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War on Gaza: social and economic repercussions

Summary

The Economic and Social Commission for Western Asia (ESCWA) monitors and analyses the social and economic conditions in the occupied Palestinian territory, and the repercussions of Israeli practices and policies therein and of international law violations committed in the context of the occupation, as mandated by member States in several resolutions, including resolution 316 (XXVIII) of 18 September 2014, resolution 326 (XXIX) of 15 December 2016, and resolution 330 (XXX) of 28 June 2018.

The present document reviews the economic and social conditions in the occupied Palestinian territory prior to the outbreak of the Israeli war on the Gaza Strip that began on 7 October 2023. It then addresses the effects on Gaza of the death, destruction and displacement as a result of the war, its negative effects on the Palestinian economy, and its catastrophic repercussions for social sectors. The present document also outlines some of the direct effects of the current war, and its long-term economic and social repercussions, not only for Gaza, but for the entire occupied Palestinian territory. It is estimated that Palestinians will continue to suffer for decades from the unprecedented scale of destruction and losses.

The Commission is invited to review the present document, and to provide comments on how to support the Palestinian people in dealing with these repercussions.

E/ESCWA/31/8

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Introduction

- 1. Pursuant to several of its resolutions, including resolution 316 (XXVIII) of 18 September 2014, resolution 326 (XXIX) of 15 December 2016, and resolution 330 (XXX) of 28 June 2018, the Economic and Social Commission for Western Asia (ESCWA) has mandated the ESCWA secretariat to continue monitoring, analysing and documenting the repercussions of the Israeli occupation for the Palestinian people, for their society, economy and infrastructure, and for the economic and social development of current and future generations; and Israeli violations of the rights of the Palestinian people and of international law, and to submit periodic reports to the Commission in that regard. Member States also requested the ESCWA secretariat, through two recommendations made by the Executive Committee at its seventh meeting (online, 21 December 2020) and eighth meeting (Amman, 23–24 December 2021) to continue performing monitoring and analysis activities to raise awareness of Israeli policies and practices and their direct and long-term repercussions for the Palestinian people, especially policies aimed at consolidating Israeli control over Palestinian land and keeping the Palestinian economy dependent on Israel; and to intensify efforts to support the vision of the State of Palestine on economic disengagement from occupation, and strengthen the capacity of Palestinian institutions, particularly in the area of service delivery.
- 2. The Palestinian people continue to suffer from injustice and discriminatory Israeli policies that seek to fragment them, which include violations of international law and of the individual and collective rights of Palestinians. Millions of Palestinians are part of the diaspora, or live in refugee camps in the occupied Palestinian territory and in countries of asylum. They are deprived of their right to return, which was affirmed by the General Assembly of the United Nations in resolution No. 194 (III) of 11 December 1948. Moreover, Palestinians who hold Israeli citizenship suffer from societal and institutional discrimination, and Palestinians in the occupied territory suffer from the burden of direct occupation and its practices.¹
- 3. The Israeli occupation undermines development through its policies and practices, reinforces the dependency of the Palestinian economy on Israel, destroys productive sectors, and violates the human rights of the Palestinian people.² The Israeli occupation of the occupied Palestinian territory has been ongoing for 56 years, including practices that may amount to international law violations, and arbitrary measures against Palestinians in the West Bank and Gaza.³ The West Bank suffers from fragmentation, military checkpoints, settler violence, occupation oppression, and land confiscation.⁴ Gaza has been under a severe blockade for 16 years, which has led to humanitarian crises and deteriorating economic and social conditions. Throughout the blockade, Israel conducted several military operations in Gaza. On 7 October 2023, it launched a war with unprecedented humanitarian, economic and social repercussions.
- 4. The present document reviews the economic and social conditions in the occupied Palestinian territory prior to the war on Gaza that broke out on 7 October 2023, until the date of the temporary truce on 24 November 2023. It analyses the direct effects of the war on the Gaza and the rest of the occupied Palestinian territory, and its long-term negative repercussions.

I. Economic and social conditions before the current war on Gaza

5. The policies and practices employed by Israel since 1967 in the occupied Palestinian territory have come to constitute a matrix aimed at controlling the land and dominating the population.⁵ Many of these policies and practices involve violations of international humanitarian law and international human rights law, and have led

¹ E/ESCWA/S-6/9.

² A/77/90-E/2022/66.

³ A/78/127-E/2023/95 and previous relevant notes by the Secretary-General.

⁴ Ibid.

⁵ E/ESCWA/S-6/9.

to the geographical and economic fragmentation of the occupied Palestinian territory, dividing the West Bank into enclaves and severing it from East Jerusalem.

