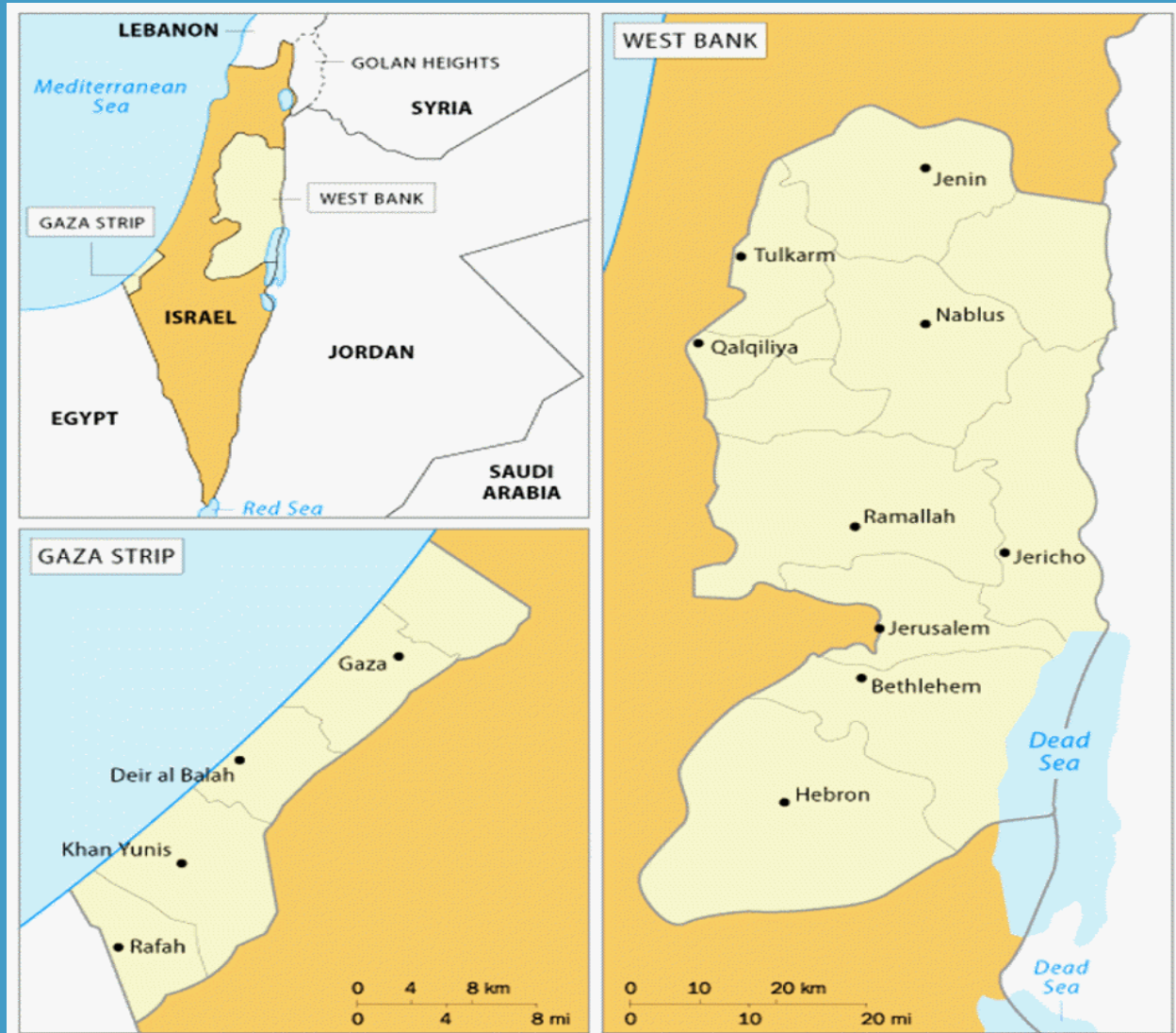


# PALESTINIAN REFUGEES: IMPLICATIONS OF ISRAELI DISENGAGEMENT FROM GAZA

## *Summary of Workshop*



*Map courtesy of USAID*

**Institute for the Study of International Migration**  
**Edmund A. Walsh School of Foreign Service**  
**Georgetown University**  
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## I. REFUGEES, DISENGAGEMENT, AND THE ISRAELI-PALESTINIAN PEACE PROCESS

