

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/228300986>

# Analysis of the PNA Social Budget

Article *in* SSRN Electronic Journal · April 2008

DOI: 10.2139/ssrn.1116988

---

CITATIONS

0

---

READS

55

**1 author:**



**Nidal Rashid Sabri**

Birzeit University

53 PUBLICATIONS 107 CITATIONS

SEE PROFILE

Analysis  
Of the PNA Social Budget

Dr. Nidal Rashid Sabri

Offered to  
*The Secretariat for the National Plan of Action  
For Palestinian children (NPA)*

June, 2002

## List of Contents

### Part I: Fundamentals

1. Overview
2. Development of the Palestinian budget
3. Sources of financing public services in Palestine

### Part II: The Social Budget in the Palestinian Authority

1. Pre- Palestinian Authority
2. During the Palestinian Authority
  - Government Social Budget
  - UNRWA Social budget
  - Non profit Organizations contributions to social services
  - International aids and UN organizations allocated to social services
3. Consolidated social activities in the Palestinian Authority

### Part III: Analysis of social budget

1. Introduction
2. The central government social policies
3. The UNRWA social policies and objectives
4. The non- profit organizations social policies
5. The central government child policies
6. Analysis of social budget allocations

### Part VI: Epilogue

1. Conclusions
2. Recommendations

## Part I: Fundamentals

### Overview

This study is intended to examine in depth the public finance of social budget allocations in Palestine. In order to suggest measures for improvement concerning the social allocations in general and to the child budget in specific. To accomplish this purpose, a depth analysis of social budget matters, trends and issues have been investigated during the different political stages in Palestine, especially in the era of the Palestinian Authority.

The investigation process included various issues of public finance such as administrative, policies, and fiscal aspects. In addition, related laws, by-laws, procedures of public social services have been examined and analyzed. Structured interviews were conducted with relevant employees of public and non-profit organizations. Finally an intensive review of the related literature was considered.

Public services are provided mainly by central government, however, other quasi government and non- profit organizations are participating significantly in offering social services. Accordingly, this paper included authorities, which play a role in one way or another in providing social public services. Public finance of social Affaires has been defined for the purpose of this study as public social services which are provided through government budget and other related bodies including semi- government institutions, non-

profit organizations and other specialized agencies. The public social services are usually supplied either as a free or on subsidized bases. In most of cases, social needs for individuals are non-marketable services such as aids in emergency situations. While in other situations may be considered as collective consumption services.

The UN manual of governmental budget for developing countries, classified the functions of the government expenditures into five groups. They are; public services (public management, defense, justice, and internal security) community services (roads, environment, public gardens, research, and other community services) welfare services, economic services (agriculture, energy, industry, transportation and communication), and non-allocated expenditures. The welfare services are divided into four sub-groups, including the education services, health services, social and other services. Therefore, social services are considered as part of welfare services, which include services, related to social security programs, women, childhood-oriented programs, handicapped and elderly communities.

### **Development of the Palestinian Budget**

**The British Mandate:** The British administration initiated the first Palestinian budget, when issued Article 28 to regulate financial and public affairs (Laws of Palestine, 1933). The annual budget used to be prepared and issued by the high commissioner in an ordinance form, and to be included in the Palestine Gazette. The total expenditures for a quarter century (1920-1944) were about \$ 415 million. The major expenditure items were security, defense and general administration which formed from 55% to 68% of the total expenditure, public works formed 15% to 25%, education and health formed 9% and agriculture

formed from 4% to 7%<sup>8</sup>. (Horowitz- Hinden, 1938, Nathan & others, 1949). In the year 1946, the total expenditure budget was \$ 80 million, 40% of that budget expenditures was allocated for police and military services, while 12% of the total was allocated for education, health and social welfare (Palestine Gazette, 1944).

**1948: 1967:** The West Bank became a part of the kingdom of Jordan, the west Bank share of Public expenditures ranged between \$ 24 Million in 1959 and \$ 37 million in 1966. The share of education expenditures used to be about 9%, while the health and social expenditure allocations were about 4% of the total current budget. The public budget in Gaza Strip was under Egyptian administration. The annual government expenditures ranged from one million dollars in 1950 to \$ 9 million dollars in 1966. Of the total 12% were allocated to capital budget (Sabri, 1994).

**Israeli Occupation (1967- 1993):** During the Israeli Occupation, the government expenditure budget in Palestine used to be articulated by the Israeli officers based on the organizational structure of what they call it as the civil administration, and used to be integrated to the Israeli Defense ministry budget, under section 17. The major expenditure items of current budgets were: the education, health and social welfare which formed about two-thirds of the total current budget for both West Bank and Gaza Strip as presented in Table No. 1.

