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Justice for the Palestinian people: fifty years of Israeli occupation

Premises and approach for calculating the cumulative cost of the occupation

Summary

ESCWA aims to develop an innovative methodology to accurately assess the direct and indirect cumulative costs of the Israeli occupation of Palestine. This effort is unprecedented in terms of the depth and scope of the analysis. The methodology aims to accurately determine the multilayered cost of occupation across all sectors.

The present document sets out the fundamentals of the proposed methodology to calculate the cumulative cost of the Israeli occupation and its practices, and the ESCWA activities to develop the methodology. It also presents an overview of experiences in this field from other regions.

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Introduction

1. The Israeli occupation of Palestine is one of the longest and most detrimental in modern history. In addition to catastrophic loss of life, massive social, economic and material damage and the eviction of millions of Palestinians from their land, Israeli policies and practices have resulted in the continuing deterioration of the Palestinian economy, financial and humanitarian crises, unemployment, poverty, food insecurity and the reversal of development. Discrimination, inequality and the absence of justice continue to negatively affect the living standards of Palestinians, who are denied access to services, natural resources and roads within their country. The Gaza blockade is a clear example of these policies and practices, as are the hundreds of checkpoints, the wall and closed areas in the West Bank.
2. Despite consensus on the negative impact of Israeli policies and measures on Palestinian economic growth, there is no methodology to calculate the comprehensive cost of the occupation for the Palestinian people – bearing in mind that it is impossible to put a price on human life and wellbeing. Previous analytical efforts focused on calculating the cost of occupation on specific sectors, such as agriculture, industry, trade, finance, health and education, or on assessing the impact of particular policies and practices, including settlements, shelling, check points and land seizures.
3. In response to several ESCWA resolutions¹ and Executive Committee recommendations² and under its mandate to drive development in the Arab region, ESCWA will implement a knowledge-building and consultation programme with stakeholders to assess and calculate the comprehensive cost of the Israeli occupation of Palestine since 1967. The General Assembly of the United Nations has repeatedly confirmed the Organization's permanent responsibility towards the Palestinian people, until its case is resolved in line with international law.
4. Developing a methodology to calculate and assess the cumulative cost of the occupation and its impact on Palestinians is unprecedented in terms of the depth and scope of analysis. This methodology aims to accurately determine the multilayered cost of occupation across all sectors. Until the occupation ends, data collection from all sectors over an extended period, and the identification of linkages between Israeli policies and practices and their costs to the Palestinian economy and society will lead to a deep understanding of the dimensions of the Israeli occupation and its repercussions for Palestinians and their livelihoods at the individual and collective levels.

I. PREVIOUS EXPERIENCES FROM OTHER REGIONS

5. The injustice that the Palestinian people have suffered under Israeli occupation is unparalleled in terms of length and its effects on all aspects of social and economic life. However, it is necessary to consider experiences from other regions to assess the damage resulting from the injustices that various peoples, social groups and countries have been exposed to. An initial assessment reveals that these experiences are directly linked to the issue of reparations, focusing on individual compensation.
6. Previous experiences from other regions were limited to attempts to calculate reparations for individuals or countries without taking into account the time period and, in many cases, lacked a practical methodology to calculate reparations on the basis of the overall cost of a war. However, despite the absence of such a methodology to calculate the cost of long-term practices, these experiences can be useful in the context of measuring the cumulative and comprehensive cost of the Israeli occupation.

¹ Resolutions 316 (XXVIII), 307 (XXVII) and 282 (XXV).

² E/ESCWA/2015/EC.2/9/Report, para. 6 (h).

A. SOUTH AFRICAN EXPERIENCE

7. The majority black population in South Africa suffered under the Apartheid regime for over 40 years, from 1948 until its collapse in the early 1990s. The Truth and Reconciliation Commission was established as a fundamental step towards achieving transitional justice. It aimed to secure reparations and rehabilitation for victims of Apartheid as a prerequisite for reconciliation and recovery. Consequently, the Reparation and Rehabilitation Committee was established and identified the various types of reparations, including nominal, urgent and interim. It has also defined the term “victim” to determine those who were eligible, and set up a method for calculating monetary compensation.

