COSTS OF CONFLICT

Nablu Safter Five Years of Conflict



UNITED NATIONS Office for the Coordination of Humanitarian Affairs occupied Palestinian territory

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INTRODUCTION

Nablus is the West Bank's second largest governorate with a population of 327,000.¹ In the past five years, it has been one of the most severely hit by the conflict, experiencing the highest number of casualties, the most severe physical damage² and intense restrictions on movement.

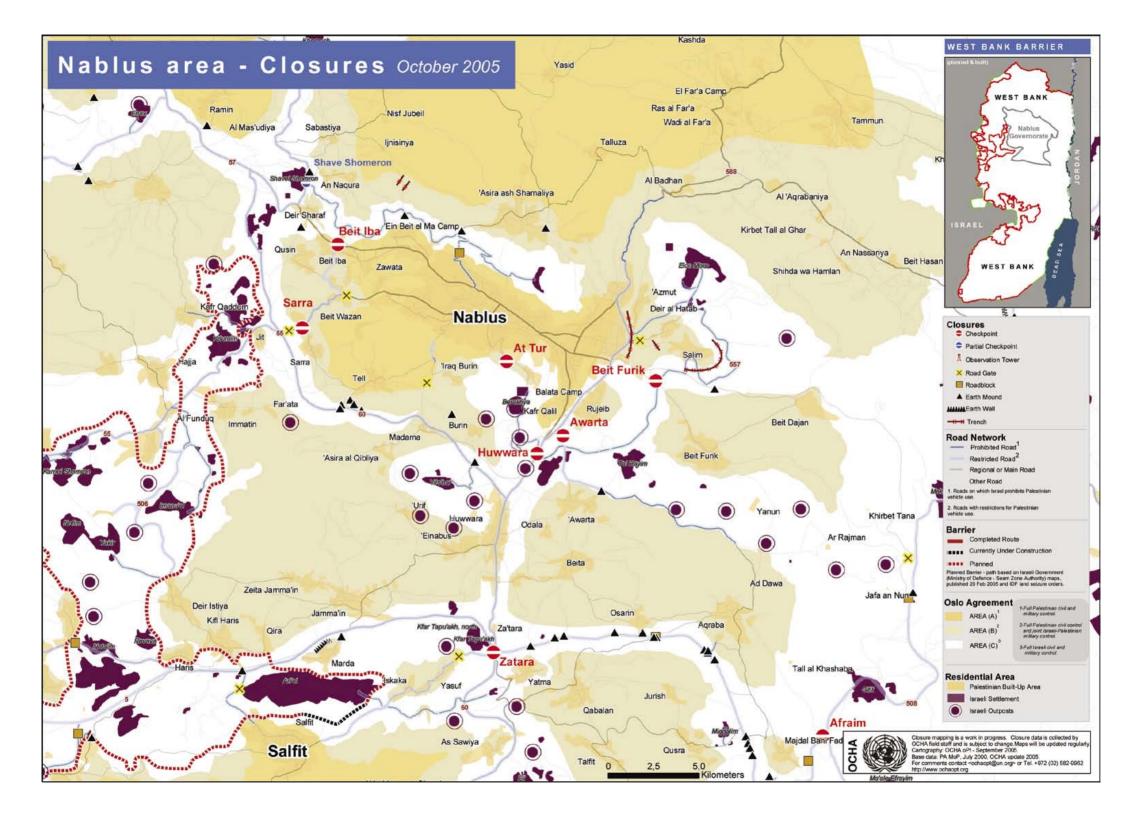
The Israel Defence Forces (IDF) states security concerns as the main factor behind its restrictions on Nablus city and that Nablus has been a centre for attacks on Israeli citizens.³ In September 2000, Israel tightened its security considerably. As Nablus moves into its fifth consecutive year of life under conflict, the question is whether this once industrial and entrepreneurial hub can recover.

During 2005 there have been fewer military incursions and curfews and a significant reduction in the number of casualties. While all six checkpoints remain in place around Nablus city, closure obstacles along the Al Badhan Road have been lifted creating some freedom of movement in and out of the city. Some of the roadblocks that prevented neighbouring villages from entering Nablus have also been removed. These changes have lifted the overall level of optimism amongst residents of Nablus.

But as this study concludes these changes are insufficient to stimulate recovery in Nablus. The bulk of the movement restrictions - aggravated by the presence of 14 Israeli settlements and 26 outposts around Nablus city - remain and in some cases are tightening. A system of permits and restricted roads continues to limit the movement of people and goods. The West Bank Barrier has made access to Israeli markets for Nablus goods more difficult.

Huwwara checkpoint, Nablus. Photo by OCHA / Steve Sabella, June 2005

Front cover: Beit - Iba checkpoint, Nablus. Photo by OCHA / Steve Sabella, June 2005 Back cover: Huwwara checkpoint, Nablus. Photo by OCHA / Steve Sabella, June 2005