It shows that 29% of the total West Bank budget was allocated to general services, and 23.4% for Gaza Strip budget. The second section is related to the social services, which formed 60% of the total budget for the total West Bank current budget, and 66% of the Gaza Strip current budget, The education got half of the allocation for this section, followed by the health and social services respectively.

The community and economic services formed only 11% of the West Bank and Gaza budget (Israeli Budget Laws: 1968 to 1989).

Table No. 1  
Rank of Social welfare Expenditures among Other Government  
Budget Allocations for the Period (1968-1989)

Function	Budget Items	West Bank		Gaza Strip	
Groups		Rank	%	Rank	%
General Services		2	29.0%	3	23.4%
Community Services		6	3.6%	6	3.8%
Social Services	Education	1	39.0%	2	27.0%
	Health	3	16.0%	1	30.0%
	Social Welfare	5	5.0%	5	9.0%
	Total		60.0%		66.0%
Economic Services		4	7.5%	4	6.8%
Total			100%		100%
Value in Million \$ (Total 1968-1989)			1,157		560

Source: Compiled by the author

### Sources of financing public services in Palestine

Due to the political situation, the public sector in the Palestinian Authority continued to be financed by the central government budget as well as other related bodies, which may be summarized as follows:

#### The Government Budget:

The first official Palestinian budget during the Palestinian National Authority was presented to the Palestinian Legislation council in the 1997. While budgets for 1995 and 1996 were only partial statements for actual expenditures of the public sectors activities. The size of the central government budget was doubled twice between 1992 and 1995, and in the year 2000, the size of the Palestinian current budget reached about \$ 964 million as presented in Table No. 2. Of the total current budget, about 88% of the revenues come from taxes, while 12% come from other local revenues.

The indirect taxes including value added, costumes and other indirect taxes form almost 91% of the tax revenues, while the income tax revenues form only 9% of the Palestinian budget for the last five years (The laws of Palestinian Budget for 1997 to 2000).

Table No. 2  
The Palestinian **Current** Government Budgets (Expenditures)  
Between 1980 to 2000 in million \$

Year	in million \$
1980	89
1986	145
1988	235
1991	286
1995	426
1997	814
1999	928
2000	964

Sources: a: Palestinian budgets: 1997 to 2000. b: Laws of Israeli budget (1980 to 1992)

Concerning the expenditure side, the government current budget is financing a total of 24 miniseries, 3 governmental authorities, and 4 governmental institutes (The secretary of miniseries' report of 1999). However, those governmental units are varying in size and values. The Palestinian budget is organized based on ministries and units structures using cost items, rather than programs and projects. No other classification models are used to present budget statements, which may be more useful in planning, controlling and evaluating processes.

Generally, there are three major groups of items in the current governmental budget, which are almost equally distributed. The first group is

related to the security and police services which forms about one third of the total expenditures of the Palestinian budget. The second group is related to the welfare services including education, health and welfare, which also formed one third of the total expenditures. While the other third group is related to financing the other governmental ministries and agencies

### **The UNRWA Budget**

The United Nation Relief and Works Agency for Palestine Refugee in the Near East (UNRWA) was established in December 1947 by resolution No. 302 which was issued by UN general assembly to offer public and relief services to the Palestinian refugees. It offers public services for registered refugees who are living in or outside refugees' camps. The number of registered Palestinian refugees living inside Palestine is about 1,384,655 persons as it was in June, 1999. Of the total about 598,307 individuals are living inside 20 refugee camps inside the West Bank and other 8 refugee camps inside the Gaza Strip (UNRWA report of 1999).

The UNRWA annual budgets are financed completely through donations from UN states and UN special allocations. The UNRWA total expenditure budgets in Palestine had increased from \$ 18 million in 1972, to \$ 52 million in 1980, to \$ 120 million in 1990, to \$ 130 million in 1995, to \$ 156 million in 1999 as presented in Table No. 3.

The UNRWA budget financing public services in three major areas. First; relief services which include rations, shelters, special hardship assistants, works program and other social welfare programs. Second; education, which includes schools, vocational and technical training, and

university scholarships. Third; health, which includes preventive and curative medical care, nursing, and environmental sanitation. Education budget forms more than half of the total UNRWA expenditures followed by health and social services respectively.

Table No. 3  
UNRWA Actual Budget Expenditures in the West Bank and Gaza  
Between 1980 and 1999 in Million Dollars

Year	Actual Expenditures
1980	52
1988	80
1991	80
1995	130
1997	138
1999	156

Sources: UNRWA Financial Position Reports and Internal Financial Statements (1980 to 1999)

However, in the early years of UNRWA activities, the majority of budget expenditures used to be allocated for relief services. The share of Gaza Strip budget is higher than that share of the West Bank. The UNRWA budget is classified according to various types of funds and donors, which includes general funds, funded on going activities, and special projects.