6. As for Gaza, it has been isolated from the West Bank and the rest of the world through a blockade imposed since 2007, and subjected to repeated Israeli military escalations that have exacerbated dire economic and social conditions. On the eve of the 2023 war, Gaza was already suffering from severe humanitarian crises, with more than 1.3 million people, or 57.4 per cent of the population, needing emergency relief assistance. At the beginning of 2023, 38 per cent of Palestinian families were classified as suffering from "catastrophic", "extreme" or "severe" conditions. The situation was particularly dire in Gaza, where 29 per cent of households were classified as living in "catastrophic" or "extreme" conditions of need.⁷

A. Economic conditions

- 7. The Israeli matrix of policies and practices has led to the "evisceration" of the Palestinian economy, eroding its productive capacity and depriving it of its growth potential. This evisceration was reflected in dedevelopment and deepening Palestinian economic dependency on Israel, thus transforming the occupied Palestinian territory into a captive market, a reservoir of cheap labour, and a source of inputs for the Israeli economy.⁸
- 8. The Israeli system of policies and practices systematically stripped the Palestinian economy of the conditions and elements vital to its healthy functioning, making it unviable and highly vulnerable to internal and external shocks. This system of policies and practices deprives Palestinians of control over natural resources and borders, restricts access to regional and international markets, and limits policy space. Consequently, the Palestinian economy continued to operate well below its full potential, witnessing dedevelopment that made it completely dependent on Israel and external transfers. ¹⁰
- 9. A key indication of the evisceration of the Palestinian economy is the undermining of productive sectors, especially agricultural and industrial ones, whose contribution to gross domestic product (GDP) decreased from 34 per cent in 1994 to 17 per cent in 2022, while dependence on the service sectors increased from 60 per cent in 1994 to 78.4 per cent in 2022, affecting economic growth, employment and trade (figure 1).

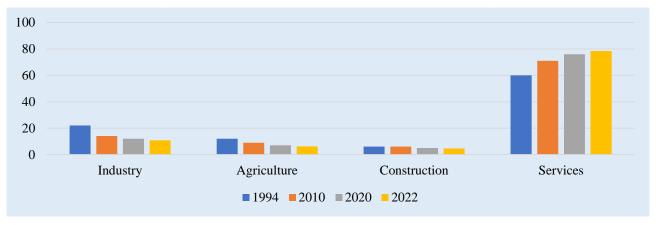


Figure 1. Share of economic sectors in GDP (Percentage)

Source: ESCWA calculations based on data from the Palestinian Central Bureau of Statistics (PCBS).

⁶ United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Humanitarian Needs Overview: Occupied Palestinian Territory (January 2023), p. 5.

⁷ Ibid., p. 9.

⁸ E/ESCWA/CL6.GCP/2021/3.

⁹ E/ESCWA/CL6.GCP/2022/2.

¹⁰ Ibid.

- 10. Israeli policies and practices led to the erosion of Palestinian productive capacity and the redirection of the private sector towards non-tradable economic activities. They also caused a large structural deficit in the trade balance, with Palestinian imports in 2022 estimated at \$8.2 billion (six times the value of exports at \$1.4 billion). Accordingly, the total trade deficit amounted to more than \$6.6 billion, or 37 per cent of GDP.¹¹
- 11. International aid to the budget has been dwindling, falling from 27 per cent of GDP in 2008 to 1.8 per cent in 2022, which doubled the financial deficit of the Palestinian Authority and rendered it unable to pay its dues, with the exception of partial salaries for public sector employees.¹²
- 12. Moreover, a decrease in external support to the budget and a deduction by Israel of approximately \$30 million from tax revenues it collects on behalf of the Palestinian Authority, pursuant to a law on withholding payments to families of those suspected of carrying out attacks against Israelis, ¹³ caused a significant economic slowdown and a decline in growth, which was limited to 3.1 per cent in the first quarter of 2023. ¹⁴

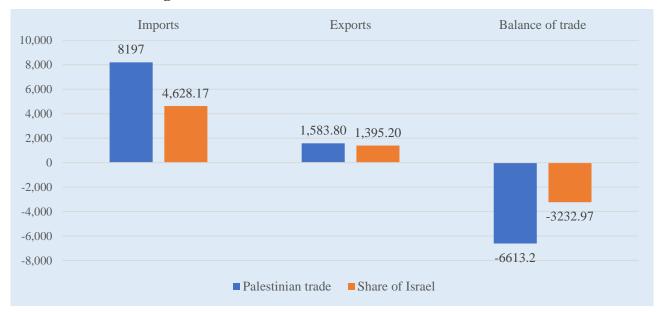


Figure 2. Palestinian trade and the share of Israel therein

Source: PCBS data (accessed on 24 November 2023).

13. The blockade and other restrictions have led to the deterioration of conditions in Gaza over the years. Living conditions on the eve of the 2023 war were much worse than they were in 2000. Per capita GDP in Gaza declined from \$1,971.9 in 2000 to \$1,256.3 in 2022 (figure 3). Gaza's contribution to the Palestinian economy declined to 17.4 per cent of real GDP in 2022, compared with 36 per cent in 1994, mainly owing to economic restrictions, the blockade, and repeated military escalations against the Strip.

Data on trade from the PCBS website (accessed on 24 November 2023).

¹² World Bank, World Bank Economic Monitoring Report to the Ad Hoc Liaison Committee (September 2022), p. 36.

¹³ A/78/127-E/2023/95, para. 71.

¹⁴ World Bank, Racing against time – World Bank Economic Monitoring Report to the Ad Hoc Liaison Committee (September 2023), p. 2.

¹⁵ PCBS data on national accounts (accessed on 24 November 2023).

¹⁶ A/78/127-E/2023/95, para. 73.