History and Background of Nablus

Nablus is located in the northern part of the occupied Palestinian territory (oPt), approximately 65 kilometres north of Jerusalem in a valley surrounded by two mountains: Eibal and Gerizim. The city of Nablus was founded in 72 CE by the Romans and was soon settled by Semitic tribes. By 480 CE Christianity was flourishing in Nablus and by the end of the 6th century, Nablus was considered a major site in the Holy Land. Arab-Islamic rule that came shortly afterwards led to the city being dubbed "Little Damascus". The 19th century brought with it economic prosperity for this area with traditional industries including the production of olive oil soap and cotton processing. Trade expanded toward new frontiers of Transjordon, Egypt and Syria, establishing the area as a manufacturing and agricultural heartland. Nablus continued to be a city

of economic importance in the 20th century for Palestinians. The historic Old City of Nablus is filled with important cultural and religious sites. Such sites included 9 historic mosques, 18 Islamic monuments, Ayyubid mausoleum and a 17th-century church. Cultural sites include Ottoman-era structures including two major market places, Turkish bath houses, olive-oil soap factories and over two Beit Iba checkpoint, Nablus. thousand historic houses and



palaces. Visible Roman ruins also lie outside the Old City and a Roman-era aqueduct system runs under the city, part of which had recently been preserved by the Nablus municipality and opened for visitors. There are also a few monuments within the Old City dating back to the Byzantine era and Crusader period.

On the outskirts of Nablus there remains a small community of Samaritans. These Jewish families are believed to have descended from the inhabitants of ancient Samaria who returned from exile in 538 CE. They live on the sacred mountain of Gerizm and are recognized as a minority, can select one representative in the Palestinian Legislative Council (PLC) and are granted passports by the Palestinian Authority (PA).⁴

Nablus city was considered one of several centres of rebellion in the first intifada (1987-1993) and was one of the first locations in the West Bank and the Gaza Strip to witness the initial impact of the second *intifada* that broke out after 28 September 2000.

Humanitarian Situation 1

A. Casualties

There has been a significant reduction in the number of Palestinian casualties in Nablus governorate in 2005 (Figure 1) as has been the case throughout the West Bank.

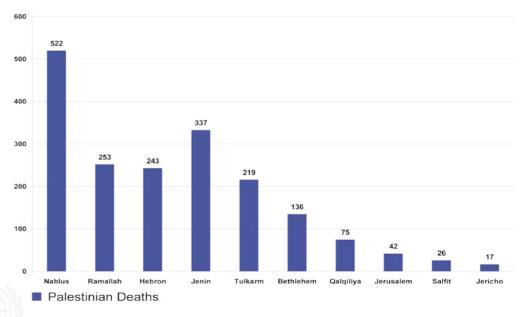
Prior to 2005 Nablus had experienced a high number of Palestinian deaths and injuries. In the period between 29 September 2000 and 31 October 2005, 522 Palestinians were killed in Nablus - 27.8% of all West Bank Palestinians killed - the highest death toll of all West Bank governorates (Figure 2). Among Palestinian deaths were 80 children and 28 women 6

Figure 1: Casualties by year in Nablus region

	2000	2001	2002	2003	2004	2005	Total
Deaths	38	115	184	79	89	17	522
Injuries	526	515	917	571	478	97	3104
AUROOL DDCC							

Source: PRCS

Figure 2: Palestinian deaths by West Bank region | September 2000 - October 2005



Source: PRCS

B. Demolitions

The city itself has also not escaped the conflict with thousands of private homes, public buildings and religious and cultural sites destroyed and damaged during IDF incursions and search and arrest campaigns.

Close to 900 houses have been destroyed and thousands of others damaged throughout the Nablus governorate. In particular, the governorate has witnessed 'punitive' home demolitions carried out by the Israeli military where the homes of family members of persons alleged to have carried out attacks against Israeli targets were destroyed. These homes were often in multi-storey apartment buildings where the whole building was destroyed leaving scores of neighbours also homeless.

Figure 3:

Building demolitions in Nablus governorate

Total	9,055
Demolished buildings	894
Damaged buildings	8,161
•	

Source: PCBS (Sept 2000 - April 05)

The city's cultural and religious sites have also been hit. 149 cultural and religious sites have been destroyed and a further 2,000 damaged by the IDF, mostly in the historic Old City of Nablus.⁷ These sites have included historic mosques, shrines, churches, traditional bathhouses and old soap factories including the Al-Kharaz mosque (12th century), Al-Shaikh Musallem Mausoleum, Roman Orthodox Church (1882) and the Al-Shifa' Turkish bath (1720). A large number of the Old City's residents have been forced to move to other areas of the city.



Shakaa house demolition, Nablus. Photo by Adid Qasini, March 2005

Case Study Demolitions

The village of Khirbet Tana was almost completely demolished by the IDF in July 2005. Khirbet Tana is located eight km east of Beit Furik, Nablus, and was home to approximately 170 persons. The people of Khirbet Tana are shepherds and farmers who migrated annually to nearby Beit Furik during the hot summer months.

After the series of demolitions in early July, only a mosque and a single building were left. According to the Mayor of Beit Furik, the Israeli military demolished 17 structures made of bricks and metal roofing, five old houses and six one-room houses. The Mayor estimates that the demolitions affected the property of at least 20 families. An elementary school which had been established two years previously and had 40 pupils enrolled was also destroyed. According to local officials no demolition orders had been given to the residents though in June 2005 a demolition order had been found by a shepherd underneath a nearby tree. The military order was for the demolition of one structure (identified by coordinates) because it was built illegally.



Rubble of demolished school, Khirbet Tana, Nablus

C. Socio-economic impact: poverty, employment and unemployment

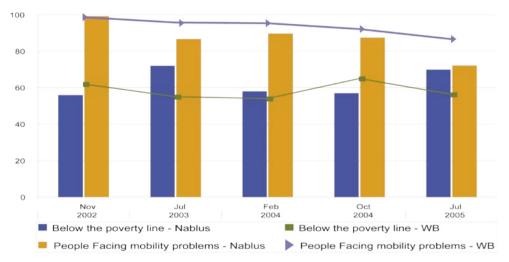
The severity of closures, incursions and curfews has undermined Nablus's once robust economy.