#### **The Non Profit organizations:**

There are more than 460 organizations working in the West Bank and Gaza Strip and may be classified as non-profit organizations in 1997 as presented in Table No. 4. Of the total, there are about 376 organizations existed in the West Bank, while there are about 84 organizations existed in the Gaza Strip.

Table No. 4  
Non- Profit Organizations offering Social support for individuals and  
Families in the Palestinian Authority in 1997

Non- Profit Organizations	West Bank	Gaza	Total
Relief Charities	57	7	64
Credit Institutions	8	1	9
Rehabilitation	12	6	18
Charity Organizations	149	18	169
Education Societies	30	8	38
Health Societies	34	15	49
Handicapped Societies	43	15	58
Orphans Societies	5	1	6
Older Charities	16	1	17
Other Charities	22	11	33
Total	376	84	460

Source: based on: Hilal and others **Social Support Institutions**, MAS 1997

The non profit organizations offer varieties of services in free or subsidies basis, and engaged in one way or in another in offering social public services to the Palestinian society. The majority of those services are in education, health and social welfare services. More than half of the above organizations may be classified as charities or relief institutions.

The non- profit organizations starting to play a significant role in offering public services in the early of eighties and during the Intifada. The major sources of funds for those organizations come from donations from inside Palestine and direct aids from Arab and foreign sources. It is estimated that the total annual outside aids came to the Palestinian non- profit organizations ranged between \$ 135 Million in 1980 and \$ 50 Million in 1999, with an average of \$79 Million annually, as presented in Table No. 5.

**Table no. 5**  
**The Estimated total donations granted to non- Profit organizations**  
**During the period from 1980 to 1999**

Year	Values in \$ Million
1980	135
1988	113
1995	60
1997	45
1999	50
Average	79

Sources: Sabri, 1994, and MIOPEC Reports 1998-1999

### **Other UN organizations and Associations**

There are many UN organizations and associations financing directly or indirectly public services to the Palestinian people. They include UNDP, UNICEF, UNFPA, WHO, and the World Bank groups. The UNDP works in Palestine since 1978, the UNICEF is working since 1984, others started their work in the Nineties. All of the UN organizations and Associations work in annual budgets ranged from one to five million dollars. The World Bank group is the only exception, which financed projects (the total actual disbursed) of a value of \$ 235 million up to 1999 (West Bank and Gaza Update, 1999).

### **International Aids:**

The idea of offering international aids to rebuild the infrastructure of the new emerging Palestinian State was started with the Peace process in 1993. It included a commitment of about 2.4 billion dollars to be offered during five years 1994-1999. However, only 44% of the total commitments were actually disbursed (Khadr, 1999). The annual international aids ranged

between \$ 655 million as in 1994 to \$ 382 million as in 1998 as presented in Table No. 6. The figures of International aids in the years 1999 and 2000 are estimated figures as mentioned in the Palestinian budget laws for the year 1999 and 2000.

Table No. 6  
International Aids (Actual Disbursed) to the Palestinian Authority  
from 1994 to 1999 in \$ million

Year	International Aids
1994	655
1995	457
1966	542
1997	490
1998	382
1999	700
2000	422

Source: a: The Palestinian budgets from 1997 - 2000. b: MOPIC'S Reports 1998 –2000

The International aids financed mainly the capital budget of the Palestinian Authority, either throughout the Palestinian ministries, PECDAR institution, the UNDP, or the World Bank. The major allocations were to sectors of infrastructure, water and sanitation, institution building, education, transportation, health, and multiple sectors. In addition, there are two funds (HOLEST and TAFT) which are directed by the World Bank, and they are financing projects up to \$ 271 million as in 1999 (West Bank and Gaza Update, 1999).

Finally, to summarize the above sources of public budgets, which participate in offering public services in the Palestinian Authority, Table No. 7 presents the consolidated public budget statement as existed in the

Palestinian Authority during the period from 1995 to 1999. It shows that the share of budget government is about 52% of the total allocations to public services. This means that the Palestinian Authority should be ready if other parties such as international aids and UNRWA decided to discontinue their obligations due to the peace processes.

Table No. 7  
Consolidated Public Budgets allocated by the major Groups in the Palestinian Authority between 1995 to 2000 in million \$

Year	Government	UNRWA	Non-Profit	International Aids	Total
1995	426	130	60	457	1073
1997	814	138	45	490	1487
1999	928	156	50	700	1834
2000	964	137	52	422	1575
Average	52%	9%	4%	35%	100%

Source: Compiled by the author based on: a: The Palestinian budgets from 1997 - 2000. b: The UNRWA Financial Statements (1995 - 1999) c: Sabri, 2000 , d: MOPIC'S Reports 1998 -2000, e: Hanafi, 1999

## Part II: Social Welfare Palestinian Budget

### **Pre- Palestinian Authority**

As indicated in the above part, there are four major groups offering public services. Including the central government, the UNRWA, the non- profit organizations and the international aids. In the pre- Palestinian Authority period, there was no direct international aid. This section will be devoted to discuss aspects of different parties participating in supplying public social services during the period from 1967 to 1993.