14. The losses to the State of Palestine owing to the blockade imposed on Gaza amounted to over \$35 billion between 2007 to 2022, which is more than 10 times the GDP of Gaza in 2022, which totalled \$3,280 million.¹⁷

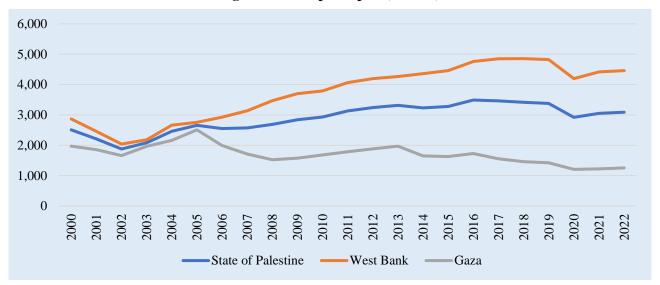


Figure 3. GDP per capita (Dollars)

Source: PCBS data (accessed on 24 November 2023).

15. Increased unemployment is a key result of the economic evisceration. In the third quarter of 2023, as the unemployment rate reached 24.1 per cent (12.9 per cent in the West Bank and 45.1 per cent in Gaza). Unemployment among young graduates aged 19–29 reached 47 per cent (30 per cent in the West Bank and 73 per cent in Gaza). The female unemployment rate reached 40.1 per cent, double what was recorded for males at 20.1 percent.¹⁸

B. Education

- 16. By 2023, 608,556 Palestinian school students, both male and female, were in need of education-related humanitarian assistance, including 215,872 in the West Bank and 392,684 in Gaza.¹⁹
- 17. In the occupied Palestinian territory, there are 3,190 schools with 1,382,932 students, distributed as follows: 2,394 schools for 774,568 students and 39,914 teachers in the West Bank, and 796 schools for 608,364 students and 22,438 teachers in Gaza.²⁰
- 18. The average number of students per class is 30.7 in the occupied Palestinian territory. The average number of students per class in the West Bank is 26.7 students in government schools, compared with 34.3 students in schools of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). In Gaza, the average number of students per class in government schools is 38.6 students, compared with 41.1 students in UNRWA schools.²¹

¹⁷ PCBS data from a press release published on 9 November 2023.

PCBS, Labour Force Survey (July–September, 2023) Round (Q3/2023) Before the war on Gaza Strip (8 November 2023).

OCHA, Humanitarian Needs Overview: Occupied Palestinian Territory, 2023, p. 44.

²⁰ PCBS, Palestinian Central Bureau of Statistics (PCBS) Issues a Press Release on the Impact of the Israeli Occupation Aggression on the Right to Education in Palestine during the 07/10/2023 – 11/11/2023, 2023.

²¹ Ibid.

- 19. The education sector in the occupied Palestinian territory has been subjected to repeated Israeli attacks. The first half of 2023 witnessed about 423 attacks on the education sector, reflected in various actions carried out by Israeli forces on schools, such as shooting attacks, blocking school gates, intimidation and harassment of teachers and students, and blocking their passage at checkpoints.²²
- 20. Such incidents affected 179 schools, 21 kindergartens, 57,074 male and female students, and 2,776 male and female teachers. Through these attacks on the education sector, the occupation caused the loss of about 19,838 minutes of schooling in the first half of 2023.²³
- 21. In the first half of 2023, the Israeli authorities partially demolished two schools in Area C. Moreover, the Israeli army's Civil Administration issued four new military orders (demolition and stop-work orders) targeting three other schools. Partial or complete demolition orders were issued for an estimated 60 schools (52 in Area C and 8 in East Jerusalem), or they received orders to stop operating. These schools serve about 6,800 students in the most vulnerable areas in the West Bank.²⁴
- 22. In general, schools in Area C and East Jerusalem are constantly at risk of demolition or stop-work orders owing to a lack of Israeli-issued building permits, which are almost impossible to obtain. Palestinian schools in East Jerusalem continue to suffer from a chronic lack of funding. Moreover, inadequate space and the inability to obtain building permits has translated into a chronic shortage of classrooms, leading to overcrowding and impeding the delivery of quality education.²⁵
- 23. Dropout rates in the West Bank were estimated at 19 per cent (55 per cent for boys and 36 per cent for girls). About 24 per cent of families reported that children felt unsafe or very unsafe when going to, returning from, and being at school.²⁶ In Gaza, about 5.7 per cent of school-age children dropped out of school, mainly for financial reasons or because of weak school capacity.²⁷

C. Health

- 24. By 2023, more than 1,600,000 Palestinians were in need of health-related humanitarian assistance, in view of the continuing deterioration of the health sector.²⁸ The decline of the health-care system in the West Bank is due to weak infrastructure, logistical difficulties, restrictive Israeli measures, and its exposure to increasing pressure as a result of continuing and escalating violence against Palestinians, especially during the violent suppression of demonstrations by Israeli security and military forces. In Gaza, the blockade caused the health-care system to deteriorate, rendering it unable to provide medical supplies, medicines, equipment, and human resources.²⁹
- 25. Health facilities in the occupied Palestinian territory have been subjected to attacks and violence from the Israeli army and security forces. In the first nine months of 2023, 189 Israeli attacks against health providers were recorded.³⁰ The implementation of a dual legal and other Israeli measures in the occupied Palestinian

Occupied Palestinian Territory – Education Cluster, Education-related incidents in oPt, semi-annual report (January-June 2023), 2023.

²³ Ibid.

²⁴ Ibid.

²⁵ A/78/127-E/2023/95, para. 101.

²⁶ OCHA, Humanitarian Needs Overview: Occupied Palestinian Territory, 2023, pp. 38, 50–51.

²⁷ A/78/127-E/2023/95, para. 99.

