



## Palestinian Poverty Monitor

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**FOR FURTHER INFORMATION**

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## Evolution of Poverty

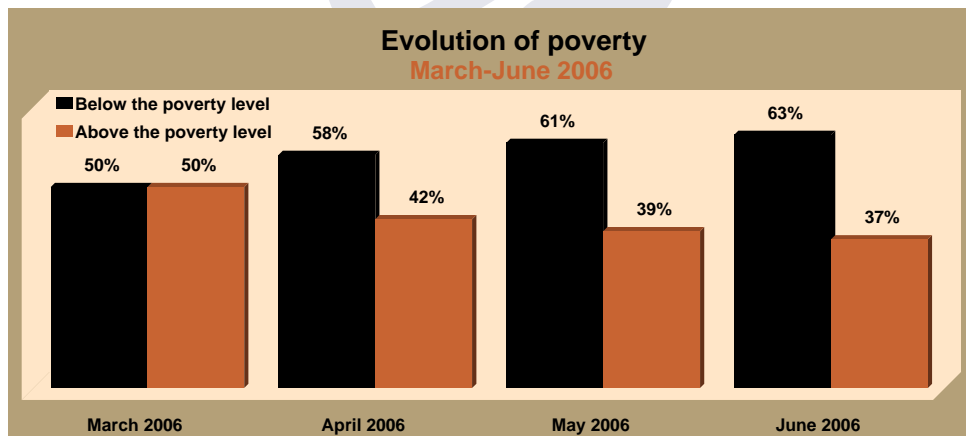
NEC will monitor the poverty situation on a monthly basis. The monitoring will be based on phone surveys with Palestinians over the age of 18. At a later stage, NEC will construct a poverty profile according to a number of independent variables. The results will be examined over time to see how the poverty level is changing and whether it is becoming prolonged. The results will be posted on-line to enable users to tailor their own analysis according to a number of explanatory (independent) variables.

The changes and the trends in the poverty level will help address and evaluate the various policy interventions carried out by policy makers and various assistance providers and other stakeholders in addition to the impact of the Israeli measures and other political developments on the evolution and/or management of the poverty conditions. The poverty level will be constructed according to the household income and household structure as reported by the respondents. Below poverty is based on around 2000NIS per month for a family of 2 adults and 4 children; and the hardship cases is based on approximately 1000 NIS for a similar household;

At a later stage, NEC will also examine subjective poverty and coping strategies once every three months to provide more explanations as to how the trend is moving. In addition, household health will be examined as will the impact of the role of women as heads of the household...

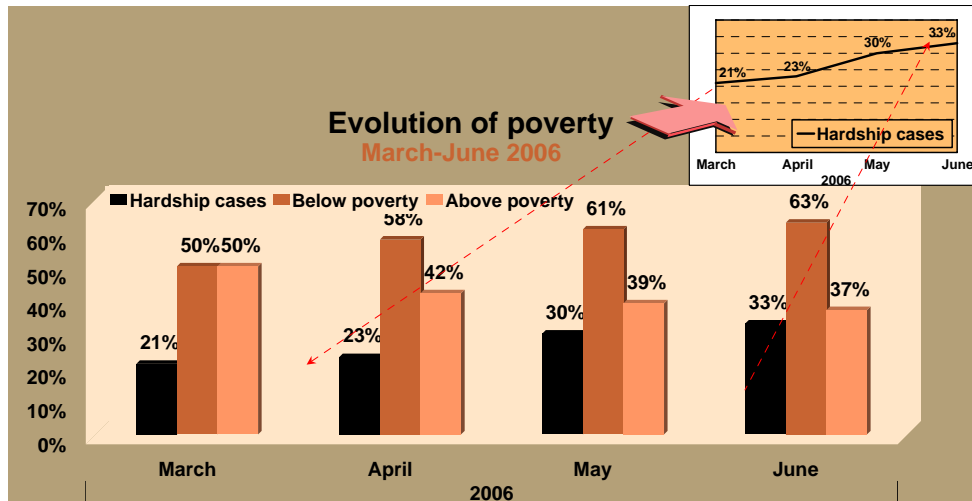
### Main findings

The increase in the percentage of households who are below the poverty line in the oPt has been dramatic in the past four months as it increased from 50% in March 2006 to 63% in June 2006. Meanwhile, the percentage of Palestinians in March living above the poverty line was 50%, however as the months have past, the number of Palestinians at this poverty level began to decrease to only 42% in April, 39% in May and 37% of Palestinians in June 2006 remained at the above poverty level as illustrated in the figure below.

