

contemplates \$88 million in Gaza—over a period of three years!

Much has been discussed of proposals for “industrial zones” along the borders, three in Gaza and six along the West Bank, which would create a maximum of 5,000 jobs, but financing for them has not been secured. Palestinian Authority President Arafat asked his German guest, North Rhine-Westphalia governor Johannes Rau, in mid-March to finance such parks, as well as to support projects for a Gaza port and airport, but all the Social Democratic politician had to offer was advice (“technical assistance”?) on how to build up a smoothly running administrative apparatus.

### Housing for the homeless

The economic sector which could and should most rapidly develop in Gaza is construction. The lack of adequate housing represents the most critical social problem in Gaza. The population, whose size is estimated between 850,000 and 1.2 million—no precise census has been made—is being enhanced by the arrival of Palestinians from abroad, and by a natural growth rate of 4.2% in the West Bank and Gaza. According to Housing Ministry officials, about 50% of the population is under 14 years of age and only 10% is over 45. More than 35% of the population lives in refugee camps,

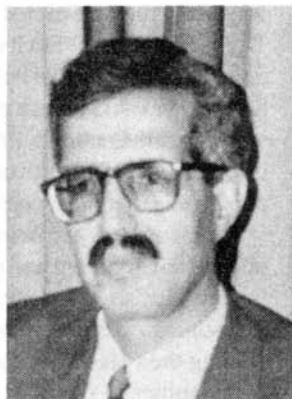
which are controlled by the United Nations Relief and Works Agency for Palestinian Refugees (UNRWA). Population density in the West Bank is 180 persons per square kilometer, compared to 1,930 in the Gaza Strip. In the Beach Camp for refugees in Gaza, the figure rises to 100,000 persons per square kilometer.

Forty thousand housing units are required immediately to provide relief for those worst off, and 200,000 units are estimated to be needed by the year 2000. Current housing, which in a Ministry brief is euphemistically described as of “relatively acceptable quality,” is disastrous in Gaza. People live in makeshift dwellings constructed of cement blocks, bricks where available, and otherwise, of metal sheets, scrap metal, or literally anything usable as physical protection. In the wretched bidonville which is Gaza, eight, ten, or sometimes more people crowd together in one room to sleep. The Palestinian family on the average has seven persons, a number often augmented by the arrival of relatives since the peace agreement. Running hot and cold water, electricity, and hygienic facilities in these shanty towns are a chimera.

The obvious step to take would be to employ the currently unemployed to build housing for the homeless. The Palestinian population has highly skilled labor, including the engineers required for construction. In addition, the presently

## Freij Ahmed el Khairy: Peace requires courage

Freij Ahmed el Khairy directs the Palestinian National Authority (PNA) Regional Civil Affairs Committee in Gaza. The committee deals with civilian and legal matters between Palestinians and Israelis related to the Cairo agreement, as well as with matters pertaining to agriculture, passports, settlements, border points, travel rights, import-export, investment, prisoners, Israeli courts and their treatment of Palestinian detainees.



El Khairy considers the travel restrictions imposed as a result of Israel's closure of the borders to be the most serious problem he is called upon to deal with. “Those hit the hardest are the students from Gaza who study in West Bank universities, and therefore have to traverse Israeli

territory, which they cannot do now,” he says. Of the 1,300 Gaza students in this category, only 750 have received travel permits. “But it is also students who travel abroad,” he continues. “Many, and not only students, are detained at the borders, at Rafah or the Tel Aviv Airport, without reason. This is a violation of the agreement.” Among the examples cited by el Khairy is that of a woman, Nawal Ajouri, who was kept two and a half months on the Egyptian side with two small children, though in possession of a permit; another woman with five children was sent back. The reason lies in the “security file” system, whereby anyone with a family member in the past or present in prison is considered suspect.

For el Khairy, this should change with the peace agreement: “They're letting in thousands of people, deportees are coming back, some prisoners have been released, so why shouldn't this file be changed?” he asked. “Those who are today heads of the PNA were once all deportees and enemies of Israel; but now they want to deal in peace.” Citing his own case, he says, “I too was a deportee, and now I'm the official interlocutor of the Israelis.”

