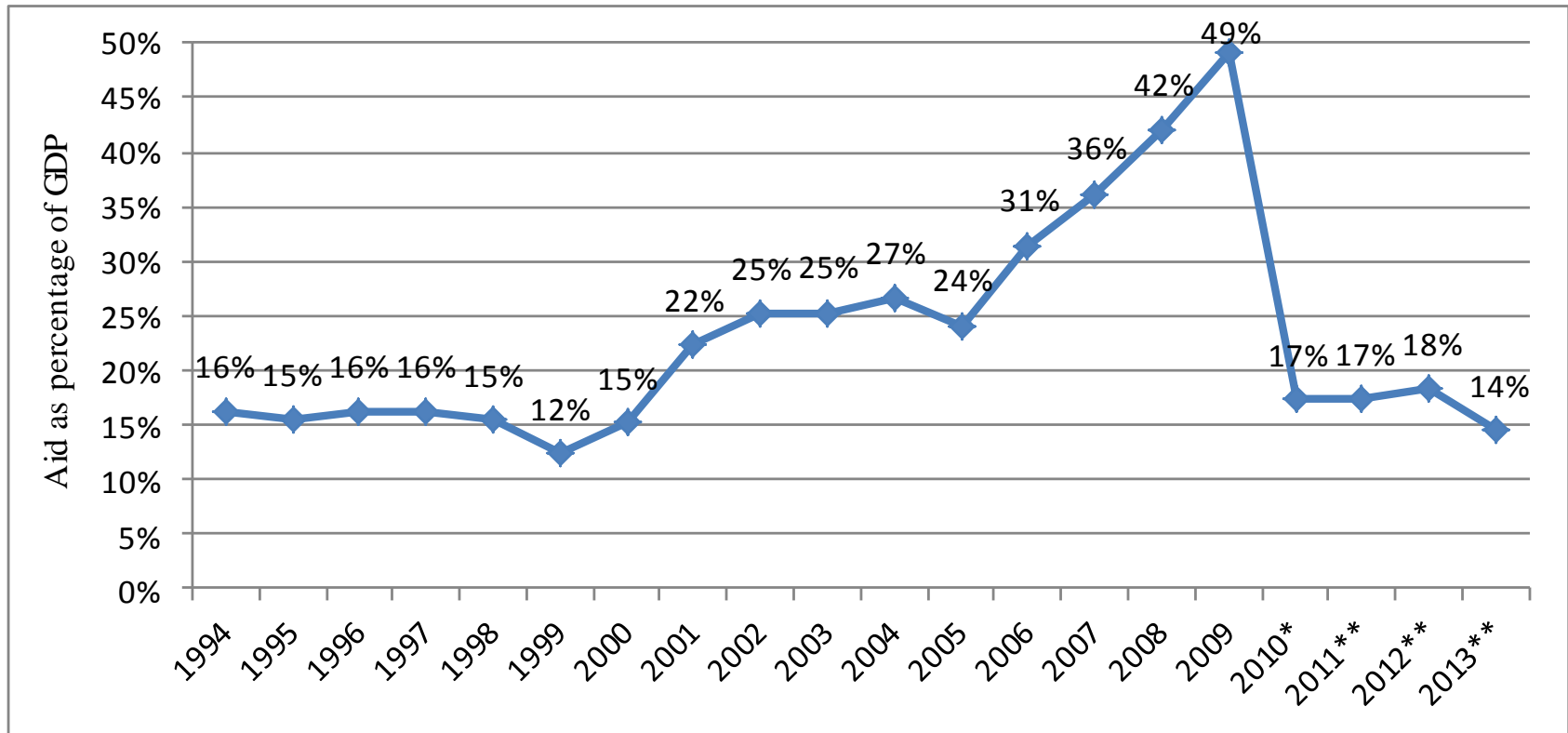
## International Aid Per Capita in West Bank and Gaza 1993-2013



Source: Compiled by Authors based on OECD/DAC, World Bank-WDI, and PAMS Databases, IMF (2011), World Bank (2011), NDP (2011), PNA (2011), PCBS (2011). Notes: (\*): Estimated figure. (\*\*): Amounts requested from donors by the PA according to the NDP.

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Aid as percentage of the West Bank and Gaza's GDP 1993-2013



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# Is there an ‘aid-development’ puzzle in Palestine?

