

The disparity of the economic capabilities in Palestinian Areas (C areas, Refugee Camps and Jerusalem) and how it affects equality and stability within Palestinian society

Executive Summary

Unequal access to opportunities is when an individual's potential to succeed in life is determined by their lottery of birth. Characteristics like gender, socio-economic class, geography, and ethnicity can trap large groups of people in poverty, and specifically affect their access to basic services.

In this paper, I found that the Palestinians have been unable to overcome the negative effects of the Israeli policies and have been unable to engage in economic activities that might help them improve their living conditions. Even worse, many Palestinians have shifted from high productivity economic activities into lower productive ones. For instance, many Palestinian industries have been shut down, the agricultural sector has suffered a great deal, trade is compelled to a complicated system of border control and taxation, and the telecommunication sector is suffering from its inability to expand or maintain the already existing networks while other sectors are suffering from various limitations and restrictions.

The effects of the deterioration in the economic capabilities of Palestinians and the inability of the Palestinian Authority to respond to the developmental demands have more negative effects on the future of Palestinians. In the paper, I investigated the inequalities within the Palestinian society, specifically the West Bank, in attempt to examine the magnitude of these inequalities.

Evidence from previous research and statistics shows drastic levels of inequality among different social groups within the West Bank. This would predictably have significant effects on the economic and social development and cohesion in Palestine.

Inequality has many invidious consequences – which will be discussed in later sections of the paper, as it is an issue that affects both individuals and the society as a whole, starting from the parents, who can no longer be confident that their kids will be able to access proper services and opportunities, to the increased government spending on healthcare.

The most dangerous consequences of inequality can be noticed in creating social fragmentation, polarized social groups and fault-lines based on horizontal inequalities. These inequalities are deemed dangerous because they are theorized to be a major reason for instigating conflicts among groups, who are affiliated to various economic, social, religious, or cultural backgrounds. In this case, we took a closer look into the economic part.

It's important at the outset to remind ourselves why we look at well-being specifically. The fact is that increased GDP, while still important, is no longer seen as a conclusive evidence of country's efficient economic policies, as a country may have a growing economy but, at the same time, large swathes of its population can remain struggling, seemingly cut off from any prospects for prosperity that the rich and powerful enjoy.

This issue was brought to the surface particularly strongly in recent years. This is because the recovery of the global economy from the financial crisis of 2008 has not been felt by everyone. In general, many businesses managed to bounce back, and high net worth individuals were able to overcome the crisis, but poverty rates remain high in many countries and the income of the most disadvantaged groups have stagnated or even declined.

This unfortunate reality does not hide the fact that what policymakers really need to deliver is inclusive economic growth – prosperity that is shared way beyond the very top earners and trickles down to impact and improve the lives of the population as a whole.

Unfortunately, turning this vision into reality is hard and requires massive efforts. In fact, as long as there is no real intervention being made by decision makers, the socio-economic situation of the less fortunate groups in society will continue to deteriorate.

The main issue is that as overall inequality increases, so, too, does the income of populations in the lower and the average social groups. This, in turn, leads to reduced access of the public to key aspects of well-being – such as a good education system and an effective healthcare.