1. Rising poverty

In 2005, despite a decrease in mobility restrictions (discussed below), the proportion of people falling below the poverty line has increased in Nablus (Figure 4).

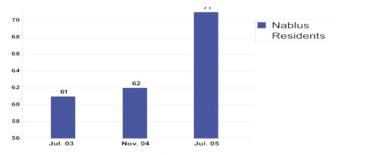
Increasingly, Nablus residents have found that not only their income does not meet the rising cost of living but also, that they have fewer available opportunities to generate income (Figure 5).

Figure 4: Poverty in Nablus and the West Bank



Source: Institut Universitaire d'Études du Développement (IUED) unpublished data

Figure 5: Percentage of Nablus residents with income unable to meet needs

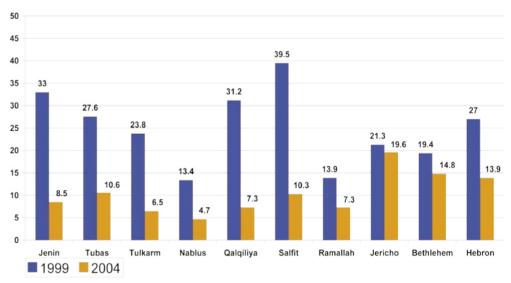


2. Employment and unemployment

Initially strong economic conditions meant that before September 2000 relatively few of Nablus's residents worked in Israel – just 13.4% of the Nablus workforce. However, by 2004, the number of Nablus residents working in Israel fell to just 4.7%. (Figure 6).

Before the start of the second *intifada* in September 2000, the large manufacturing sector employed 21% of the Nablus's residents. Manufacturing in Nablus faced the sharpest fall in employment compared to other West Bank manufacturing centres – a result of movement restrictions in and out of the city (Figure 7).

Figure 6: Percentage of labour force working in Israel by governorate | 1999 - 2004



Source: PCBS unpublished labour force data

Figure 7: Percentage distribution of employed by manufacturing sector in selected governorates | 1999 - 2004

	Jer	nin	Nab	olus	Ram	allah	Heb	oron
Manufacturing Sector	1999	2004	1999	2004	1999	2004	1999	2004
0000	10.0%	8.8%	21.1%	15.8%	17.3%	15.7%	18.1%	15.7%

Source: PCBS unpublished labour force data

Source: Institut Universitaire d'Études du Développement (IUED) unpublished data

COSTS OF CONFLICT **Nablus** after Five Years of Conflict



Huwwara checkpoint, Nablus.

As residents lost wages in local industry and in construction in Israel (Figure 8), they turned to self-employment in agriculture and trade close to home (Figure 9). Self-employment close to home avoids the obstacles faced by commuters but barely pays enough to cover daily necessities. Local work is mostly ad hoc, short-term income-generating activities that can only meet some income needs.

Figure 8:

Location of employment of Nablus governorate residents | 1999 - 2004

			•					
	Agriculture		Manufacturing		Construction		Trade	
	1999	2004	1999	2004	1999	2004	1999	2004
Nablus	91%	97%	79%	94%	45%	79%	83%	93%
Israel and settlements	5%	1%	12%	1%	51%	1%	8%	4%

Source: PCBS unpublished labour force data, selected sectors

Figure 9:

Percentage of employment distributio.n by status in Nablus governorate | 1999 - 2004

7.3%	3.5%
17.00/	
17.9%	28.3%
64.8%	53%
10.0%	15%
	64.8%

Source: PCBS unpublished labour force data

2 What lies behind the humanitarian situation?

A. Incursions and curfews

Nablus has experienced at least eight large scale Israeli military incursions since the start of the second *intifada*. The highest number of casualties was during IDF operation "Defensive Shield" when a military operation lasted for 21 consecutive days in April 2002 in which 67 Palestinians were killed and approximately 160 injured.⁸

During the various military operations, Nablus city stayed under curfew for a total of 240 days forcing its residents inside.⁹ The longest period was between April 2002 and November 2002 when the city was under curfew for 151 days and the curfew was only lifted every few days for a total of 65 hours.

B. Closures

The IDF has imposed severe closures comprising earth mounds, concrete blocks, checkpoints, road gates and trenches restricting movement in the governorate. In November 2005, there were 53 closure obstacles throughout the governorate, isolating Nablus from the outside world.

Nablus city was one of the first locations in the West Bank and the Gaza Strip to witness the initial impact of the second *intifada* which broke out after 28 September 2000. These first clashes took place at Joseph's Tomb close to the Balata refugee camp in Nablus.¹⁰ Huwwara checkpoint was the first closure obstacle to be constructed in October 2000. In the summer of 2001 the IDF started digging trenches and erected earth mounds along the Al Badhan Road (Road No. 57) and further closure obstacles were imposed throughout 2001 on the entrances to the city.