**The socio-economic indicators reveal a gloomy picture:**

- Using the consumption-based definition, 26% of the Palestinians lived in poverty in 2009 and 2010 (19% WB, 38% GS). Using the income-based definition, 50% of the Palestinians lived in poverty (38% WB, 70% GS).
- 50% of Palestinian households were impacted by food insecurity.
- Unemployment has remained at around 30% since 2009 (47% in Gaza, 20% in WB). Unemployment rate for Palestinian youth under 30 is 43%.
- The income and opportunities inequality gap continues to widen not only between the West Bank and Gaza, but also within the West Bank.
- The manufacturing and production capacities continue to erode, while the agriculture sector remains neglected.
- Public debt doubled, while the private debts, thanks to the easier credit facilities, expanded to extraordinary rates.
- Real income per capita needs a proper deconstruction noticing the unbearable increase in the cost of living.
- The celebrated economic growth is a jobless, aid driven, with an eroded productive base (de-industrialization), non-Jerusalemite, anti-poor, and reflects an economy recovering from a low base.

# **Re-Inventing Int'l Aid: Easy, just go back to the very basics and realities!**

- What does it mean for the aid industry that the total measurable cost of the Israeli occupation on the Palestinian economy was \$6.897 billion, a staggering 84.9% of the total Palestinian GDP in 2010?
- the imports produced in a third country and re-exported to the territories as if they were produced in Israel (indirect imports) cause losses of \$480 million USD per year - almost 25% of public revenues, 10% in lost gross domestic product and 30,000 jobs per year?
- 60% of the WB, classified as Area C, is completely off limits to Palestinian development, which remains masked by the glowingly talk of economic growth, impressive institution building, and a booming stock market?
- what really reach to the Palestinians of the total aid after the deductions of the donor's administrative costs and foreign consultant's fees, is far from the announced figures, since good portion (30-45%) of that aid return back directly or indirectly to the donor's countries or to the Israeli economy?
- does the Paris Declaration for Aid Effectiveness and its principles mean anything to the donor community or to the Palestinian Authority (PA)?

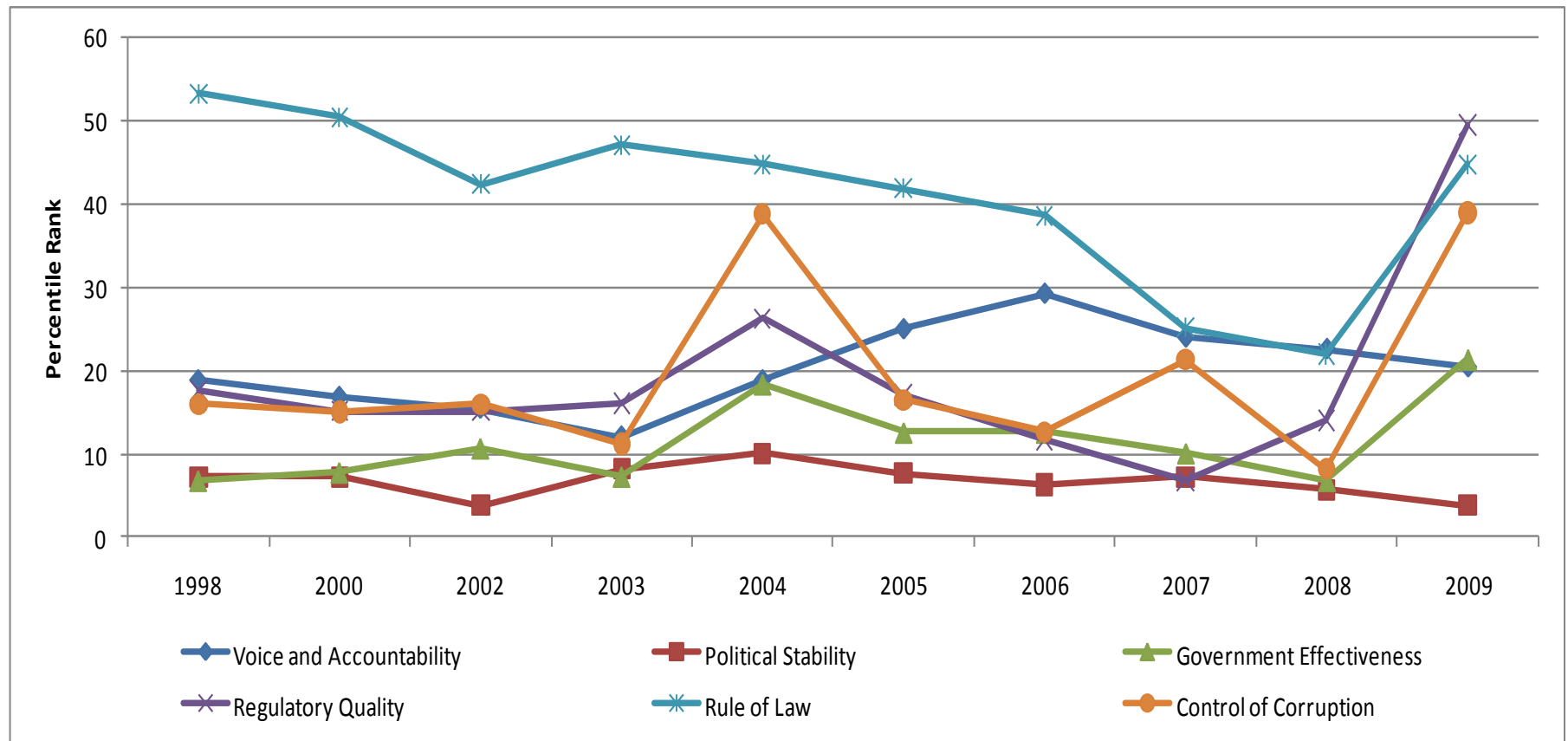
# **Re-Inventing Int'l Aid: Easy, just go back to the very basics and realities!**