8. Two types of such compensation were approved for Apartheid victims in South Africa: urgent interim reparations for victims and their families in dire need of medical, emotional, educational or financial assistance; and individual reparations paid annually for six years. The Reparation and Rehabilitation Committee assesses the effects of human rights abuses on victims’ lives to determine the type of assistance required. Individual reparations were calculated on the basis of average annual household income in South Africa in 1997, equalling 21,700 rand, to ensure a decent life for victims of flagrant human rights abuses.³

B. UNITED STATES EXPERIENCE AND SLAVERY REPARATIONS

9. The issue of granting reparations to those of African descent in the United States is still under consideration by experts and committees concerned with African-American human rights – it has its supporters and opponents. Several attempts have been made to develop a methodology for calculating the monetary value of reparations but, to date, stakeholders have not identified an effective methodology, thus impeding the achievement of justice through reparations for victims of slavery.⁴

C. GERMANY-GREECE EXPERIENCE

10. Agreements reached at the 1945 Potsdam Conference during the Second World War required Germany to pay reparations to Greece and other countries and peoples harmed as a result of Nazi policies and military action. Germany continued to pay reparations until the 1990s. However, on 6 April 2015, Greece requested that Germany pay over 278 billion euros for practices carried out during the Second World War, especially massacres and the destruction of infrastructure and institutions, in addition to a loan imposed on the Bank of Greece by the Nazis.

II. PREVIOUS ATTEMPTS TO CALCULATE THE COST OF OCCUPATION FOR PALESTINE

11. Many attempts have been made to calculate the cost of occupation for the Palestinian economy, but were limited to either studies on the macro-level effects of the occupation or analysing damage to a specific sector, without assessing its multilayered and cumulative impact. For example, a 2013 World Bank report⁵ assessed only the cost of occupation in Area C of the West Bank. A joint report by the Ministry of National Economy and the Applied Research Institute in Jerusalem⁶ conducted a global analysis of various Israeli policies, with

³ Warren Buford and Hugo van der Merwe, Reparations in Southern Africa, In Cahiers d’études africaines, vol. 44, issues 1-2, 2004. Centre for the Study of Violence and Reconciliation. Available from www.csvr.org.za/docs/reconciliation/reparationsinsouthernafrica.pdf; and Amsterdam International Law Clinic at the University of Amsterdam and Center for Civilians in Conflict in Washington DC, Monetary Payments for Civilian Harm in International and National Practice. Available from http://civiliansinconflict.org/uploads/files/publications/Valuation_Final_Oct_2013pdf.pdf.

⁴ Muhammad, Reginald S., “The movement to secure reparations for blacks in America: an analysis of fragmented models and methodologies”, 2011. ETD Collection for AUC Robert W. Woodruff Library. Paper 274, p. 9. Available from <http://digitalcommons.auctr.edu/cgi/viewcontent.cgi?article=1819&context=dissertations>.

⁵ World Bank, Area C and the Future of the Palestinian Economy, 2013.

⁶ PNE and ARIJ, The Economic Costs of the Israeli Occupation for the Occupied Palestinian Territory, 2011.

particular focus on the cost of the occupation for the agricultural sector in 2011. A 2015 report by the RAND Corporation was based on mathematical equations under specific assumptions to develop future scenarios and calculate their financial returns.⁷

12. ESCWA, under its normative activities to monitor, document and analyse the impact of the Israeli occupation on Palestine, prepares an annual report by the Secretary-General on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and the Arab population in the occupied Syrian Golan. Despite the comprehensive nature of the report, it is limited to documenting the direct economic and social impact of Israeli practices over the course of a year.

13. In this context, ESCWA held a workshop in November 2015 on the theme “Palestine and the occupation: towards a deeper understanding and a targeted research agenda”, attended by representatives of seven Palestinian public institutions and experts from prominent research centres. At the workshop, participants discussed the cumulative cost of the Israeli occupation. ESCWA also presented the conclusions of a study,⁸ prepared using a computable general equilibrium (CGE) approach to assess the economic impact of a set of Israeli policies. ESCWA also put forward a model on the environmental impact of specific Israeli policies, and their links to water.