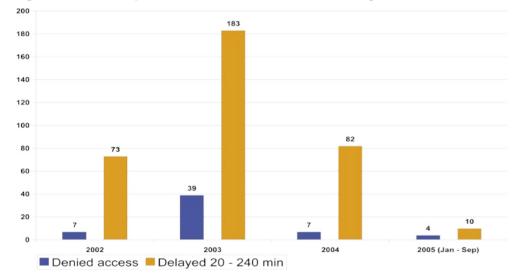
In November 2005, Nablus city is closed by six checkpoints - Huwwara, Beit Iba, 'Awarta, Beit Furik, Sarra and Al Tur - manned by soldiers that control opening times and categories of people who are permitted to pass. Between mid-2002 and October 2003, the checkpoints around Nablus city were only open for pedestrians over 40 years old for approximately 11 hours a day. After November 2003, age restrictions were progressively lifted and the hours in which residents could access the city were increased. In April 2005 age restrictions were withdrawn. Nevertheless, Nablus residents' movement in and out of the city remains restricted.

1. The humanitarian impact of closures

The checkpoints encircling Nablus city have a direct humanitarian impact. For instance, Nablus city is the major centre in the northern West Bank for health services. Nablus has 13 health centres and 6 hospitals including major referral hospitals of Rafidia and Al Watani (for oncology services) (Figure 10).

The delays and denials reported by Palestine Red Crescent Society (PRCS) ambulances at the various checkpoints into Nablus city affect patients from surrounding areas accessing basic medical services in Nablus, referral patients to Nablus specialised hospitals and Nablus residents trying to access other specialised health centres including in East Jerusalem. These restrictions were particularly acute in 2003. Since then, ambulance access has improved. However, delays, denials, arbitrary searches and at times physical abuse of paramedics have affected the work of paramedics (Figure 11).

Figure 10: PRCS reported ambulance incidents, Nablus governorate



Source: PRCS

Figure 11: Health centres in the northern West Bank

City	Health centres	Hospitals	Total Beds
Nablus	13	6	496
Jenin	6	4	191
Tulkarm	2	3	173
Tubas	0	0	0
Qalqiliya Salfit	8	3	65
Salfit	3	1	0

Source: Healthinforum

2. The Impact of closure on urban-rural links

To cope with the strict closure of Nablus city, some services and businesses have relocated to smaller towns and rural communities so as to improve access for those outside the city. New shops and services opened in rural communities catered to local productive activity such as seeds and fertilizers, veterinarian services, fuel and freight transportation and reflect the greater reliance on local agricultural activities (Figure 12). At the same time, there has been a decrease in shops selling items such as fresh meat and furniture due to declining purchasing power and loss of access to Palestinian-Israeli customers.

Facing problems in transporting supplies and finished goods in and out of the city, businesses have opened storage warehouses outside the city freer to facilitate movement.¹¹

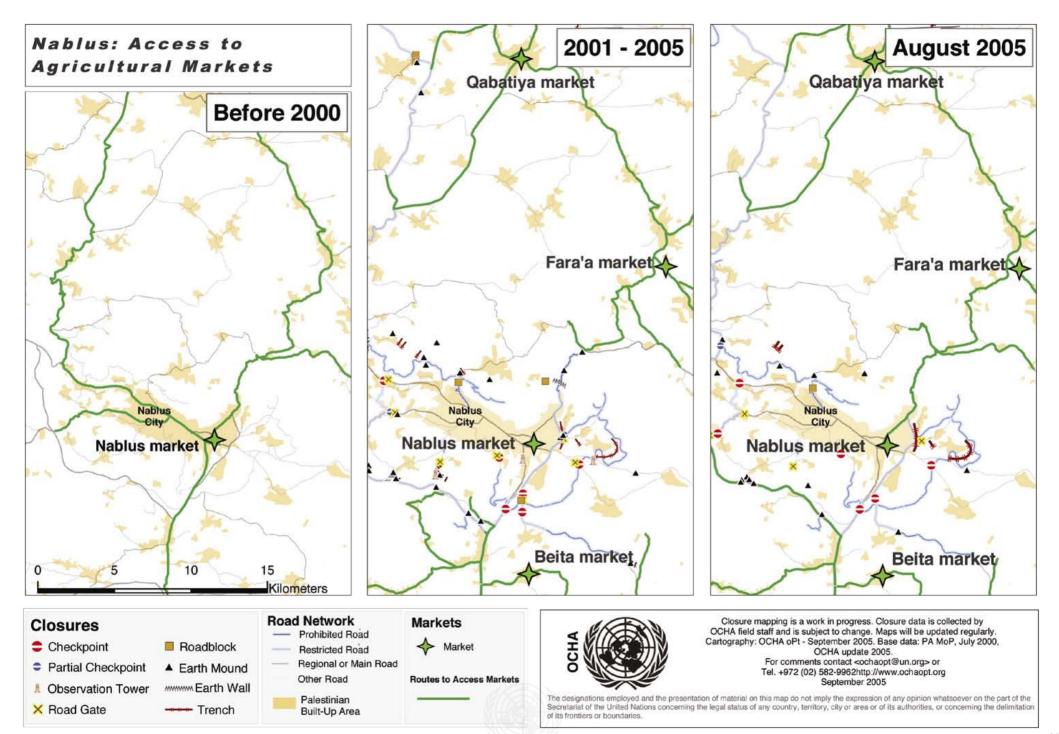
Figure 12: Change in the number of shops by Nablus community

Community (outskirts of Nablus)	Change in the number of shops
Huwara	-57
Deir Sharaf	-17
Furush Beit Dajan	-1
Zeita Jama'in	-1
Duma	3
Qusra	41
Jaba'	62
'Asira Ashamaliya	119
Beita	193