The workshop participants were brought together for two days to discuss the proposed Israeli disengagement from Gaza and parts of the West Bank. A number of the participants had participated previously in the negotiations leading up to the unofficial Geneva agreement of 2004 and in other venues of negotiation. Using the projected Israeli Disengagement Plan (DP) and Palestinian refugees as points of departure, the workshop took up a broader range of issues that define the peace process overall, including political challenges, economic improvements, options for sustainable livelihoods, employment, infrastructure, housing, social services, etc. The participants examined opportunities related to the withdrawal from Gaza in a larger context, considering links between Gaza and the West Bank, the nature of Israel's future engagement, relations with the Middle East region and other international actors. A number of participants emphasized that the situation in the Gaza Strip could not be considered separate from that of the West Bank.

The entire group agreed that the Palestinian refugee issue constitutes a fundamental and a particularly sensitive item for eventual final status negotiations between the two parties. The sensitivity has extended to proposals to improve infrastructure, housing and general physical conditions in refugee areas. The issue for the workshop participants was humanitarian in nature: how present conditions of life for Palestinian refugees could be improved as a consequence of Israeli withdrawal and of the evolving dialogue between Palestinians and Israelis on a variety of questions. Gaza-based refugees, in particular, have long endured miserable living conditions, and these conditions have deteriorated much more due to more than four years of intifada, incursions, demolitions, and the closure regime.

Discussions on the livelihoods of refugees, who constitute some 65 percent of the population of Gaza, necessarily involve their non-refugee neighbors as well, since the welfare of these groups is and will remain inextricably connected. Likewise,

improvements in the future livelihoods of Gaza – and West Bank – residents depend on continuing progress in the peace process. None of the participants saw an Israeli disengagement from Gaza in isolation of the broader process, although there were disagreements as to the motives for the disengagement, its significance for the peace process, and how it would be implemented. Many of the Palestinian speakers are convinced that withdrawal from Gaza comes with a price, which they view to be expanded Israeli settlements in the West Bank and further restrictions on movement with the completion of the security barrier/wall, especially around Jerusalem. In this scenario, an isolated Gaza enclave could not be a viable political or economic entity and, more importantly, the peace negotiations would be side tracked. The Israeli participants, for their part, underscored the significance of the facts that the military presence will be withdrawn, settlements dismantled, and international support would flow to Gaza. They affirmed that a positive process in Gaza could open the way to similar actions in the West Bank, and that the Israeli public is more prepared to accept this outcome than at any time since the Oslo peace accord more than a decade ago.

## II. DISENGAGEMENT: THE “FINE PRINT”

What does disengagement mean? Israeli security forces will leave, but how close by will they remain? Under what circumstances will they re-enter Gaza? It is generally expected that Israel will leave behind most of the economic infrastructure and, probably, housing as well, but will Palestinians have use of the airport, access to the Karni crossing, Philadelfi corridor; will there be a usable seaport? Will goods and people be able to move through checkpoints into Israel, pass the frontier into Egypt, and form an economic/political unit with the West Bank? The answers to these questions, none of which have been clarified fully, will bear strongly on the well being of Gaza residents, refugee and non-refugee alike.