14. The review of these two studies and the ensuing discussions highlighted the restrictions posed by the CGE model in calculating the impact and the comprehensive and cumulative cost of decades of Israeli occupation. Participants agreed that the cost of occupation was not limited to the direct costs of Israeli military operations, policies and practices, because this would be a purely economic approach. Participants concluded that focusing on one aspect of the occupation led to miscalculations and therefore underestimations, not only of the true cost of occupation but also of its impact on the Palestinian people as a whole.

15. To date, there is no clear methodology for calculating the true cumulative cost of the occupation in a comprehensive and cumulative manner, while assessing its multilayered impact. Previous efforts did not result in a comprehensive long-term evaluation of the economic and social costs and of lost opportunities.

III. ESCWA VISION

16. ESCWA aims to develop an innovative methodology for an integrated and comprehensive measure of the direct and indirect cumulative costs of the Israeli occupation. The methodology will detail the impact of various Israeli policies, practices and measures and clarify existing linkages and transmission mechanisms, so as to accurately calculate the cumulative cost of occupation (the annex to the present report sets out a sample model detailing the impact levels of occupation, and a sample model on its linkages, transmission mechanisms and effects). The methodology will group Israeli policies and practices according to specific criteria related to their impact on the Palestinian people, society and economy.

17. ESCWA has recognized the need for a scientific methodology that takes into account the direct and indirect costs of occupation. It is aware of the difficulties involved in quantatively determining some indirect costs, but maintains the importance of taking them into consideration. Indirect costs of occupation include its psychological impact on the Palestinian people, especially children, and missed school days. Although these effects cannot be quantatively valued per se, their indirect impact should be taken into account when assessing the economic costs of related Israeli practices.

⁷ RAND Corporation, *The Costs of the Israeli-Palestinian Conflict*, 2015.

⁸ ESCWA, *Measuring the Costs of Israeli Restrictions on the Palestinian Economy: A Computable General Equilibrium (CGE) Approach*, 2016. Available from www.unescwa.org/publications/measuring-costs-israeli-restrictions-palestinian-economy-computable-general-equilibrium.

A. IMPORTANCE OF DEVELOPING A METHODOLOGY TO CALCULATE THE CUMULATIVE COST OF THE OCCUPATION

18. A scientific methodology to calculate the overall cost of occupation would offer detailed insight into the repercussions of Israeli occupation and the short- and long-term impact of its policies and would centralize data and information, thus providing the Palestinian people with the following:

(a) A methodology to measure the impact and overall cost for the Palestinian people of Israeli measures, policies and practices;

(b) Accurate scientific data on the impact and overall cost of the occupation, enabling Palestinian institutions to develop evidence-based policies to limit the impact of Israeli procedures at all levels, to drive efforts towards ending the occupation, and to enhance Palestinian resilience to Israeli practices;

(c) The necessary tools to support the Palestinian people by revealing the impact of occupation on the economy and society, because broadening the scope of support material increases the ability to raise awareness of Palestinian rights and the parameters of international law that should be taken into account when considering the Israeli occupation and its practices;

(d) Methods to better understand the Palestinian cause and to assist the Palestinian people in realizing their inalienable rights, and consequently bringing about a just and comprehensive peace.

19. This methodology and its results will also enable the international community to play a more efficient role in implementing rights and achieving peace and development in Palestine. As such, this effort will strengthen the Palestinian people's resilience and ability to face challenges resulting from Israeli policies and practices, and promote efforts aimed at securing equality, justice and self-determination. Calculating the overall cost of the occupation will contribute to achieving peace and justice, by holding Israel accountable for its violations of Palestinian rights. Moreover, until the occupation ends, this methodology will assist Palestinian institutions in analysing the impact of Israeli measures and policies, thus facilitating the development of policies and plans to limit their overall effects.