- The masking of realities will continue and aid will continue to be wasted, filling gaps, sustain the occupation and invest in the creation of a papier-mâché Palestinian state.
- A future aid fatigue can be avoidable if the donors-PA adopt a different development paradigm that first and foremost acknowledge the Palestinian rights.
- It is the time now to bring real accountability to the aid industry and only accept aid that do no harm.
- Otherwise, the current aid-development paradigm will remain not able to walk on the water, but doing an almost miraculous job of not drowning.
- The basic premise is simple: the role of aid in the development process is dependent in the first place on the adopted development paradigm and approach.



**Should the fact that the number of families that receive financial assistance increase from 30,000 to 90,000 make us happy and believe that aid did a miraculous job?**

Percentile Rank of West Bank and Gaza's Governance Indicators-WGI



Source: Worldwide Governance Indicators Database, World Bank (2011)

# Synthesizing/Problematizing the so-far Impact of International Aid

- Aid as a gap filler and fire extinguisher solution for persistent crisis; as major pillar to guarantee the existence of the PA, and rescued the Palestinian society from deeper deteriorating conditions.
- This role of sustaining the status quo was an outcome for the diplomatic failure and political guilt; the inability to understand or acknowledge the de-development process; the unwillingness to address the main problem (the occupation); and the adoption of an irrelevant post-conflict conceptual framework.
- Two consensuses in the critical literature:
  - Aid sustain occupation
  - Aid will not work without addressing the fundamental barriers to development.

# **Aid can contribute to the development in Palestine, but few preconditions and prerequisites need to exist:**

- Understanding the development process as resistance, rights and freedom;
- Adopt a politicized version of Senian development model;
- Respect the self-determination and dignity in aid intervention paradigm;
- Move from the apolitical technical development models that definitely do harm toward a paradigm that acknowledges the colonial dominance and the asymmetry of power;
- Bring politics back in to the aid industry and stop using aid as a smoke screen for political failures;
- Support the resistance and steadfastness economy;
- Stop addressing the symptoms of the problem and move to address the root cause, the Israeli occupation.

# **‘Operationalizing’ the pre-conditions**

- Defeat dependency toward creating a resistance economy.
- Understand development as means to realizing rights, freedoms, and self-determination.
- A genuine bottom-up participatory citizen-centric development model should be prioritized.
- Draw a vision for an economy that sits at the heart of the Palestinian struggle.
- Maybe, getting few ‘bad’ donors out of Palestine!
- The PA should not only demand accountability from donors but also tax their operations.
- Look for new national donors and new forms of aid.

# Re-think Neutrality and Remember Colonialism

- At the end the message is short and clear: if we **Palestinians do not ensure dignity in our development, no one will.**
- It can't be in any better timing, thinking of the Arab Intifadas, to remember the infamous sayings that **'If you are neutral in situations of injustice, you have chosen the side of the oppressor';** and **'I am not interested in picking up crumbs of compassion thrown from the table of someone who considers himself my master. I want the full menu of rights'.**
- Or maybe Khader Adnan Impact!