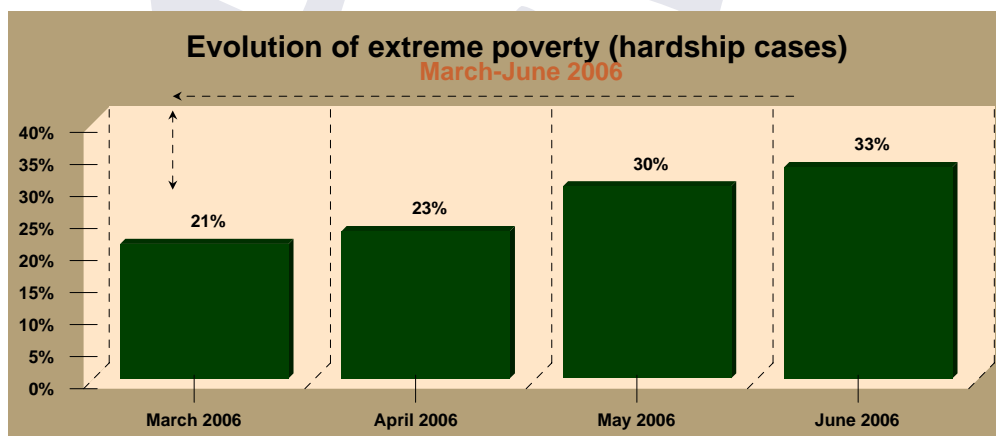




However, when incorporating hardship cases into the analysis, it is clear that there has been an increase in poverty on a monthly basis, especially in the category of hardship cases (extreme poverty). As illustrated in the figure below, 21% of Palestinians were at the hardship case in terms of poverty during the month of March, but steadily increased each month to 23% in April, 30% in May and 33% in June.



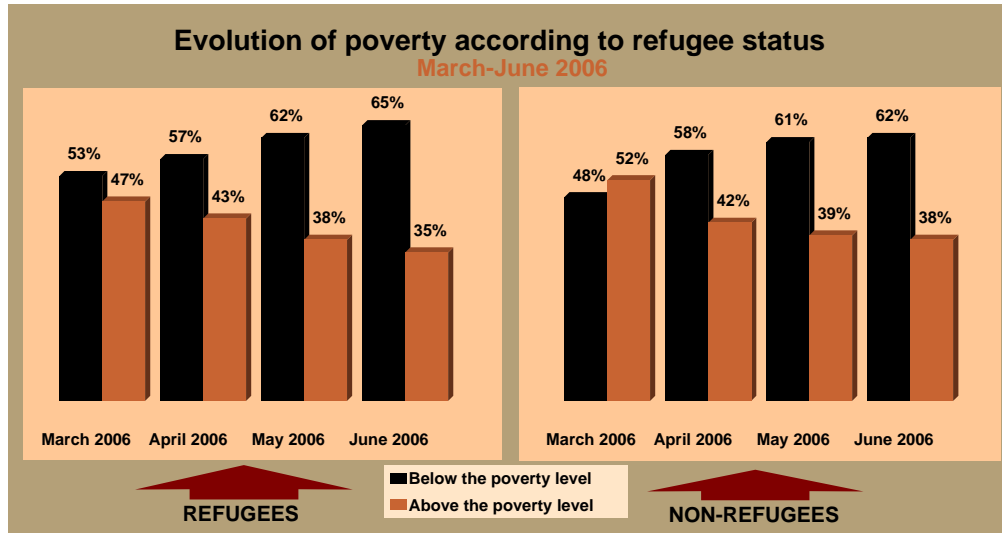
In the meantime, when examining the poverty situation in the past four months by combining both hardship cases (extreme poverty) and below poverty line cases it is astonishing to note the huge difference between the months especially given the percentage of Palestinians living at extreme poverty or below the poverty line in March (71%) compared to the number of Palestinians at the same levels in June (96%). There has been a 12% increase in the number of hardship cases in a period of just four months.