Source: UNSCO 'Fragmented Economies' data



Earthmound, Nablus city main street



Case Study Impact of closure on agricultural markets

The agricultural and livestock market (*Hisbeh*) has moved from the city to smaller communities of Beita (Nablus), Qabatiya (Jenin) and Fara'a (Tubas) to circumvent closure obstacles. These new agricultural markets cannot replace the Nablus *hisbeh* in terms of the volume of sales and customers.¹² Sales of vegetables and other produce in the city's *hisbeh* are now minimal – close to all revenues now come from the rental of shop space, refrigerated storage facilities, and the servicing of previous debts.¹³ For example, since 2000 the value of dairy product exports has fallen dramatically in Nablus from 456.2 to 38.62 in 2002.¹⁴

Some of the implications of the relocation of the Nablus *hisbeh* include:

• *Produce prices:* The Nablus *hisbeh* used to fix agricultural prices throughout the West Bank. Prices are no longer regulated because movement restrictions mean that some goods do not reach markets;

• Employment: Urban residents have lost employment on the city hisbeh;

• *Farmer – trader relations:* Long-established agreements between farmers and traders about credit and prices have been disrupted. Middlemen and traders have come to play a new role in mediating between farmers and markets, providing access to inputs and selling their produce for them. A landowner from Furush Beit Dejan explains:

"Access to the market is a serious issue and you need somebody who can move around and find markets... Without the trader, the farmer is very weak."

Only traders with a permit, trucks, savings and personal contacts could take on this new role. Farmers are in a weaker bargaining position when dealing with individual traders who come to the village to purchase produce. Farmers report that traders take goods for sale but disappear without providing income from sales. One landowner and farmer in the Jordan Valley notes:

"Produce is now purchased by roaming traders visiting rural communities from other West Bank governorates. But they exploit farmers and impose prices that we are forced to accept because we are unlikely to find alternative markets and we cannot store the produce. We are definitely in a weaker position. Closure is limiting farmers' ability to get good prices for produce. Earlier this year, one kilogram of tomatoes was selling for just one shekel due to excess supply while in Nablus it was sold for eight shekels because of the shortages."

• *Cost of goods transportation:* Transportation costs have increased. For example, green-house tomatoes and cucumbers cultivated in the Jordan Valley, northern Nablus, used to be transported through Al Badhan Road to Nablus. The road to Beita is more indirect and involves going through two checkpoints (Hamra and Ma'ale Efrayim).

C. Commercial 'back-to-back' checkpoints ('Awarta)

All goods coming from Nablus city going to Israel or the southern West Bank are required to be inspected by IDF soldiers through a 'back-to-back' system at 'Awarta checkpoint. The inspection requires drivers to offload goods onto the ground for the soldiers' examination; the goods are then reloaded with the help of forklifts either onto the same truck or onto other trucks waiting on the other side of the checkpoint. Currently, approximately 170 - 200 trucks daily approach 'Awarta checkpoint in both directions. These are mostly Israeli trucks which have greater mobility in the



'Awarta back-to-back checkpoint, Nablus.

West Bank.¹⁵ The checkpoint is operational daily between 6am and 5pm, excluding Saturdays and Jewish holidays. During periods of closure or high security alerts, the checkpoint is closed by the IDF. It is estimated that the checkpoint is closed to the passage of goods for 57% of the time available in a year.¹⁶

The back-to-back system increases transaction costs incurred by the Palestinian trader. Additional expenses¹⁷ increase costs ten-fold and goods can be damaged as they are transferred.¹⁸ Delays increase transportation costs and can spoil perishable goods.

The back-to-back system reduces the competitiveness of Palestinian goods and increases reliance on more expensive Israeli trucks to transport goods to and from the city. Restrictions on access have reduced the ability of Nablus companies to trade with the rest of the West Bank.

D. Permits

Since January 2002, traders, bus and taxi companies and private travellers are obliged to obtain a permit titled 'Special Movement Permit at Internal Checkpoints in Judea and Samaria'.

The closure system operates in combination with the permit system to restrict Palestinian pedestrian and vehicular traffic (Figure 13). All vehicles are required to be issued a special permit and are searched. While there has been some extension in the opening hours of checkpoints surrounding Nablus, vehicle permits issued remain valid for only limited opening hours. Trucks entering Nablus also require a permit.¹⁹

Figure 13: Permit requirements in Nablus governorate (October 2005)

Checkpoint	Route	Permit needed (by car / bus / truck)	Remarks
Huwwara	Entry / exit Nablus	Buses and cars – no loaded trucks permitted	Pedestrians no longer need permits to pass through the checkpoint.
'Awarta (commercial)	Entry / exit Nablus	Trucks	Operates on a back-to-back system.
Beit Iba	Entry / exit Nablus	Buses and cars	Trucks with construction material excl. metal and cement are also allowed through.
Beit Furik	Entry / exit Nablus	Buses and cars – no trucks permitted	Beit Furik and Beit Dejan residents can travel through the checkpoint in private vehicles without permits.
Hamra	Northern West Bank and the Jordan Valley	All vehicles and pedestrians	Since 19 October, only Jordan Valley residents are permitted to use this checkpoint. Workers in the Jordan Valley and non- resident landowners need to obtain a permit to pass through the checkpoint.
Tayasir	Nablus and the west to the Jordan Valley	All vehicles and pedestrians	As above
Ma'ale Efrayim	Northern West Bank and the Jordan Valley	As above	As above

E. Trade permits

Palestinian traders also require permits from the Israeli DCL to reach Israel. The number of permits issued has increased over the past two years but more than half of Nablus's registered traders are still unable to travel to Israel (Figure 14).