Considering the continuing use of “magnetic cards” for identification of Palestinian males, the persistence of electronic fences in the northern and eastern areas of the Gaza Strip, the impasse on issues regarding the status of refugees, the elections, and related military deployment,

unskilled labor could be rapidly upgraded through employment in construction, a fact proven thousands of times over in the history of developing sector economies. A large number (perhaps as many as 55,000) of the 60,000 Palestinians who previously worked in Israel, but who have been locked out since the latest terrorist attacks, are construction workers. They have been largely replaced by laborers imported from the Philippines and Romania, and therefore do not have much hope of regaining their jobs in Israel.

What is preventing the Palestinian Authority from doing the obvious—deploying unemployed construction workers to build housing for the homeless—is money. To finance purchases of building materials, credit is required. The World Bank says, “private enterprise” should move in.

To outflank the internationals and their financial sabotage, several alternatives are under discussion in the Palestinian Authority. First is the idea of a “housing cooperative system which allows people of low and medium income to own a piece of public land for a nominal price for the purpose of building their own houses,” as outlined in a Housing Ministry draft. Here, the problem is straightforward: How many such citizens have the means to start building at all? Where could they find credit? One idea developed for financing housing projects is that of a Housing Bank. This, too, has

the Palestinian civil affairs committee head finds it difficult to be optimistic. “The obstacles placed in our way daily make us feel the Israelis are not serious about peace, and if they don’t hand over empowerment and guarantee safe passage, they’ll endanger the peace process.” More serious is the continuing killing: “Even in Gaza, a journalist, three Palestinian soldiers, two civilians have been killed.” El Khairy attributes the continuing violence to the application of “collective punishment” on Palestinians and complains, “they are using the same techniques as under occupation.”

Yet his pessimism does not lead to resignation. On the contrary, he shares with his government colleagues a steadfast determination to make the agreement work. “We are not for killing, whether it be Israelis or Palestinians. But we are not in favor of collective punishment. We know that peace has a price. There is opposition to it on both sides, so both leaderships have to have courage to fight for peace, and to make sacrifices. He who thinks peace is cheap, is wrong. Peace requires more than war to be implemented on the ground. The people have to see it, see its benefits on the ground. Then, they can fight for peace, and on both sides. This is the only way we can deal with opposition on both sides, not by punishment. The only solution is to accelerate implementation of the peace accord, so people can see that peace works.”

been sabotaged by the World Bank and International Monetary Fund. The concept is to begin with \$20 million to be raised on the basis of capital the Palestinian Authority owns, in the form of land and five large buildings financed by the European Community. With a further \$50 million in soft loans, the Housing Bank could begin financing construction of 180,000 of the 220,000 units needed. The World Bank and IMF oppose the plan, saying the initial capital should be given to ten banks, which in turn would issue credit. According to government authorities in Gaza, this would defeat the purpose, as commercial banks would lend first to wealthy persons. The Housing Bank is based on the perspective that ten years would be needed, before a return on the investment should be expected. The only alternative envisioned is that the World Bank would provide a \$500 million soft loan, of which 10% would be made available for low- and middle-income housing.

The Housing Ministry has also drawn up a proposal for helping citizens complete buildings whose construction has been interrupted by lack of funds. A pilot project would cost \$50 million, to build 5,000 units in the current year, i.e., 1,250 units per month. The money would be lent out to the people building, and “the success of the project will not only contribute to solving the problem of housing and unemployment, but will also positively affect the construction support industries, e.g., factories producing bricks, tiles, etc.”

Another proposal of the Housing Ministry entails “an investment system and regulations which allow investors to have public lands in order to build housing units, hotels, factories, recreation facilities, etc. In return, the investors will build housing units and hand them over to the PNA [Palestine National Authority], to be rented or sold to people.” This means, investors would give up an agreed-upon percentage of the units built to the PNA. Fifty thousand units would be required through this means in the current year, to provide housing for 50% of the homeless. Abdeen Abdul Kareem of the Housing Ministry said that the Japanese government had shown interest in such a deal, with Keer International. There is an area in Rafah in the Tal Sultan, on the Egyptian border, which has been designated for such a project, for 5,000 units. Only the financing is lacking.

The other proposal mentioned by the Housing Ministry officials involves development of small villages. The concept is the same as in the case of urban areas: “Public land . . . will be provided with infrastructure, primary school, health center and other service facilities. The land then will be given to investors, cooperatives, and people for building.” The hitch is: “Technical assistance and financial support for the infrastructure are needed for the implementation of this project.”

PNA leaders have also been actively seeking the support of wealthy Palestinians from abroad, with limited success. The main obstacle to their investing massively, and relocating in Gaza, for example, is usually identified in the lack of