To summarize the discussion points, it appears that the Israeli government intends to sever to the extent possible its ties to Gaza, and plans to end Palestinian labor in Israel by 2008. Israelis propose that Palestinian labor can find other outlets, probably in Egypt. That said, it is not possible at this point to separate the infrastructure of electricity and water serving both areas, nor can Egypt furnish the markets or supplies Gaza will require. The Israeli government will urge the international community to help build a viable economy in Gaza precisely so that Gaza will not depend on Israel. Desirable as that may be from many perspectives, the governmental and international agency representatives present (UNRWA, World Bank, US and Canadian governments) were unanimous in insisting that a viable economy in Gaza will depend on its access to the West Bank and world markets and on greater freedom of movement of goods as well as people. In this context the airport, seaport and crossing points are of great importance. This is discussed under section IV below. The point is that in setting the parameters of disengagement, Israel will be faced with a difficult trade-off, pitting its immediate security concerns against its long-term vision of a disengagement from Gaza that separates the Israeli and Palestinian populations.

The nature of Israeli withdrawal from Gaza has not been negotiated between the parties and only very recently has the Israeli government expressed an interest in coordinating with the Palestinian Authority (PA). The PA has been reluctant to engage, in order not to bestow legitimacy on a process which could expand Israeli settlements in the West Bank. Because, thus far, the plan is being determined unilaterally, Palestinians are still unaware of the outcome of the above points and are suspicious about the late call for coordination. All agreed that greater clarity is of utmost importance.

### III. PROSPECTS FOR PALESTINIAN REFUGEES IN GAZA

Almost one million Palestinian refugees live in Gaza, representing about two-thirds of the population, and another 680,000 refugees live

in the West Bank. Forty nine percent of the refugees in Gaza live in eight camps located throughout the territory; 26 percent of the West Bank refugees live in camps. These camps range in size from 20,000 to more than 100,000 people. About 45 percent of the refugees are under the age of 16. The refugees live in deplorable conditions, worsened during the past five years by the violence of the intifada and actions taken to subdue it. More than 50 percent of the population, including the refugees, is out of work. The UN Office for Coordination of Humanitarian Affairs reports close to two million Palestinians, 62 percent of the population, are considered "vulnerable" because they have inadequate access to food, shelter or health services. Moreover, military incursions into Gaza have repeatedly damaged sewerage, road systems, electrical grids, water treatment plants, telephone networks, and other municipal infrastructure in both the camps and the towns and cities, and demolitions have left thousands of refugees homeless. A regime of closures, including widespread curfews, roadblocks, checkpoints and border closures, which were implemented to increase security, has severely damaged the economy of both the West Bank and Gaza.

The disengagement does not affect the legal status of Palestinian refugees, and the resolution of refugee status remains to be negotiated in the context of the peace process. The evacuation of settlements and the economic infrastructure that will be left behind, however, provide opportunities for creating better living conditions and possible economic opportunities. The Planning Ministry is now drawing up tentative plans to achieve these ends, but requires the details regarding Israeli intentions. While the Ministry will not make distinctions between refugee and non-refugee areas in its planning, UNRWA will continue to service only refugees while the PA will be responsible for non-refugees

#### **HOUSING AND SERVICES**

About one half of the 950,000 refugees in Gaza live in camps. Inadequate housing and residential services are pressing issues facing all Gaza

residents, but particularly the areas settled by refugees. During the intifada, Israeli security forces bulldozed some 3,000 homes (housing about 30,000 refugees). Rebuilding these homes is a priority and recently Saudi Arabia and Japan contributed \$20 million and \$15 million, respectively, to UNRWA for this purpose.

The decision to build permanent structures is politicized, as noted above. It has been widely believed that creating better and more permanent dwellings for refugees in Gaza will appear to constitute an abandonment of claims to their right of return. To date the PA has granted some land for the refugee population but not built dwellings or installed urban infrastructure. Workshop participants generally accepted the view that Palestinian refugees should partake of the same economic, cultural and social rights as other refugees around the world. This being the case, refugee experts among the participants insisted, improving refugee housing in Gaza would not prejudice either their right to return or to compensation. Because this view is not pervasive among the refugees themselves, it is necessary for Palestinian leadership to undertake a public relations effort to spread this message.