Figure 14: Number of issued permits to access Israel for Nablus merchants

	2002	2003	2004
Number of registered merchants	5,154	5,350	5,678
Number of issued permits	647	870	1,957
Source: Nablue Chemberg of Commerce			

Source: Nablus Chambers of Commerce

Case Study Business depends on Israeli permits: AI Huda textile factory

On the eve of the second *intifada* in 2000. Al Huda Textiles Factory had signed a contract with an Israeli company worth NIS 4 million (almost USD 900,000). Al Huda was working at full capacity with a staff of 65 workers, producing 500 pieces per day.

With the intensification of Israeli closures after September 2000, the receipt of inputs and delivery of finished garments were hampered and production declined to 150-200 pieces per day. Truck drivers had to sleep at checkpoints, delivery costs rose and orders from Israel fell. During 2002, when the city was split into two and curfews prolonged, the factory owner and a few workers tried to meet dwindling orders, by sleeping at the factory while at other times, closing the factory altogether.

Unable to access his Israeli clients, in 2003. Al Huda's owner decided to move into importing Chinese textiles and offering clearing services to other importers. The situation remained unchanged until September 2005, when the owner received his first permit valid for one day. He used the opportunity to visit his Israeli customers and obtained two contracts to supply school uniforms and Jewish orthodox outfits.

The owner is hopeful that the Palestinian textiles sector can revive its production for specialized items required frequently and in small quantities from Israelis and thereby stave off competition from the Chinese textiles industry. His company still works far below its capacity but believes that if issued with more permits, it can obtain more contracts.

F. The West Bank Barrier

While internal closure has eased modestly, the Barrier has reinforced external closure and the difficulties for residents in reaching Israel. Although the Barrier does not run through Nablus, it still has an impact particularly on the access of workers, producers and traders to Israel (Figure 15) and access for what have been traditionally Arab-Israelis to Nablus's markets.

Figure 15: Impact of the Barrier in Nablus

Barrier prevents household members from reaching their place of work	23%
Barrier makes it difficult to market agricultural produce	16%
Barrier increases the price of inputs and transportation costs	29%

Source: Institut Universitaire d'Études du Développement (IUED) Public Perception survey unpublished data, November 2004

G. An easing of closures

The removal of a significant number of closure obstacles in the second half of 2005 – from 114 in July 2004 to 53 in November 2005 - has improved movement between rural communities and Nablus city (Figure 15).

There has been a moderate change on the checkpoints and other closures surrounding Nablus in 2005. While the closing hours of some checkpoints into Nablus city have been recently extended by the IDF²⁰ they remain subject to change and further restrictions. Importantly, 'Awarta commercial checkpoint opening hours remain the same.²¹ Searches are only occasionally conducted on people entering the city but are mandatory for people exiting.

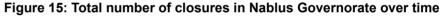
The removal of closure obstacles at Al Badhan Road (see West Bank Closures - Nablus , October 205 map) has had a noticeable effect on movement in and out of the city. While the Al Badhan Road is across difficult terrain, it allows relatively free access of Nablus city's residents to Tubas and Jenin in the northern West Bank. The positive economic impact is limited however since products are not being transferred from the Nablus market to the other areas of the northern West Bank as was the case prior to the second *intifada*.

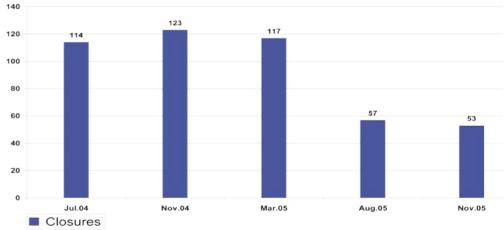
The halving of the number of closure obstacles in place is not matched by an equivalent reduction in hardship. Physical obstacles located in strategically important locations – for example, near Nablus' 14 settlements and 26 outposts, at junctions between

Palestinian roads and Israeli bypass roads and around the city – remain in place. Israel has upgraded some of these checkpoints, such as the Tappuha Junction and Huwwara checkpoint, suggesting a more permanent presence.

Tappuha Junction (Za'atra checkpoint) straddles the junction of Roads No. 60 (north-south) and No. 505 (east-west).

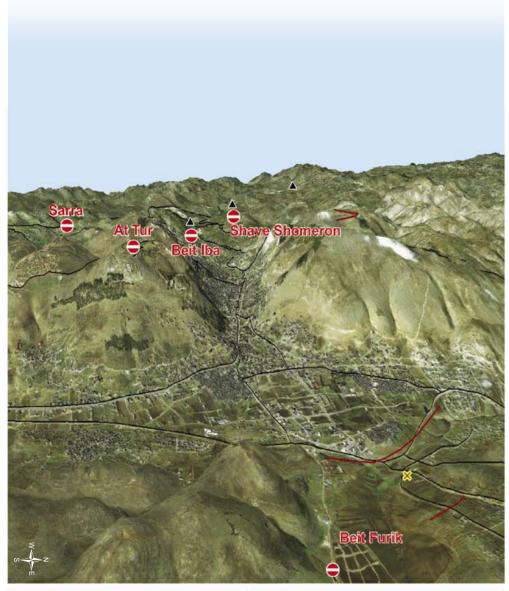
A tightening of restrictions has been observed in some locations following Israeli disengagement from parts of the northern West Bank in September 2005. Since 19 October, Hamra checkpoint is closed for all Palestinians except residents of the Jordan Valley. A significant further development is the closure of Shave Shameron checkpoint, which like Hamra, is blocking movement to the northern West Bank. Prior to Israeli disengagement, traffic was able to bypass Nablus to the west via Shave Shomeron. This checkpoint was closed during disengagement (15 August 2005) to allow for the evacuation of settlers. As of the end of November 2005, these restrictions have not been lifted. The result is that the northern West Bank is separated from the Jordan Valley as well as from the central and southern areas.



