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heartland of national
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HEBRON - ANCIENT CITY WITH BUSINESS AT ITS HEART

Dalia Hatuqa Reporter and Writer of PBF



Hebron is a West Bank governorate of superlatives; it ranks the largest in terms of area, population and contribution to Palestine's Gross Domestic Product (GDP).

Situated just 36 kilometers south of Jerusalem, it stretches between two ranges of hills, and houses more than 600,000 Palestinians. The city itself, with a population of more than 183,000, is a lively metropolis of buildings, universities and recreational centers.

Hebron, or al Khalil as it is known in Arabic, is renowned for its businesses, factories and shops spread over 50 square kilometers. Its mayor, Khaled Osaily, a former businessman by trade, is proud of his constituents, whom he labels "hard workers" and "risk-takers."

These characteristics are reflected in this southern West Bank city, which has flourished into Palestine's industrial capital. According to the Palestinian Central Bureau of

Statistics (PCBS), Hebron generates 54% of Palestine's national commerce.

Hebron: The Industrial Capital

Renowned for its economic significance, Hebron is a hub of industry and traditional crafts, including handmade glass, pottery, glazed ceramics, tannery, shoemaking, and textiles. Even its streets are named after the

handcrafts and industrial occupations its traders are known for; examples include the Qazzazin (glass makers) neighbourhood, the Milk Market and the Blacksmith Market.

foreign trade between 2007 and 2010), and imports (an average of 17.5% between 2007 and 2010), according to the PCBS.

One of the main industries in Hebron is what is referred to as 'white gold' - Hebron's stone and marble, which represents 60% of the Palestinian reserve. Its products also yield 45% of the industrial income and approximately 5% of the GDP. Moreover, they are exported to nearly 90 countries worldwide.

According to Mayor Osaily, Hebron's industries are an intricate weave of family businesses, inherited from father to son. "You have specific families linked with specific industries," said Mayor Osaily. "For example, Al Natsheh family is known for their traditional glass-making. Foam mattresses are made by the Hirbawi family."

Mayor Osaily said many families in Hebron have worked long and hard to have their children attend universities abroad. Those children, in turn, have returned to Hebron upon completion of their studies and either started their own or developed their family's existing businesses. More than 200 families in Hebron have also emigrated to China, and have created a wide network of successful business relationships between both countries.

Hebron supports its industries with a state of the art infrastructure, namely a modern sewage system and a vast network of wide roads and streets. Hebron also has a successful chamber of commerce, deemed one of the oldest in Palestine and one of the most recognized and well-respected worldwide.

Hebron's electricity sector boasts a power supply continuity of 98% without interruption, such that there are hardly any electric shortages in the area. According to Abdel Raouf El Sheikh, Director of Hebron

Electricity, more than \$35 million has been spent on projects aimed at developing the infrastructure of the power system, which is the most reliable in Palestine.

Hebron's Many Achievements

In 2008, Hebron developed a 5-year strategic plan that focuses on sustainable development, modernizing the city and supporting Hebron's youth.

Hebron goes green

Hebron's Municipality underwent a major overhaul to support sustainable development and green living. The first step was going paperless with the launch of an e-Municipality, which carries out transactions online. In an effort to reduce paper waste, all forms, leave requests, salary and work hour-related issues are now handled electronically.

Wastewater and solid waste management

In 2011, Hebron Municipality signed an agreement with its counterpart in Genoa and the Italian Development Cooperation to develop the water and wastewater capacity in the area.

The municipality is also part of a project to manage solid waste in the southern West Bank areas. This environmental project offers safe landfills and solutions to improve solid waste disposal, which includes collection, transport and processing of solid waste.

The municipality has also signed a \$26 million solid waste management project in cooperation with the World Bank, European Union, United States Agency for International Development (USAID) and the



Hebron houses more than a third of the West Bank's food production industry (most notably dairy), textiles, garments, electrical appliances, leather, wood, nylon and paper products in addition to minerals and their byproducts.

Specifically, the plastic/nylon bags, shoes, stone, and wood products are in the top ten list of best sellers exported to the region and world at large.

Hebron's products also constitute a large percentage of all Palestinian exports (an average of 30.5% of the

Italian Development Cooperation. This involves 33 municipal councils in the governorates of Hebron and Bethlehem.