²⁸ OCHA, Humanitarian Needs Overview: Occupied Palestinian Territory, 2023, p. 44.

²⁹ Ibid., pp. 52-53.

World Health Organization (WHO), Monthly Report July 2023, 2023.

territory has led to the persistence of health inequalities. They have also weakened the Palestinian health-care system, which suffers from a significant shortage of specialized staff, specialized facilities and medicines. Israeli restrictions also hinder Palestinians' ability to access basic health services, including primary health care.³¹

- 26. Prior to the war, the Israeli-imposed blockade and closures on Gaza, and other mobility restrictions in the rest of the occupied Palestinian territory, had undermined the functioning of the health-care system, and impeded citizens' timely access to health services, especially in Gaza, East Jerusalem and areas affected by the wall and settlements in the West Bank. The Israeli authorities have obstructed the provision of health care to more than 160,000 Palestinians in Area C of the West Bank.³² The health sector in Gaza, on the other hand, faced several obstacles prior to the war, including closures and other measures that prevented its normal functioning, which hindered the provision of basic health services. Health workers in Gaza did not have the same access to new techniques, training, best practices and medical technology as their colleagues in other parts of the world, making it more difficult to share and access knowledge.³³
- 27. The blockade and closures in Gaza included restrictions on access to specialized life-saving medical care that was not available in the Strip. To obtain such care, patients needed an Israeli exit permit, which is often delayed or denied. In 2022, 33 per cent of patient permit requests and 62 per cent of permit requests for patient companions from Gaza were not approved.³⁴

D. Water, sanitation and hygiene

- 28. Challenges associated with water availability are mainly due to Israeli policies, practices and measures that seek to exploit resources in the occupied Palestinian territory, depriving Palestinians of their share and right to their own water resources.³⁵
- 29. Israel controls 90 per cent of the shared groundwater sources in the West Bank. It has seized Palestinian wells, banned Palestinians from digging new wells that are more than 140 metres deep, and prevented the implementation of water-development projects, especially in Area C. Israeli authorities continue to demolish water facilities, and to deprive Palestinians of their share of the Jordan River water, estimated at about 250 million cubic metres annually. Under these circumstances, Palestinians in the West Bank suffer from water shortages for days, and sometimes even weeks, especially in the summer. As a result, only 6.8 per cent of the cultivated land in the West Bank is irrigated owing to the limited amounts of water available to Palestinian farmers. The same of the summer of the limited amounts of water available to Palestinian farmers.
- 30. Palestinians are forced to purchase about half of the amount of water allocated for domestic use from the Israeli water company Mekorot, which supplies Israeli settlements with double the quantities and routinely reduces Palestinian supplies by up to 50 per cent during the summer to meet consumption needs in Israeli settlements.³⁸

³¹ A/78/127-E/2023/95, para. 90.

³² WHO, Palestinian Voices 2022–2023, 2023.

³³ A/78/127-E/2023/95, para 92.

³⁴ A/78/127-E/2023/95, para. 93.

[.] معهد أبحاث السياسات الاقتصادية الفلسطيني (ماس) (2022). الموقف الفلسطيني حول ملفات الوضع الدائم الاقتصادية 35

ماس (2013). نظام تعرفة المياه في الأراضي الفلسطينية بين الكفاءة الاقتصادية والعدالة الاجتماعية 36

³⁷ ITRC/UNOPS, A Fast Track Analysis of infrastructure provision in Palestine, 2018.

معهد أبحاث السياسات الاقتصادية الفلسطيني (ماس) (2022). الموقف الفلسطيني حول ملفات الوضع الدائم الاقتصادية 38

- 31. These measures are reflected in the daily per capita share of water consumed in the occupied Palestinian territory, which amounts to 89 litres per capita per day, which is less than the minimum recommended by WHO (100 litres per capita per day) to meet basic daily needs and reduce the risk of disease. Moreover, this share is much less than the daily per capita share of water consumed in Israel and the settlements, which averages 242 litres per capita per day.³⁹
- 32. In Gaza, 96 per cent of the water extracted from groundwater is considered unfit for human consumption. Owing to the blockade, Gaza faces a crisis in securing supplies and materials related to water, sanitation and hygiene (WASH).⁴⁰

E. Food security

- 33. By the beginning of 2023, 33 per cent of Palestinians were food insecure (63 per cent in Gaza and 14 per cent in the West Bank),⁴¹ and more than 1.5 million Palestinians were in need of humanitarian assistance for food security (352,817 in the West Bank and 1,188,989 in Gaza). This is due to several factors, including poverty, weak purchasing power, and Israeli practices towards the Palestinian people and their property. In 2022, Israeli forces destroyed 220 agricultural structures in the West Bank, representing 34 per cent of all its agricultural structures. In Gaza, food security has deteriorated as a result of the blockade and repeated military escalations therein, especially those conducted in 2022 that led to the destruction of dozens of agricultural facilities.⁴² In this light, the prevalence of anaemia in the occupied Palestinian territory reached 31 per cent in 2019, and child stunting was at 7.8 per cent in 2020.⁴³
- 34. A limited capacity to produce and store food, mainly owing to frequent Israeli destruction of land and water infrastructure, restrictions on rebuilding or rehabilitation, and limited access to agricultural land and water supplies, is another main factor exacerbating food insecurity in the occupied Palestinian territory. ⁴⁴ These circumstances have contributed to the State of Palestine being largely dependent on Israeli and international markets, as food imports amount to about 34 per cent of total imports. The State of Palestine imports 91 per cent of the wheat and 95 per cent of the vegetable oil needed for consumption. ⁴⁵ In Gaza, the blockade has included restrictions on access to agricultural land and fishing areas and the movement of goods, limiting access to food amid widespread poverty. As a result, 80 per cent of the Gazan population were in need of food aid before the war. ⁴⁶

II. War on Gaza: its direct effects on the population and on economic and social conditions

35. The war on Gaza has resulted in unprecedented levels of death, destruction and population displacement. The stifling siege imposed by Israel on Gaza since 9 October 2023 has exacerbated the deteriorating living conditions that Gazans were already suffering from. All of this is reflected in an almost complete collapse in the economic and social sectors and vital basic services, such as education, WASH and food security.