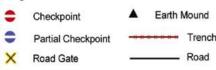


Source: OCHA

Topology & Closures - Nablus | October 2005



Legend



Closure mapping is a work in progress. Closure data is collected by OCHA field staff and is subject to change. Maps will be updated regularly. Cartography: OCHA oPt - September 2005. Base data: PA MoP, July 2000, OCHA update 2005. For comments contact -ochaopt@un org> or Tel. +972 (02) 582-9962 http://www.ochaopt.org

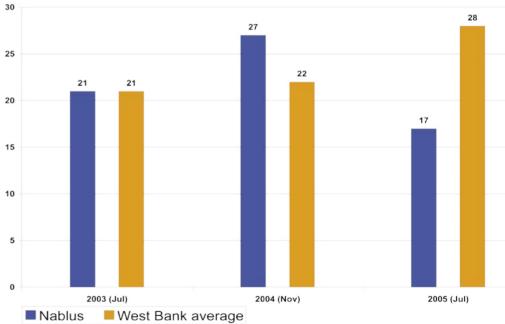
OCHA 2005. Nablus residents have showed increasing optimism about their situation compared both to previous years and to other governorates in the West Bank according to the latest round of surveys polling Palestinian public perceptions. In contrast to the West Bank as a whole, there was a drop in the number of Nablus residents who perceived themselves as poorer than their neighbours (Figure 16). In Nablus, fewer residents in 2005 view themselves as worse off than others in their community, a reflection of the easing of closures and permit restrictions in Nablus.



hoto by OCHA, August :

This brighter outlook, however, has not translated into an improved humanitarian situation but rather indicates an adjustment by Nablus residents to the closures and changed circumstances.

Figure 16: Percentage of people who consider themselves financially in a worse situation than people of their community



Source: Institut Universitaire d'Études du Développement (IUED) unpublished data

Case Study Some improvement for a business located on Beit Iba checkpoint: White Rose Company

The Shabaro family established White Rose company in 1992 with the help of a loan from the Arab Bank and the Palestine Development Fund. White Rose was one of the biggest confectionery companies in the West Bank. After September 2000, the company could no longer transport its goods to the Gaza Strip, which had constituted half its market.

Closures also made it difficult to reach the southern and central West Bank with the result that the company relied solely on sales in Nablus, which made up just 5% of the company's market prior to the first *intifada*. In 2002, the company's predicament worsened when an Israeli checkpoint was placed next to the factory. The owner and workers were required to obtain permits to reach their workplace on the other side of Beit Iba checkpoint. The factory closed a few months later.

In December 2004, the owner returned to the factory with the intention of reopening it. Much of the equipment had been looted, and with his credit lines cut, he reopened just one production line. He is now able to sell confectionery in other West Bank governorates, not directly as he had done before 2000, but through three middlemen who are able to move goods using yellow-plated trucks and Jerusalem identity cards. Israelilicensed yellow plated trucks have greater ability to move in the West Bank than Palestinian green plated ones. Traders holding Jerusalem identification cards are increasingly used to transport goods because they have greater mobility than West Bank identity card holders through out the West Bank.

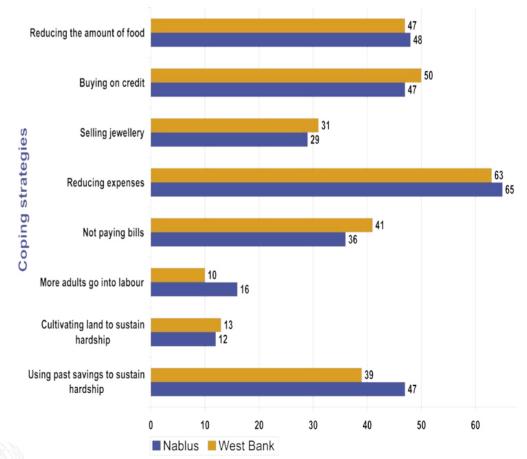
The factory owner is not able to reach his Gaza market due to the high transportation costs. Besides, he cannot even meet demand coming from the West Bank because Beit Iba checkpoint restricts the hours during which workers can be in the factory. At times, workers have to transport the goods on foot across the checkpoint.

3 Needs and Response: Coping strategies and the role of aid

A. Coping Strategies

Nablus residents increasingly rely on short-term coping mechanisms as assets are exhausted. Selling jewellery was the most important strategy at the beginning of the second *intifada* but five years on, this strategy is no longer sustainable for many residents because there are few income-generating options to regenerate savings and assets. In 2005, Nablus residents reduced expenses, the amount of food consumed and rely more on credit as alternative coping mechanisms (Figure 17).