The municipality has also signed a \$1 million agreement to complete a study on introducing recycling to the Hebron area. The study is being made in cooperation with the International Finance Corporation (IFC) to create a Public-Private Partnership (PPP) to recycle glass, paper and more.

Business support

The municipality kick-started two initiatives with the area's universities to create a business incubator that can provide help and guidance to students who have patents or inventions.

'Dream Factory' is another Hebron Municipality initiative that supports students with small business ideas and helps guide them towards new employment opportunities.

Recently, Hebron Municipality signed an agreement with PICTI (Palestine Information and Communication Technology Incubator), PITA (Palestinian Information Technology Association) and the area's universities designating Hebron a 'Knowledge City' for two years (between 2013 and 2015).

The municipality is also undertaking several PPPs in cooperation with the area's universities to create opportunities to develop the city and find financial resources for new projects.

UNESCO

Hebron's Old City will be submitted to UNESCO's World Heritage List in 2013. Last year, Hebron's municipality put together all the paperwork required for submission. The Church of Nativity in Bethlehem was voted a



World Heritage Site by the UN body's World Heritage Committee in 2012.

Tourism

Hebron and its Old City, more than 6,000 years old and home to the tomb of Prophet Abraham, should be a main tourist and pilgrim destination. But the area is consistently subject to Israeli military closures and curfews, and many areas are closed to Palestinians (but open to Israeli settlers). "I'm the only mayor in the world who isn't allowed into some areas under his jurisdiction," said Mayor Osaily.

The city is divided and peppered with military checkpoints, dealing a heavy blow to the economy and tourism alike. After the 1994 Ibrahimi Mosque massacre, more than 1,800 stores were closed and Palestinians living in 1,000 housing units were forced to leave. The "Shohada" street connecting the northern part of the city to its southern area is still closed.

The Old City and the Ibrahimi Mosque in Hebron are known for their cultural and religious importance. "But the Israeli military has turned

the mosque into a military barracks instead of leaving it a revered site," said Mayor Osaily. Any person going into the mosque has to go through four metal detectors and the site itself is divided.

Agriculture

Hebron is renowned for its crops, its ubiquitous vineyards and fruit, fig, olive and almond trees, as well as its vegetable produce. However, the limited arable land and the shortage in water resources have led to a decrease in agricultural production.

Livestock in Hebron represents approximately 30% of the total livestock in the West Bank. Hebron is known for its sheep, goat and cattle farms, which supply milk and fresh meat to the surrounding areas and the rest of the West Bank.

Hebron Faces Many Obstacles

Despite Hebron's achievements, many obstacles hinder it from achieving its full potential. One of these impediments is the lack of a specialized industrial zone in the



governorate to house the different industries, and factories are located in populated areas.

Other obstacles are posed by the Israeli military stranglehold on the West Bank and control of the cross-points, which hinder export efforts. Israel also imposes a back-to-back system on all Palestinian exports. This system involves goods being offloaded from Palestinian trucks and inspected at Israeli-controlled crossing-points, before being moved to an Israeli truck for final delivery within Israel or overseas.

“Not only is this time-consuming and costly, but it’s also risky as many products get broken during loading and off-loading and goods go bad when inspections take hours,” said Mayor Osaily.