Upgrading and repairing housing for the benefit of refugees and the non-refugee poor will be costly. Studies by the World Bank, first in 2000 and more recently updated, estimate that construction of new housing units in Gaza would be in the range of \$75,000 per unit. Making potable water widely available is another costly task. UNRWA already has been striving to repair and upgrade housing, but its emergency appeals for West Bank and Gaza over the last several years have been only about 50 percent funded, restricting its ability to build housing. The number of houses that will be abandoned when settlements are evacuated is minuscule compared to the number of Gazans needing shelter and inappropriate for large Palestinian households. The land itself may prove to be of greater value.

UNRWA's mandate is primarily to serve refugees, but this can be difficult in a place like Gaza where refugee and non-refugee communities are very much linked and physically proximate. UNRWA provides relief, education, shelter, and

social services—more now than ever before due to the economic downturn since the intifada and reprisals. However, UNRWA relies entirely on voluntary contributions, and donors have not kept pace with growing humanitarian needs. Consequently, the capacity building and social services for which UNRWA is responsible have been adversely affected despite the increasing needs of a growing population. Emergency funding has been shrinking. The educational system, once a point of pride for UNRWA (literacy among Palestinians is more than 90%), has deteriorated due to the restrictions that frequently impede teachers from coming to class, the double-shifted schools, the high student/teacher ratio, and the violence that causes schools to close for periods of time. Added to the physical impediments are psycho-social problems that are so widespread among young people who have witnessed violence during the last five years.

## **ECONOMIC VIABILITY**

Gaza enjoys a seaside location that might someday attract tourists, but the area lacks resources outside of small, as yet unexploited, gas reserves. Thus far labor has been the major export but, according to World Bank figures, the economy has declined 30 percent and employment has fallen by 65 percent since the outbreak of the intifada in September 2000. Refugees and non-refugees alike now survive in large part thanks to family remittances and international aid – the highest per capita in the world. Job creation is essential, but in the private sector it has been hampered and will continue to be hampered by closures that impede trade with the outside world.

While in the short term Palestinian labor in Israel will continue to provide an important source of income for many families, in the longer-term Gaza should not depend on the export of labor but, rather, as all agreed, on labor absorbing local production for export. The PA has developed a Medium Term Development Plan that foresees moving away from reliance on humanitarian assistance and toward development goals. Present sources of income, tourism, small-scale furniture

manufacturing, and stonework have served primarily a local market but could be expanded. This will occur if, and only if, Gaza establishes trade links with the West Bank and the rest of the world. In other words, future economic productivity relies on the ability of Palestinians to move their goods within the Palestinian territories and on to the world market. Absent these conditions, Gaza will remain dependent on international aid and not receive the economic investment it needs.

Israeli settlers have established agricultural enterprises and green house crops. Presently, these crops feed the settlements and Israel proper. Israel could take measures to facilitate a smooth transition, but there may be resistance from both Palestinians and Israelis to further involvement of the latter following disengagement. The future disposition of the agricultural products remains to be defined, based not only on Israeli decisions but also on political and social choices made by the PA as to which sectors will benefit. While it is projected that private sector involvement will allow the abandoned Israeli agricultural enterprises to continue in operation, major questions remain regarding export possibilities in a still restrictive context. Addressing short-run needs, workshop participants discussed remittances connected with microfinance, credit and training for women, and short-term donor supported projects. Much is already underway, supported by NGOs, INGO and the PA itself, but more coordination is needed among these entities to determine gaps and to avoid duplication. The Palestinian diaspora could contribute significantly to economic development, but they will invest only if convinced of the security of their investments and that steps are being taken to combat corruption and build a free market economy.