B. PROPOSED METHODOLOGY

20. Any research effort aimed at calculating the overall cost of occupation must take into account the impact of multilayered Israeli policies – the approach must therefore be multidisciplinary. Consequently, estimating the comprehensive and cumulative cost of the occupation requires a methodology that tackles the unique Palestinian situation and considers Israeli policies from various perspectives and levels. It must also be conducive to detailed horizontal (effects of policies and their time range) and vertical (macro, individual, sectoral, social and household effects of each policy) analysis.

21. Efforts in this field must also identify priority areas for the different utilizations of calculating the cumulative cost of occupation (negotiations, advocacy, legal implications, development policies, etc.), including economic costs. It is also necessary to develop a detailed map showing the linkages between the various Israeli policies and measures (administrative, legal, military, economic, etc.) to comprehend the multidimensional complexities of the impact of occupation (cost of impeding access to education at the individual and sectoral levels, loss of opportunities and skills, impact on productivity, loss of human capital, and psychological and social effects).

22. To achieve this goal, it is necessary to adopt various quantitative and qualitative scientific disciplines, to examine historical precedents in calculating the cumulative cost of certain policies, conflicts and military occupation, and to determine the similarities and importance of these precedents with regard to the case of Palestine.

23. In principle, ESCWA is developing an innovative approach to continually monitor and capture the multilayered cumulative and comprehensive cost of the Israeli occupation for the Palestinian people. The development of this methodology requires a detailed map of the effects of Israeli measures and practices, their linkages and transmission mechanisms, and their direct and indirect impact on the Palestinian people at all levels. It is also necessary to estimate the direct and indirect layering effects of Israeli measures, policies and practices from the sectoral to the individual levels: macro (national accounts, foreign accounts, labour market, etc.), sectoral (industry, trade, services, etc.), geographical (urban and rural areas, cities, villages, etc.), social structures (clans, family units, family networks, etc.), and the individual (access to basic services, income sources, mental and physical health, etc.).

24. This methodology will be the first exercise, in terms of depth and scope, to capture the multilayered and comprehensive cost of the occupation in an integrated manner across various sector over almost 50 years. Collecting data from various sectors over such an extended period and establishing transmission mechanisms and linkages between Israeli policies, their impact at different levels, and their cost and effects on the Palestinian economy and society will allow a better understanding of the repercussions of the Israeli occupation for Palestinian livelihoods. The process will continue until the occupation ends and the methodology is no longer needed.

C. PROPOSED ACTIVITIES

25. ESCWA aims to organize preliminary activities in this regard. It is preparing a paper entitled “The multilayers cumulative and comprehensive cost of the Israeli occupation: beyond economic calculations”, in which it identifies the numerous uses of the methodology, highlights the complexities of calculating the cost of the occupation and the multilayered impact of the occupation and its policies, and reviews previous experiences from other regions to draw relevant lessons.

26. Preliminary activities organized by ESCWA will include a consultative meeting, to be held in late 2016, to discuss the above-mentioned paper and the best methods to develop the proposed methodology and determine its scope (its time range and the policies and impacts it will consider), and to coordinate the efforts of stakeholders concerned with the cost of the occupation and the necessary methodologies for its calculation.