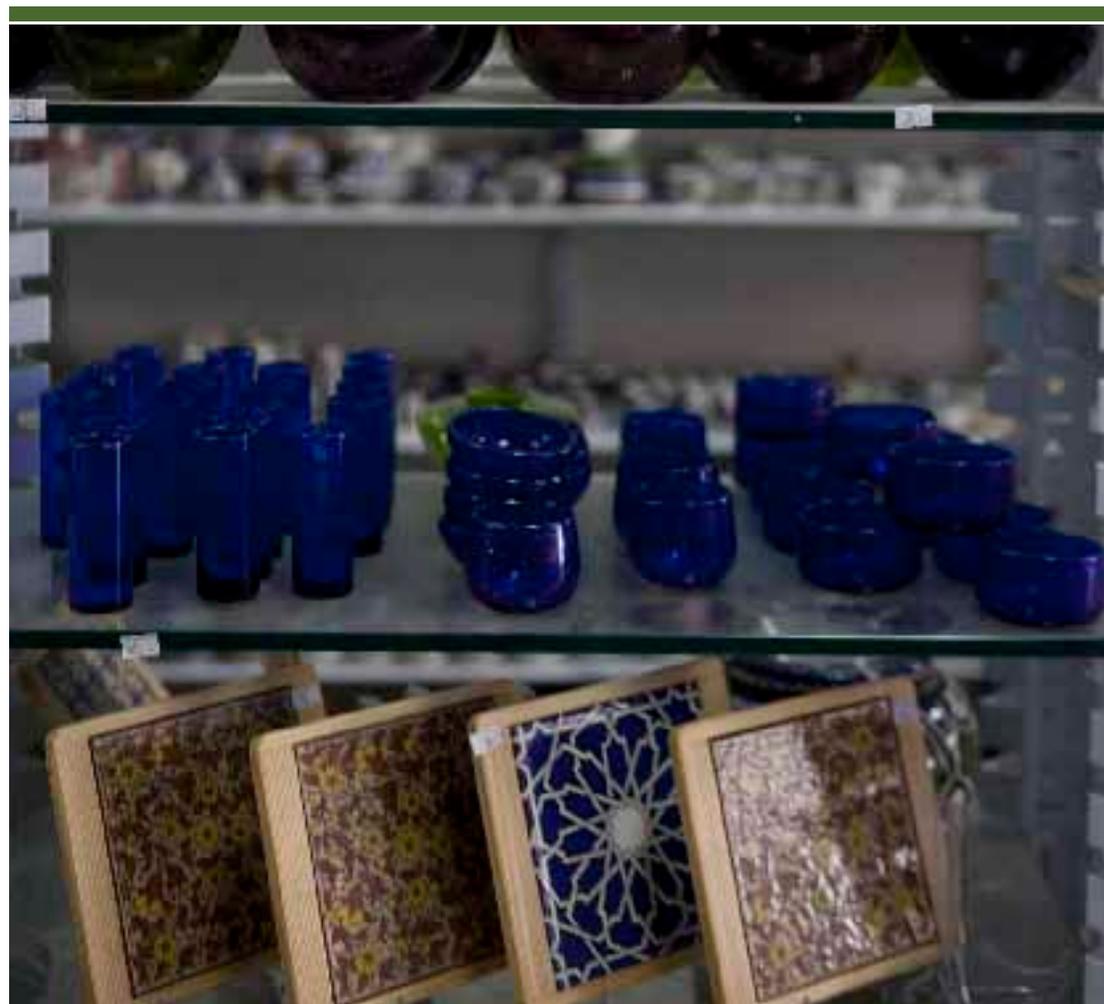
This system also takes a toll on grapes, Hebron’s most famous edible products. 60% of Palestine’s grapes are produced in Hebron, making this fleshy fruit an agricultural staple here. The back-to-back system makes it almost impossible to export grapes to Israel or internationally. This often leads to a saturation of grapes in the Palestinian market, which brings down its price drastically. Another hurdle is the worldwide competition that has saturated the Palestinian economy with cheap foreign goods, further contributing to the high unemployment rate plaguing Hebron. At 28%, this figure is high due to Hebron being the biggest governorate in the West Bank and because it is home to four large universities which graduate approximately 40,000 students every year, according to Nu’man Abdo, the Director of the Hebron Educational Region.

There is also a water crisis plaguing the area, which has meant shortages in water for irrigation and for household use. Per capita water allotted to Hebronites is roughly 50 litres, according to Mayor Osaily, and households have access to water once every 20-25 days. In Israeli towns the

number is 242 litres, according to the Israeli human rights group B’Tselem.

The World Health Organization (WHO) and USAID recommend 100 liters of water per capita per day as the minimum quantity for basic consumption. Drilling boreholes to construct water wells could easily be the solution this water crisis, said Mayor Osaily, but the Israeli government prevents them from doing so, as Israeli authorities also control the West Bank’s water resources and aquifers.

Despite the numerous hurdles, this southern West Bank city remains the hub of Palestine’s industries and commerce, accounting for roughly 30% of the West Bank’s GDP. Hebron also has roughly 60% of Palestine’s national reserve in marble and about half of Palestine’s goldsmith industry. Its industries, namely handcrafts, stone cutting, manufacturing of leather and shoes, dairy products and plastic pipes, are sources of national pride.