#### IV. GAZA: POLITICAL ISSUES

Several issues arose repeatedly:

- The linkage or lack of linkage between improved living conditions for refugees in Gaza and the eventual final status agreement that will determine their rights and options.

- The linkages between Israeli disengagement in Gaza and either a consolidation of Israeli control in the West Bank or a continuing process of evacuation and withdrawal.
- Ties between Gaza and the West Bank, the two parts of the Palestinian territory and East Jerusalem.
- Decisions as to whether Palestinians will or will not be permitted to build a seaport, reopen the airport, control the Philadelfi Corridor, and be able to move freely through key border crossings. (Israeli participants believe that their government is unlikely to approve reopening the airport, will approve the seaport, and have yet to reach decisions on the other questions.)
- How Israeli security concerns will be addressed in view of the government's expressed intention and desire to effect a genuine disengagement from Gaza.
- Bases on which Israel will determine its future policies and practices at border crossings.
- Results of the forthcoming elections and impacts of these results.
- The overall political process before, during and after the disengagement
- The role, if any, of international actors in maintaining stability.
- Mutual fears of reprisals vs. political will on both sides to move forward.

The workshop participants referred frequently to the Geneva peace process, and the promise held out by the Geneva agreement. But all recognized the extremely difficult decisions that lie ahead, among which, questions of refugee status and rights are especially controversial.

#### V. INTERNATIONAL ACTORS

**U**NRWA works in five countries and maintains a headquarters in Gaza. Its mandate is to support Palestinian refugees, providing relief as needed, running education, health and other ser-

vice programs, and training refugees. Presently UNRWA devotes 60 percent of its budget to education; however, donor contributions have not kept pace with growing needs in all sectors. UNRWA operates at the community level, meaning that its food assistance and other services reach a small number of non-refugee poor as well as refugees. Prospects are good that there will be continuing and increased levels of donor support to UNRWA so long as the peace process is not again abandoned. UNRWA has sought to improve the housing and environmental conditions in which Palestinian refugees live, but has encountered political and security obstacles in doing so; at present UNRWA has inadequate funding to make significant improvements

The United States, along with European and Arab donors, has been a major contributor to UNRWA. The US in particular has been a critic of some of UNRWA processes and has pushed for greater transparency. The PA, as well as UNRWA, depends on donor contributions that have not kept pace with the needs of a growing, impoverished population. This is due partly to donor fatigue after so many years, but it is also very much a consequence of frustration at the continuing violence and poor governance. So long as the pattern of terrorist attacks and reprisals has continued, donors have been asked to contribute funds to such tasks as rebuilding homes that were destroyed and may be destroyed yet again. With the halt of violent actions, donors will contemplate investing in longer-term projects, a far more attractive option. Likewise, to the extent that the PA and UNRWA exhibit rational planning and transparency in the disposition of funds, donor skepticism will diminish.

NGOs like ANERA, CARE and others (including local NGOs and Islamic charities), have filled some of the gaps in social services, with programs to help the most vulnerable, technology training for youth, psycho-social attention, and similar programs.

The World Bank Report issued in 2004 (*Disengagement, the Palestinian Economy and Settlements*) has served to inform and guide potential national and private investors regarding conditions in the Palestinian territories and the consequences

of Israeli disengagement. The Bank now is planning a new meeting with donors to raise funds for Palestinian recovery. The Bank is expected to support infrastructure restoration and building where possible, e.g. the construction of sea port facilities, and may invest in natural gas production.

Coordination among donors, UNRWA and NGOs has been a problem at many levels. Workshop participants acknowledged the problem and suggested most of the relevant actors are taking steps to improve present practices. In view of rising anticipated expenses, all agreed that it is absolutely essential to use donor funds to maximum efficiency following Israeli disengagement. This will be facilitated to the extent that Israelis and Palestinians also find ways to coordinate the process.