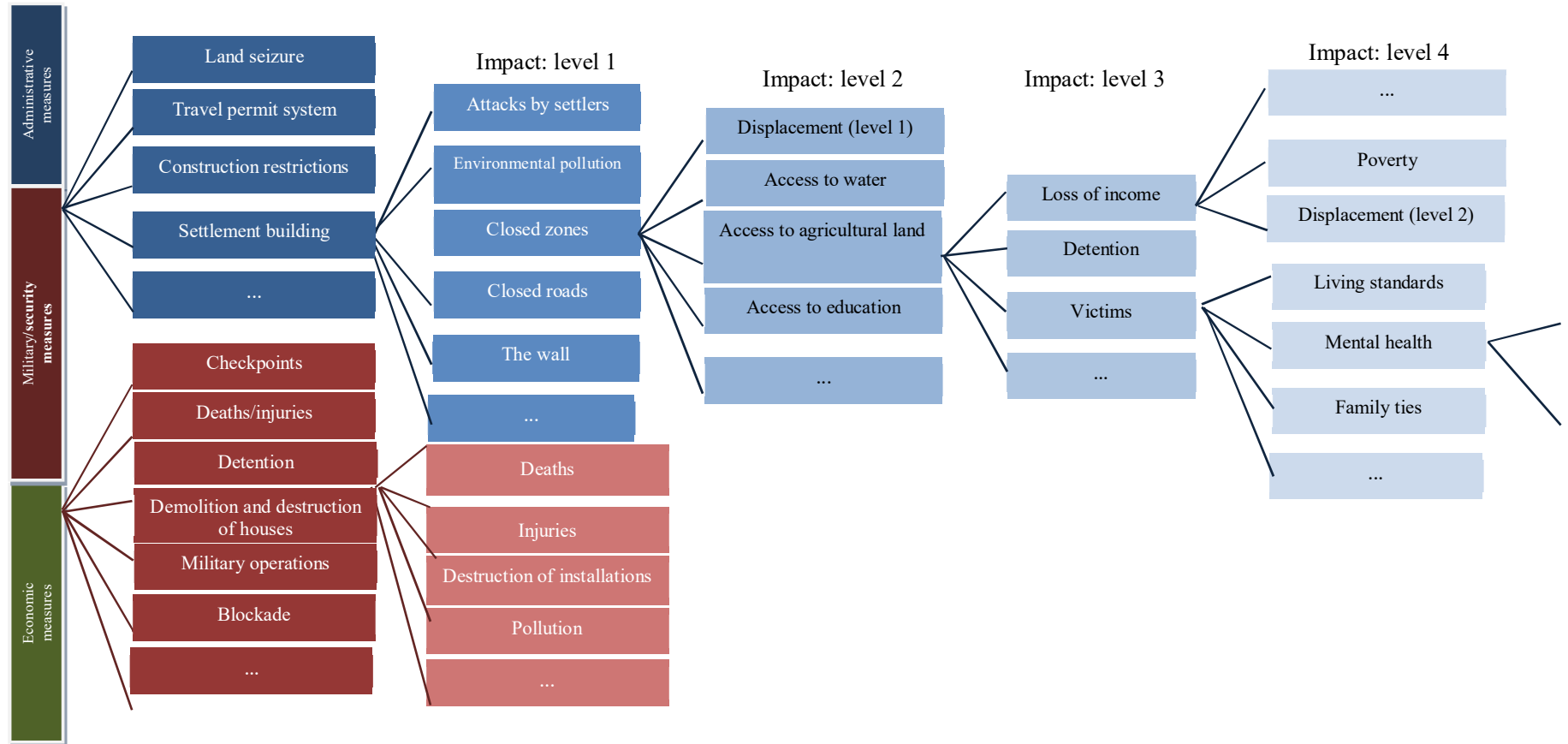
27. ESCWA will launch several consultative activities on the cumulative cost of the Israeli occupation, including a visit by ESCWA representatives to the occupied Palestinian territories to meet with prominent experts and decision-makers from various disciplines, to consult with stakeholders and research centres, and to hold meetings with other United Nations agencies.

28. ESCWA recognizes the concerted efforts required to prepare a comprehensive scientific methodology. It aims to mobilize partners for this project, including international institutions (UNCTAD, World Bank, UNRWA, etc.), Palestinian governmental and civil institutions, research centres, and experts from all disciplines. ESCWA is also striving to secure internal and external funding for the project and its activities.

29. ESCWA also aims to strengthen its efforts regarding activities to commemorate the fiftieth anniversary of the occupation of Palestine in 1967.

Annex I

SAMPLE MODEL DETAILING IMPACT LEVELS



Annex II

SAMPLE MODEL SHOWING THE LINKAGES BETWEEN THE ISRAELI PRACTICES AND EFFECTS