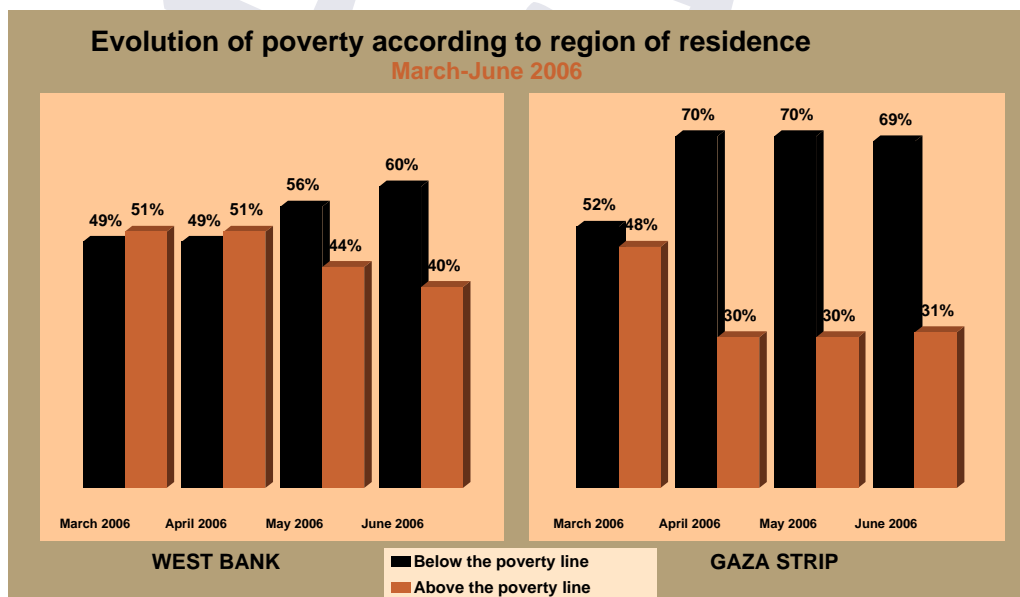
In terms of refugee status, the percentage of Palestinians living below the poverty line who are also refugees has increased on a monthly basis from 53% in March to 57% in April, 62% in May to 65% in June as compared to the non-refugees in which 48% lived below the poverty line in March, 58% in April, 61% in May and 62% in June. An increase



in poverty did not discriminate between Palestinians of refugee origin and non-refugees as illustrated in the figure below.

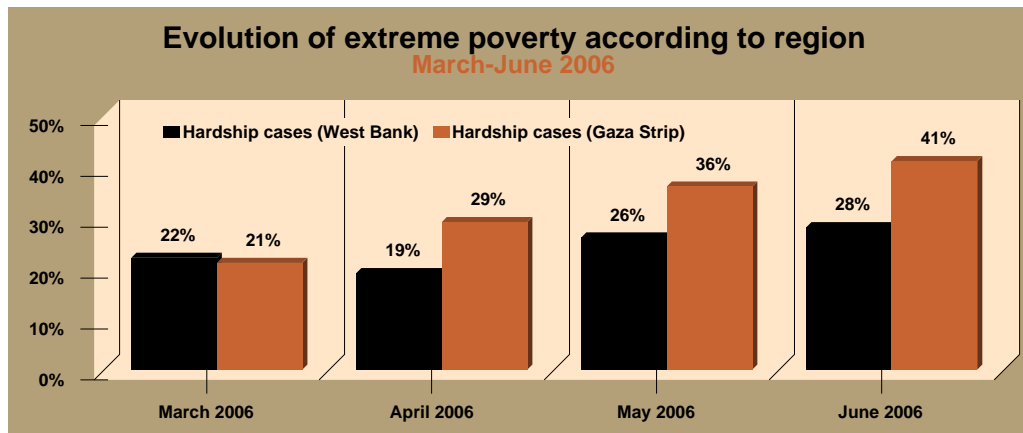


Despite the Israeli Withdrawal and the Agreement on Movement and Access, the economic situation seems to be deteriorating in the Gaza Strip. Palestinians in the Gaza Strip living below the poverty line have dramatically increased in April (70%) compared to March (52%). The percentage of Palestinians living below the poverty line remained stable at 70% until June but experienced a slight decrease by 1%. Meanwhile, the West Bank seemed not to be any different than the Gaza Strip but differed in terms that the percentage of Palestinians living below the poverty line increased not as rapidly as those Palestinians in the Gaza Strip with 49% in March and April, 56% in May to 60% in June living below the poverty line as illustrated in the figure below.