Many of the participants at the Workshop called for the involvement of a "third party" who could work with both Israelis and Palestinians, exert pressure where needed, maintain communications among all concerned, and keep the process on track. That third party may in fact have arrived in the person of James Wolfensohn, former World Bank president, recently appointed Special Envoy for Gaza.

## VI. NEXT STEPS

Participants were largely in agreement that it is essential to view improvements in the conditions under which Palestinian refugees are currently living as a humanitarian issue and not as political actions. The evacuation of settlements in Gaza and the northern West Bank should be seen as an opportunity, not a solution. In this context, the Israeli disengagement and the departure of the settlers offer important opportunities for improving refugees' well being.

They also agreed that Israeli disengagement should take place in coordination with Palestinians. This is difficult to achieve because until now the process has been unilateral and the two parties have very unequal weight in decision-making. It is, therefore, important to establish mechanisms for coordination in which all relevant

parties will have influence and weight. All concerned with rebuilding and improving life in Gaza urgently await greater clarity regarding access to contested areas, border crossings with Israel, Egypt, use of Israeli infrastructure, the management of future check points, and physical connections between Gaza and West Bank.

The present well being and future status of Palestinian refugees, in one way or another is the shared responsibility of the international community, Israel, the Palestinians and other refugee hosting countries, and remains a central issue on the peace agenda. In the short term, donors and NGOs, working with UNRWA and the PA, should emphasize employment generation and projects that can be quickly funded and executed to alleviate poverty. These should benefit refugees and the non-refugee poor. In the longer run, development options for Gaza and the West Bank will require a lifting of the closure regime and private as well as public investment. This, in turn, requires increased confidence in enduring peace and good governance.

## **AGENDA: PALESTINIAN REFUGEES IN GAZA**

### **SUNDAY AFTERNOON, 3 APRIL 2005**

12:30 – 14:00 Lunch

14:00 – 14:30 Welcome and Introductions  
Purpose of the Workshop

14:30 – 15:45 Developments in Palestine and Israel: Implications for Refugees in Gaza and the West Bank

*This session will review recent developments, with particular focus on the disengagement plan and broader negotiations between Israel and the Palestinian National Authority. The implications of these political developments for improving the lives of Palestinian refugees will be discussed, as well as lessons from other refugee situations.*

15:45 – 16:00 Break

16:00 – 17:30 Housing and Infrastructure

*This session will examine the current state of housing and infrastructure and identify policies and programs needed to improve the physical living situation of the refugees and their neighbors.*

17:30 Adjourn

19:00 Dinner

### **MONDAY, 4 APRIL 2005**

08:30 – 09:00 Coffee and Breakfast

09:00 – 11:00 Improving Livelihoods and Economic Opportunities

*UNRWA estimates that “more than 50 percent of the population is out of work - putting 50-60*

*percent of the population under the poverty line with an income of below \$2 a day.” This session will examine policies and programs to improve livelihoods and economic opportunities for refugees and their neighbors.*

11:00 – 11:15 Break

11:15 – 13:00 Social Services (Education, Health, etc.)

*The UN Office for Coordination of Humanitarian Affairs reports in its Consolidated Appeal for funding in 2005, “64 percent of Gazans are poor and around a quarter live in deep poverty, unable to meet adequately their food needs even with aid. Health standards have also been falling since 2000.” This session will examine social services now available to Gazans and policies and programs to improve their health and nutrition and meet their other needs.*

13:00 – 15:00 Lunch

15:00 – 17:00 Governance, Security and Institutional Arrangements for the Transition Period and Beyond

*This session will examine governance and security issues that are likely to influence future opportunities for refugees. The institutional arrangements for effecting the improvements identified in previous sections will also be discussed, including the roles and responsibilities of the PNA, UNRWA, NGOs, donors and other interested parties.*

17:00-18:00 Next Steps: Conclusions and Recommendations

End of Workshop

### **TUESDAY, 5 APRIL 2005**

10:00 – 12:00 Public Forum

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