Palestine and Sustainable Construction

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Developing sustainable construction in Palestine is a strategically important goal. We need to focus on the future; being sustainable is one way in which we can guarantee a future with the resources that we require. Sustainability in business is a powerful and defining idea - a sustainable corporation is one that creates profit for its shareholders while protecting the environment and improving the lives of those with whom it interacts. It operates so that its business interests and the interests of the environment and society intersect.

The construction sector is one of the key economic sectors and one of the main forces motivating the Palestinian national economy. Since 1994, the construction sector has witnessed a noticeable expansion, resulting in the recovery of the construction contracting profession and its subsidiary industries. The sector has occupied a leading position amongst other sectors, attracting investments and creating new jobs (PCU, 2008)., the construction sector contributed 33% to Palestinian GDP, employed about 10.8% of labourers directly, and 30% indirectly in related sectors (PCU, 2003). Due to increased demand from the first Intifada, and to accommodate Palestinian returnees from the Gulf following the first Gulf War, the construction sector experienced a steady increase from 1991 onwards, but in year 2004 the construction sector's contribution to the GDP was reduced to 9% due to the second Intifada in Palestine (World Bank, 2004; PCBS, 2004).

By 2007, its contribution had fallen to a mere 6% of GDP (PCBS); this was a shocking situation and resulted in an urgent investigation into the reasons behind the fluctuation and severe decline in the construction sector's contribution to GDP.

The Palestinian economy, unlike other economies, lacks national strategic control and a self-monitoring system, because it has never been fully under Palestinian sovereignty. The economy has experienced dramatic changes. Some of these changes are linked to factors such as the volume of external donations and the repeated closures imposed on the movement of people and goods into the Palestinian territories. Palestine's development efforts face multiple challenges - nevertheless, recovery and reconstruction must proceed.

An in-depth study - a Masters dissertation (1) - was conducted in 2010 to investigate the key barriers to implementing sustainable construction in the West Bank - Palestine, focusing on contractors' assessments and the implementation process only.

The key findings of the study illustrated that key barriers were prioritized as follows:

1. Political situation
2. Legislation
3. Cost
4. Technology
5. People
6. Market
7. Time

The assessment's highest rated questions showed that the top ten barriers they face from the main categories were:

1. Instability and insecurity
2. Closures
3. Unpredicted costs caused by barriers to access and movement
4. No comprehensive planning for the projects that are required
5. Dealing with different currencies under the same contract
6. Currency fluctuation
7. Cash-flow mismanagement
8. Lack of strategic planning by authorities
9. Unpredictable conditions
10. Delays in consultant approvals

Further in-depth analysis of the above items showed that almost all barriers are caused directly or indirectly by the political situation, except three or four items that refer to the Authority related to planning and the last one refers to the consultants' late approval.

Numerous questions are raised regarding the implementation of sustainable construction in Palestine, so ongoing research is needed. The contractors are doing their best to be qualified, most of them are highly educated and experts in crisis management and they all follow the policy of diversifying operations.

The construction sector has a very large spectrum of stakeholders/actors; each actor is of critical importance for the completion of the construction chain. If sustainable construction is to be mainstreamed, barriers that stand in the way of mainstreaming must be clarified and prioritized from the point of view of each actor. The barriers must be investigated from the rest of the construction chain's point of view; to know if the problem is with the architects or the clients; how they choose their projects, and how they decide upon their designs and specifications. Are they interested in implementing sustainable construction? Is there any cooperation between the Government and the private sector to encourage national investment? With a lack of capital and an absence of our own national currency, what are the hedging methods that are possible in such unstable political situation? What is the role of the government in such cases? Are donations from donor countries well invested in the creation of sustainable projects? Do these investments meet the needs of Palestinians? Increasing productivity and the creation of new jobs are the main factors to encourage sustainability; if so, to what extent can the donor countries contribute to enhance these factors? Is it possible to achieve sustainability without sovereignty? The questions are unlimited and the challenges facing Palestinians numerous.

Bibliography: Dissertation: Osaily, Najah (2010) 'Key Barriers to Implementing Sustainable Construction in West Bank- Palestine' (1)