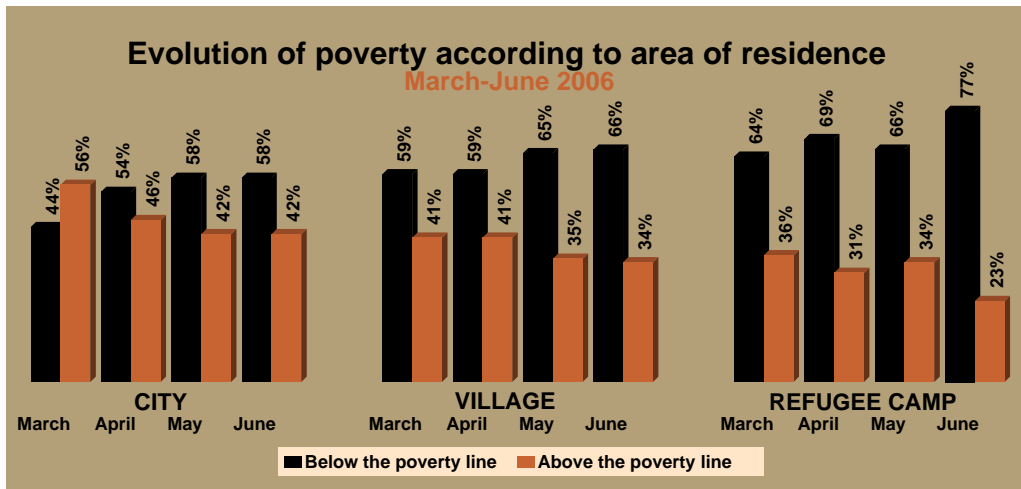




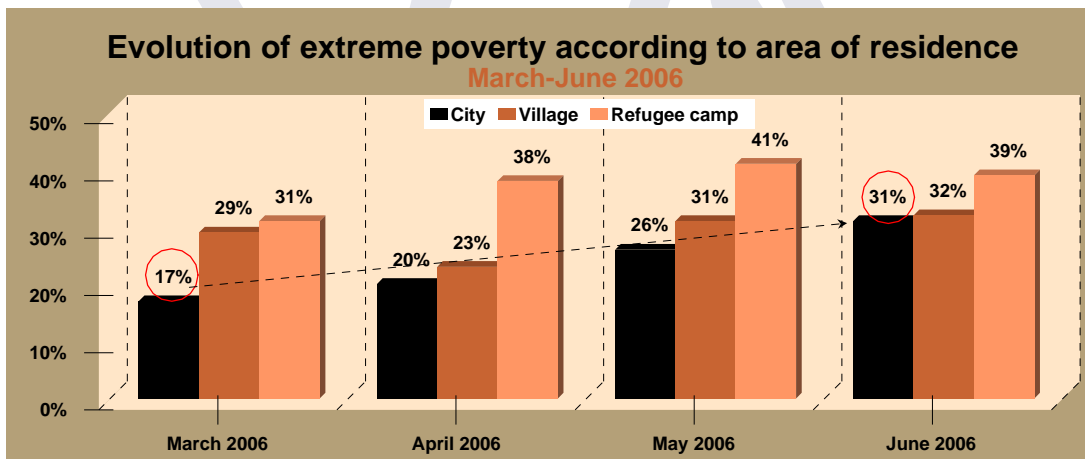
The numbers of households that are determined as falling in the hardship case category have doubled in the Gaza Strip since March 2006. Meanwhile, the percentage of Palestinians living at the extreme poverty level has slightly increased as the months proceeded but experienced a slight decrease by 3% from March to April. However, in March, the West Bank and the Gaza Strip differed by only 1% in terms of the percentage of Palestinians living at the hardship case level during the month of March but varied dramatically in terms of the percentage in June with only 28% of Palestinians in the West Bank living at the hardship level in June compared to 41% of Gaza Strip Palestinians at the same level.



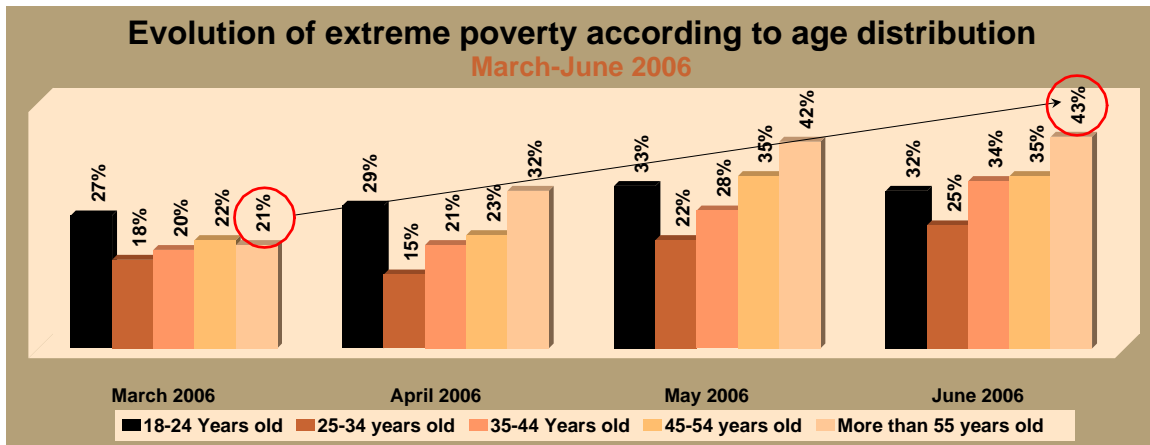
The highest increase in Palestinians living below the poverty line can be seen among Palestinians residing in refugee camps than city and village residents. In March 2006, 64% of Palestinians that lived in Refugee Camps were below the poverty line compared to 77% in June. Refugee camp residents experienced a slight decrease in the percentage of Palestinians living below the poverty line from April to May (-3%) but increased by 10% in June. Meanwhile, city residents as well as village residents living below the poverty line increased on a monthly basis as those Palestinians living above the poverty line decreased as the months progressed.