³⁹ B'TSELEM, The gap in water consumption between Palestinians and Israelis, 2011.

⁴⁰ A/78/127-E/2023/95, para. 87.

⁴¹ Food Cluster Sector, Food Insecurity in Palestine, 2022.

⁴² OCHA, Humanitarian Needs Overview: Occupied Palestinian Territory, 2030.

⁴³ FAOSTAT.

⁴⁴ ESCWA, Nexus of needs: weaponizing access to water, energy, food and land in Palestine and Southern Lebanon, 2023.

⁴⁵ A/78/127-E/2023/95, para. 81.

World Food Programme (WFP), WFP Palestine: Monthly Market Dashboard, 2022.

36. From 7 October 2023 until the date of the humanitarian pause of 24 November 2023, the war on Gaza had resulted in 14,854 Palestinian fatalities, including 6,150 children and 4,000 women. It is expected that the published number of victims will rise owing to scores of missing people, presumably under the rubble (7,000 missing people, including 4,700 women and children). Among the victims were 65 journalists, 205 medical personnel, 108 UNRWA employees, and 36 members of the Civil Defence. In addition to the huge number of fatalities, over 36,000 people have been wounded, including 6,168 children.⁴⁷

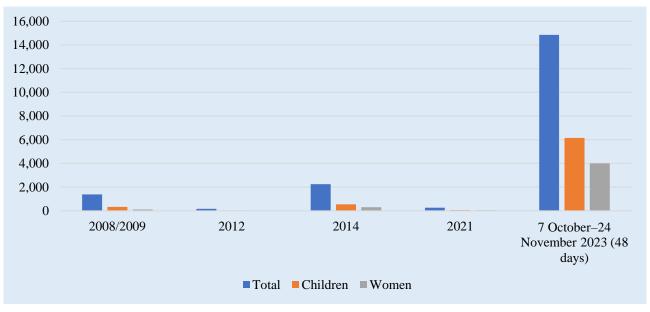


Figure 4. Victims of the five wars on Gaza

Source: PCBS data (accessed on 24 November 2023).

- 37. An estimated 1.7 million people in Gaza were internally displaced,⁴⁸ including approximately 1,037,000 displaced persons who were residing in 156 UNRWA shelters throughout the Strip. UNRWA had indicated that its shelters were considerably overcrowded,⁴⁹ and that on average there was one shower unit for every 4,500 displaced person and one toilet for every 220 displaced persons in these shelters.⁵⁰
- 38. Between 7 October and 24 November 2023, over 46,000 residential units were destroyed, and 234,000 units were damaged. Military operations also resulted in 26 hospitals being out of commission due to damage incurred by Israeli bombing, which also resulted in the destruction of 91 houses of worship and 103 government offices.⁵¹ Furthermore, 50 UNRWA schools and 311 publics schools were damaged or completely destroyed.⁵²
- 39. Moreover, 335 attacks have been recorded on health-care facilities in the occupied Palestinian territory since 7 October 2023: 164 attacks were in Gaza and 171 were in the West Bank. As a result of these attacks and a shortage of fuel, medicine, potable water and other basic resources, hospital bed capacity in Gaza

⁴⁷ PCBS data (accessed on 24 November 2023).

⁴⁸ OCHA, Hostilities in the Gaza Strip and Israel: Flash update #46 (21 November 2023).

⁴⁹ UNRWA, Situation report #36 on the situation in the Gaza Strip and the West Bank, including East Jerusalem (22 November 2023).

⁵⁰ Ibid.

⁵¹ PCBS data (accessed on 24 November 2023).

⁵² UNICEF in the State of Palestine, Escalation Humanitarian Situation Report No. 7 (23 November 2023).

decreased from 3,500 beds before 7 October 2023 to 1,400 beds, creating a critical situation for patients suffering from injuries and other illnesses that require hospitalization.⁵³