Figure 17: Use of coping strategies in Nablus and the West Bank



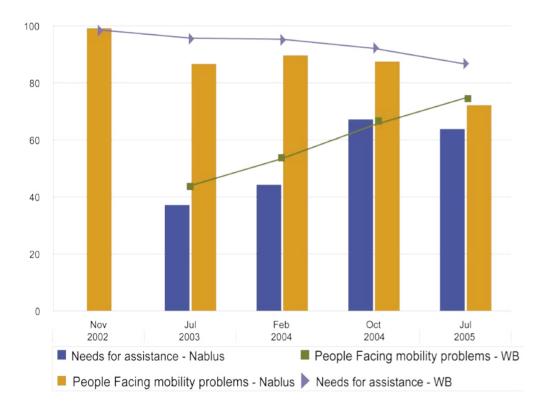
Source: Institut Universitaire d'Études du Développement (IUED) Round 9 unpublished data, July 2005

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B. Role of Aid

For those whose coping strategies are close to exhaustion, assistance becomes more important. Approximately one-third of Nablus residents in July 2005 stated that the importance of external aid in the household budget had increased in the past six months.²² The most important unmet needs are for financial assistance and employment.²³ Throughout the second *intifada* the need for assistance has remained at above 60% (Figure 18).

Figure 18: Need for assistance in Nablus and the West Bank



Source: Institut Universitaire d'Études du Développement (IUED) Round 9 unpublished data

Conclusion

Between September 2000 and 2003, Nablus faced some of the most severe closures, curfews, and incursions in the oPt. As a result, it had among the highest number of casualties and house demolitions experienced. The IDF has maintained that its military targeting is justified by the security threat emanating from Nablus city.

Israel's security measures eased in 2005. This buoyed Nablus residents psychologically, but while their optimism about the future has increased, no real socio-economic improvements are yet apparent. Residents find it difficult to cope and rely on increasingly short-term coping strategies. Their need for assistance has remained high over the past couple of years. And in 2005, the population continued to get poorer.

The findings presented here suggest that internal closure continues to pose serious impediments to socio-economic activity. Further, the permit system and the construction of the Barrier make access to local and Israeli markets for Nablus goods more difficult. For there to be an improvement in socio-economic conditions, there needs to be a further easing of movement restrictions. Continuing aid flows will do little to relieve hardship in comparison with the impact of the relaxation of movement restrictions within the West Bank and to Israel.



Nablus. Photo by OCHA, June 2005

Endnotes

- 1. PCBS 2005 Mid Year Projections (available at: http://www.pcbs.gov.ps)
- According to the World Bank's Fifteen Months Intifada, Closure and Palestinian Economic Crisis: An Assessment, Nablus city was hardest-hit of all West Bank cities, with repair costs there estimated at US\$ 114 million (available at: http://www.worldbank.org).
- Nablus is considered by the IDF as the capital of terrorism, with more than 60% of all terrorist activities in the West Bank purportedly planned there (Meeting with IDF DCL Nablus, Lt. Col. Raed Mansour, 13 October 2004).
- 4. Miriam Shahin, Palestine: A Guide (2005).
- 5. 1 January to 31 October 2005.
- 6. PCBS and Defence of Children International (Palestine Section).
- 7. Meeting with Ms. Suheir Freitekh, Department of International Relations, Nablus governorate (2004) and RIWAQ (Centre for Architectural Conservation, Ramallah).
- 8. PRCS (available at www.palestinercs.org).
- Data on curfews between April June 2002 supplied by Nablus governorate; June 2002 – December 2005 by PRCS (available at www.palestinercs.org).
- 10. In October 2000, six Palestinians and one Israeli were killed in clashes near the tomb.
- **11.** The problem with this solution reported by business owners is the additional fixed costs and threats of robbery.
- **12.** Taking the sales (revenues data provided by the Beita municipality) from the Beita *hisbeh* as an indication, it is unlikely that the three alternative smaller markets together have the same level of turnover as the Nablus *hisbeh*.
- 13. Nablus Chambers of Commerce.
- 14. Figures are in terms of export value in USD 1000.
- **15.** Goods crossing at 'Awarta checkpoint include construction materials, foodstuffs and agricultural produce (Paltrade, *Trade Impediments*, April 2005, at p. 1).
- **16.** The calculation includes Jewish holidays but does not include the additional periods of closure imposed during security alerts.
- **17.** For example, Palestinian traders have to pay for the use of forklifts and labourers to shift pallets (respectively NIS 100 200 and NIS 5 per pallet).
- 18. Paltrade, Trade Impediments, March 2005, p.4
- Israeli authorities provide a limited number of permits (30 permits per month) for Palestinian trucks to exit Nablus, and these permits are for specific trucks carrying specific cargos (Paltrade, Trade Impediments, May 2005).
- **20.** In early October the IDF reported that Huwwara checkpoint was now open 24 hours a day and Beit Iba checkpoint open between 5am and 11pm.
- 21. 'Awarta checkpoint is open between 6am to 5pm Sunday to Friday.
- 22. Institut Universitaire d'Études du Développement (IUED), Poll #9.
- **23.** According to the Institut Universitaire d'Études du Développement (IUED), Poll #9, the need for financial assistance has fallen since 2004 while the need for employment has increased.



Beit Iba checkpoint, Nablus. Photo by OCHA / Steve Sabella, June 2005 UNITED NATIONS Office for the Coordination of Humanitarian Affairs occupied Palestinian territory



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