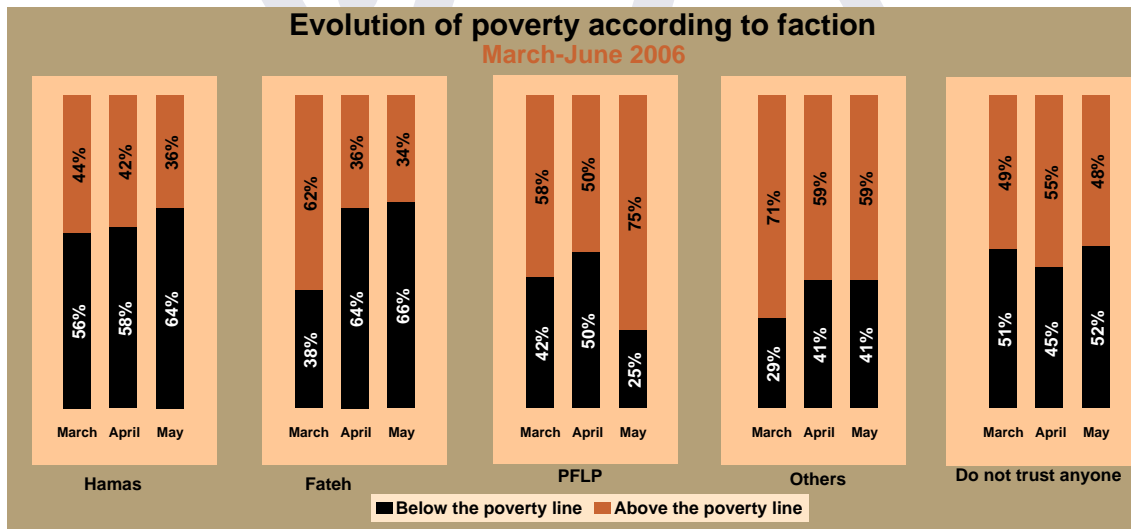
The highest increase in the hardship cases have been witnessed in cities where the percentage of households living in extreme poverty had increased from 17% in March to 31% in June 2006, an increase of 14%. Meanwhile, village residents living at the hardship case level slightly decreased in April by 6% from that of March but managed to increase to 31% in May and only increased by 1% in June. Refugee camp residents living at the extreme poverty level remained steady in terms of increasing from the month of March to June.



The increase in hardship cases seems to have hit all age groups, particularly the old. The largest percentage of Palestinians living at the extreme poverty level can be witnessed among those aged 18-24 years old and those aged more than 55 years old. In the month of March, 27% of 18-24 year olds lived at the extreme poverty level compared to 32% at that same level in June. Meanwhile, the percentage of Palestinians over the age of 55 was 21% in March but increased to 43% in June, an increase of 22%.



Those respondents that trust Hamas most also at a larger percentage lived below the poverty line in March than compared to other factions, whereas only 38% of Palestinians that trust Fateh shared this same level. However as the months went by, the percentage of those trusting Hamas also increased as did those supporting Fateh with 64% of those trusting Hamas and 66% of those trusting Fateh living below the poverty line in May. Meanwhile, of those Palestinians that trust others in March there was only a small percentage 29% that lived below the poverty line, whereas by May that number reached 41%. Also, among Palestinians that do not trust anyone, the percentage of Palestinians in March that live below the poverty line was 51%, however, it experienced a slight decrease by 6% in April and increased again in May to 52%.



The highest percentage of those Palestinians trusting Hamas and those not trusting anyone can be seen as the months past by. In March, 25% of Palestinians that trust Hamas also lived at the extreme poverty level, by May it increased by 4%. Meanwhile, those not trusting anyone and also living at the extreme poverty level increased from



March to May by 9%. However, those trusting Fateh seemed to nearly double from March where it stood at 13% to 32% in May.