- 40. Between 7 October and 24 November, 26 of 36 hospitals were out of service owing to fuel shortages or as a result of destruction.⁵⁴ WHO had documented 181 attacks on the health sector, resulting in the killing of 553 Palestinians, including 22 health-sector workers, and the wounding of 707, including 59 health-sector workers. The targeting of health facilities (45 facilities) also resulted in the destruction of 24 hospitals and of 32 ambulances.⁵⁵
- 41. The education sector in Gaza was completely paralyzed, which negatively affected over 625,000 students and 22,564 teachers, of whom 332,000 students and 13,000 teachers were directly affected by the destruction of their schools. Since the outbreak of the war on Gaza until 13 November 2023, Israeli military operations had resulted in the death of 183 teachers and 3,117 students, and the injury of 403 teachers and 4,613 students in Gaza.⁵⁶
- 42. Gaza is facing a humanitarian catastrophe in the WASH sector, given that per capita water consumption has decreased from 82.7 to between 1 and 3 litres per capita per day as a result of the current war. Moreover, the water provided from desalination plants in Gaza has decreased by 98 per cent, well water by 97 per cent, and the Israeli water company Mekorot by 47 per cent, leading to an overall decrease in water provision of 90 per cent. The war has also undermined the functionality of desalination plants and wastewater treatment plants in Gaza due to damage, fuel shortages or lack of human capacity to operate them.⁵⁷
- 43. Gazans in the northern governorates do not have access to clean water, and fuel shortages have negatively affected the operational capacity of water wells, desalination and treatment plants. Furthermore, UNRWA was forced to suspend the removal of solid waste, which exposes Gaza to the risk of accumulating 400 tons of waste per day.⁵⁸
- 44. The Food and Agriculture Organization of the United Nations (FAO) announced that all civilians in Gaza face food insecurity owing to the war.⁵⁹ According to WFP, Gaza has had only 10 per cent of its food needs since the beginning of the crisis, and is suffering from severe food shortages and widespread hunger among its population.⁶⁰ The northern areas were facing a severe food shortage after bakeries stopped working on 7 November 2023 owing to shortages of fuel, water and wheat flour, in addition to damage and destruction. Wheat flour is no longer available in the market. Food security sector representatives have been unable to provide assistance in the north because access has been denied.⁶¹
- 45. Agricultural lands and infrastructure have been severely damaged by Israeli bombing. Satellite data show that by 17 November 2023, 15 per cent of arable land in Gaza had suffered a significant decline in health and density. In the North Gaza Governorate, 35 per cent of agricultural land has been damaged.⁶²

⁵³ UNICEF in the State of Palestine, Escalation Humanitarian Situation Report No. 7 (23 November 2023).

⁵⁴ WHO, oPt Emergency Situation Update: Issue 14 (23 November 2023).

⁵⁵ Ibid.

⁵⁶ UNICEF and Save the Children International, Education under attack in the Gaza Strip (13 November 2023).

⁵⁷ PCBS, An environmental catastrophe threatens livelihoods in Gaza Strip, 2023.

⁵⁸ OCHA, Hostilities in the Gaza Strip and Israel: reported impact – Day 44, 2023.

⁵⁹ FAO, Statement by the Director-General on the food security situation in Gaza (12 November 2023).

⁶⁰ WFP, Gaza faces widespread hunger as food systems collapse, warns WFP (16 November 2023).

OCHA, Hostilities in the Gaza Strip and Israel: Flash Update #41 (16 November 2023).

⁶² UNOSAT, Gaza Strip agricultural damage assessment (November 2023).

- 46. The war on Gaza has been accompanied by a significant escalation in settler attacks and measures by the Israeli authorities against Palestinians in the West Bank, entailing violations of international law.⁶³ Between 7 October and 24 November 2023, 216 Palestinians, including 56 children, were killed, and 2,850 were injured by Israeli soldiers and settlers.⁶⁴ The Israeli authorities conducted increased detention and arrest operations, during which more than 3,130 people were detained,⁶⁵ including 200 children,⁶⁶ by 24 November 2023.
- 47. Violence by the Israeli army and settlers in the West Bank has resulted in the death of 24 Palestinian students and has injured 250 others. The Israeli army also arrested 40 teachers and carried out attacks on 27 public schools.⁶⁷

III. Long-term repercussions

48. The unprecedented impact of the current war on Gaza will have long-term repercussions for the Palestinian people, their economic and social conditions, and their ability to access basic services.

A. Economic repercussions

49. After a month of war in Gaza, GDP losses for the State of Palestine amounted to approximately \$857 million, and could reach \$2.5 billion if the war continues for a third month (figure 5).

One-month war Two-month war Three-month war

-0.5
-1 -0.857
-1.5
-2 -1.7
-2.5
-3

Figure 5. GDP losses for the State of Palestine in 2023 according to war scenarios for one, two and three months (Billions of dollars)

Source: E/ESCWA/UNDP/2023/Policy brief.1.

⁶³ A/78/502; A/78/127-E/2023/95.

⁶⁴ PCBS data (accessed on 24 November 2023).

⁶⁵ Ibid.

⁶⁶ Prisoner Support and Human Rights Association data (accessed on 24 November 2023).

⁶⁷ PCBS, Palestinian Central Bureau of Statistics (PCBS) Issues a Press Release on the Impact of the Israeli Occupation Aggression on the Right to Education in Palestine during the 07/10/2023 – 11/11/2023, 2023.

- 50. GDP in 2024 is expected to decline by \$904 million (4.2 per cent of the expected GDP for 2024) after one month of war, by \$1.5 billion (6.9 per cent of the GDP for 2024) after two months, and by \$1.9 billion (8.7 per cent of GDP for 2024) after three months.⁶⁸
- 51. The decline in GDP will result from lower trade and capital flows, weaker future investments, decreased productivity, higher production costs, including in transport, and increased general insecurity, with lasting negative consequences for potential output and productivity. One month after the start of the war, total investment is estimated to have declined by up to 15.3 per cent compared with pre-war estimates for 2023, while total exports and imports are expected to decline by 13.2 per cent and 4 per cent, respectively. If the war continues for three months, it is estimated that investment would decline by up to 44.3 per cent, and exports and imports would decline by up to 27.7 per cent and 14.3 per cent, respectively. It is therefore clear that the economic repercussions of the war will worsen the longer it lasts.⁶⁹
- 52. Unemployment will increase to approximately 64 per cent, according to ESCWA estimates, owing to a cessation of all economic activities. As a result of the ongoing war, one third of private sector enterprises have stopped production (totalling 56,000 enterprises) and an estimated 147,000 workers have become unemployed. According to the Palestinian Economic Policy Research Institute (MAS), the cost of compensation to rebuild and revitalize life in the besieged Strip is estimated at between \$10 billion and \$20 billion over the next five years.
- 53. An estimated 61 percent of job opportunities in Gaza, equivalent to 182,000 jobs, and 24 per cent of job opportunities in the West Bank, equivalent to 208,000 jobs, were lost by then end of the first month of the war. The preliminary results of an ESCWA computable general equilibrium (CGE) model show an increase in unemployment ranging between 5 and 13 percentage points, depending on the duration of hostilities, noting that the unemployment rate was 24.7 per cent immediately before the war.⁷³
- 54. The war will also have multifaceted repercussions for businesses, especially medium, small and micro enterprises, which are estimated to constitute about 98 per cent of all businesses in the occupied Palestinian territory, and which have limited capabilities and resources to withstand shocks, thus leading to an increase in unemployment.⁷⁴
- 55. Estimates show that a two-month war on Gaza would destroy the capital stock of the occupied Palestinian territory by 6 per cent. A third month would wipe out about 7 per cent of capital stock. It is expected that all financial flows, both public and private, to the occupied Palestinian territory will stop for the projected duration of the war.⁷⁵

⁶⁸ E/ESCWA/UNDP/2023/Policy brief.1.

⁶⁹ Ibid.

⁷⁰ E/ESCWA/CL6.GCP/2023/Policy brief.1.

PCBS, Palestinian Central Bureau of Statistics (PCBS) issues a press release on the losses of private sector in Palestine due to the Israeli occupation aggression on Gaza Strip, 2023.

MAS, Economic and social implications of the war on Gaza: Gaza War economy brief number 4, 2023.

⁷³ E/ESCWA/UNDP/2023/Policy brief.1.

⁷⁴ Ibid.

⁷⁵ E/ESCWA/UNDP/2023/Policy brief.1.

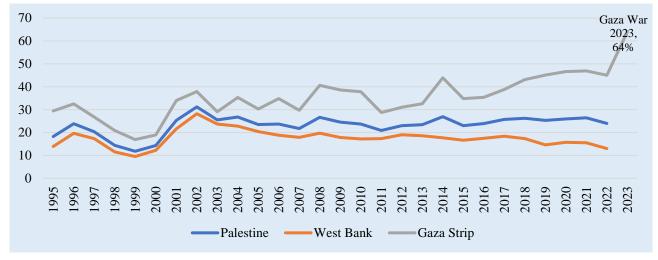


Figure 6. Unemployment in the occupied Palestinian territory

Source: PCBS data (accessed on 24 November 2023).

56. In addition, the debt situation is expected to deteriorate owing to a cessation or decline in clearing revenues (revenues collected by Israel on behalf of the Palestinian Authority and transferred to it), which constituted approximately 64 per cent of total revenues in 2022. It is feared that the financial stability of the State of Palestine will face greater risks as a result of the war. The International Monetary Fund (IMF) had warned before the war of the risks of instability in the banking sector owing to a lack of liquidity, a decrease in tax spending, disruption in relations with Israeli banks, and an increase in non-productive assets, especially in the real estate sector. The war is expected to increase the risk of loan default, which will expose the banking sector in Gaza and the rest of the occupied Palestinian territory to severe pressure that could threaten its financial stability.⁷⁶

B. Social repercussions

- 57. It is expected that the damage caused by the war to the education, health and basic service sectors will worsen, in view of the deteriorating efficiency of existing social protection programmes as a result of a contraction in the already limited financial space, leaving the population exposed to increasing risks without sufficient support to confront the repercussions of the war. It is estimated that, by the beginning of the third week of the war, almost all of Gaza's population (96 per cent) was living in multidimensional poverty, based on the national multidimensional poverty index (MPI), which calculates residents' multidimensional deprivations across seven dimensions of well-being. It includes 22 indicators specifically designed to suit the Palestinian context, in contrast to the global MPI, which is specifically designed to reflect the extreme forms of deprivation in the poorest countries worldwide. In other words, almost all of the 2.3 million Palestinians residing in Gaza are suffering from multidimensional poverty and require support to survive and meet their basic needs.⁷⁷
- 58. More than 69 per cent of Gaza's population will remain in multidimensional poverty, and the average severity of deprivation will reach 49 per cent, even if humanitarian and external aid is allowed in, educational activities resume, unemployment and financial poverty are reduced by the resumption of economic and reconstruction activities, and access WASH and health services is improved.⁷⁸

⁷⁶ IMF, West Bank and Gaza: Report to the Ad Hoc Liaison Committee (13 September 2023).

⁷⁷ E/ESCWA/CL6.GCP/2023/Policy brief.1, p. 5.

⁷⁸ Ibid.

- 59. A complete suspension all school and education activities will have long-term consequences, especially if this is coupled with the destruction of facilities, infrastructure and human capital in the education sector. A dilemma will arise when resuming education activity in Gaza, given the use of schools as shelters for displaced persons on the one hand, and the destruction of schools on the other. In this context, estimates indicate that 86 per cent of schools are either sheltering displaced persons or have been destroyed or damaged, and therefore will be unable to resume operations after the end of the war. 80
- 60. A health catastrophe has been rapidly developing in Gaza, given the high levels of deaths and violent injuries, mass displacement, overcrowding, massive disruption and dysfunction of the health system, and damage to WASH infrastructure. Moreover, a huge number of casualties, severe damage to basic health facilities and installations, power outages, water scarcity, and dwindling medical supplies have paralyzed the health-care system in Gaza.⁸¹
- 61. A serious cause for concern is the lack of basic components for the adequate operation of the health-care sector, and 61 per cent of premature baby incubators in hospitals in northern Gaza need electricity, especially with 52,000 pregnant women in Gaza and 5,500 births expected in November 2023.⁸² The psychological and physical stress on pregnant women resulting from bombing, violence, and displacement leads to short- and long-term health problems for both mothers and children.⁸³ In the long term, this war will result in thousands of people needing permanent health care, and more than 485,000 people suffering from psychological disorders.⁸⁴
- 62. The recovery process in the agricultural sector may take many years as a result of damage to agricultural infrastructure, such as irrigation networks and storage units, which will affect agricultural production in the medium term. Moreover, the destruction of vegetation cover and soil compaction from bombardment increase the risk of desertification.⁸⁵
- 63. The displacement rate of female-headed households exceeds 88 per cent, and the displacement rate of female-headed households that include persons with disabilities is 22 per cent. The significant increase in the number of female-headed households will exacerbate the risks women face.⁸⁶ It is expected that the number of women heading their households will increase as a result of the current war, given that many women have become widows. Before the current war, the percentage of female-headed households was 11 per cent, and the number of women heading their households reached about 46,000 women. ESCWA estimates that about 1,816 women were widowed in the first 19 days of the war alone, and it is expected that this number will rise significantly in the coming period. Current trends herald repercussions far greater than those of previous wars and escalations: more than 700 women were widowed in Gaza in 2014, and nearly 300 women became widows between 2008 and 2009.⁸⁷
- 64. The number of persons with disabilities doubled between 2007 and 2017, increasing by about 65,000 people.⁸⁸ In view of the current war, the number of people with disabilities in Gaza is likely to increase, with

⁷⁹ Ibid.

UNICEF and Save the Children International, Education under attack in the Gaza Strip (13 November 2023).

⁸¹ E/ESCWA/CL6.GCP/2023/Policy brief.1, p. 4.

WHO, oPt Emergency Situation Update, Issue 14 (23 November 2023).

⁸³ E/ESCWA/CL2.GPID/2023/Policy brief.5, p. 4.

⁸⁴ WHO, oPt Emergency Situation Update, Issue 14 (23 November 2023).

⁸⁵ ESCWA, Nexus of needs: weaponizing access to water, energy, food and land in Palestine and Southern Lebanon, 2023.

⁸⁶ E/ESCWA/CL2.GPID/2023/Policy brief.5, p. 4.

⁸⁷ Ibid., p. 3.

⁸⁸ Ibid., p. 2.

the number of wounded rising to more than 36,000 by 24 November 2023, and about 7,000 people still under the rubble.⁸⁹

IV. Conclusion

- 65. Since 1967, Israeli policies and practices have been developing into a matrix of control and domination, imposing profound demographic and geographic "facts" on the ground in preparation for annexing at least part of the occupied territories. ⁹⁰ Israeli policies towards the Palestinian economy shifted from seeking to integrate Palestinian economic resources into the Israeli economy, to marginalizing and isolating the economy of the occupied Palestinian territory and its markets and destroying its productive sectors, which has led to the collapse and disintegration of the Palestinian economy, making it dependent and captive to Israel. ⁹¹
- 66. Gaza was already suffering from the long-term effects of chronic occupation. Although some of the cumulative effects of the current war are not clear since they had existed for a long time, there is no doubt that this war will exacerbate the challenges facing the Strip. The raging war and the complete siege imposed by Israel have led to unprecedented levels of deprivation and multidimensional poverty, and in turn to a humanitarian catastrophe at all levels. The devastation to which the people of Gaza are exposed is not limited to the physical destruction caused by Israeli bombing, but also includes the inability to access basic services, including life-saving and other forms of health care, water, energy, food, education, employment, and basic rights and freedoms.
- 67. The war on Gaza underscores the urgent need to address the root causes of the conflict. Israel continues to use policies and practices that violate relevant Security Council resolutions, international humanitarian law and international human rights law. Some of these practices may be considered discriminatory, or represent a serious violation of the Fourth Geneva Convention, and are prohibited under international law, such as the mass or individual forcible transfer of protected persons. Adherence to international law is imperative, ensuring that no party can commit violations with impunity, and that justice and peace are achieved for all residents of the region, including Palestinians living under occupation. In addition, the failure to implement Security Council resolutions related to the Question of Palestine undermines prospects for implementing internationally agreed frameworks in the occupied Palestinian territory and throughout the region, including the women, peace and security agenda and the 2030 Agenda for Sustainable Development.

⁸⁹ PCBS data (accessed on 24 November 2023).

⁹⁰ E/ESCWA/CL6.GCP/2021/3.

⁹¹ Ibid.