Concerning the central government, the value of social welfare budget was between \$ 4 to \$ 5 million in the West Bank and ranged from \$ 9 to \$ 12 million in the Gaza Strip between 1969 to 1971. The share of social budget was 4.7% of the West Bank total current budget, and it was about 10.5% of the total budget in the Gaza Strip for the same period as presented in the first part of Table No. 8.

However, The share of social budget declined after that, and continued to be less than 10% of the total current budget for Gaza Strip, and less than 5% of the total current budget for the West Bank, as shown in the second part of Table No. 8. Which presented the share of social budget and total budget values between 1984 to 1988 in Ratios and million dollars.

**Table No. 8**  
Share of Social Budget Compared to the Total Government Current Budget  
Between 1969 to 1971 and between 1984 to 1988 in Ratios and Million \$

Expenditures	West Bank				Gaza Strip		
	1969 %	1970 %	1971 %	Average %	1970 %	1971 %	Average %
Social Welfare	5	5	4	4.7	12	9	10.5
Total Budget in M \$	22.4	22.0	22.0	--	12.5	15.0	--
Expenditures	West Bank			Gaza Strip			
	1984 %	1988 %	Average %	1984 %	1988 %	Average %	
Social Welfare	3.8%	5.8%	4.8%	6.3%	9.3%	7.8%	
Total Budget in M \$	117	138		45	62		

Sources: a) Sabri, 1994 b) Laws of Israeli budget (1980 to 1988) c) IDF, Administration Territories, 1973.

The share of social allocations was small than share of health and education for the same period, as indicated in Table No. 9. It shows that first important item was the education allocation in the West Bank government budget, which formed about 40% of the total budget, while the health allocation was the first important item, which formed 35% of the total Gaza Strip budget.

**Table No 9**  
Share of Government Budget Allocations for the  
West Bank and Gaza Strip Between 1984 and 1991

Expenditure Items	West Bank	Gaza Strip
Education	41.0%	31%
Health	19.2%	35%
Social Welfare	4.8%	8.4%
Other Budget Items	35.0%	25.6%
Total Current Budget	100%	100%

Sources: Sabri, 1994 and the State Budget of Israel 1984-1992, item 17 Sections 50-69,

Concerning the UNRWA budget, the social services used to be the first important budget item during the period from 1967 up to 1980 in the Gaza Strip. While it formed about one third of the total UNRWA budget in the West Bank for the same period. This was due to the situation followed the 1967 war. However, the situation in the eighties had been changed and the social share of UNRWA services declined significantly. During the period 1980 to 1989 the social allocation was ranged between 12% and 26% of the total UNRWA budgets as presented in Table No. 10. In the eighties, the social UNRWA services ranked number three after education and health services. The social and relief services of UNRWA are offered for eligible refugees and special hardship assistance.

Table No. 10  
The Share of Social UNRWA budget In the West Bank and Gaza Strip  
From 1972 to 1993 in Million Dollars

Year	West Bank	% of Social	Gaza Strip	% of Social
1972	\$ 8.2	36%	\$ 10.1	42%
1976	16.3	37%	21.3	42%
1980	22.7	22%	29.2	26%
1984	27.1	13%	38.1	12%
1988	33.9	7%	50.6	12%
1990-1991	82	11%	113	14%
1992-1993	93	11%	125	14%

Source: Internal Financial Statements UNRWA, (Jerusalem) 1972-1992.

In regard to the non-profit organizations, the education sector as presented by the higher education institutions received the large share of the Arab and foreign aids during the period up to 1993. The cooperative housing sector was the second important sector to receive aids during the period.

While the social and health organizations as presented by the charities and relief organizations were the next sector to receive outside financial aids.

The major sources of donations received by the non-profit organizations during the period from 1978 to 1993, were came from; first: Direct aids from Arab Governments and Arab and Palestinian Individuals abroad. Second: the PLO- Jordanian Joint Committee, it was 9% (as the share of the social services) from a total of \$ 406 million expended between 1979 – 1985). Third: the Arab Development funds and specialized organizations including the Arab Development and Social Fund, the Islamic Development Bank, the OPEC fund in Vienna, the Gulf Fund in Al-Riyadh, Welfare Association in Geneva, and Jerusalem Fund (2 million for social organization). Fourth: Other international institutions work in Palestine such as EEC, Swedish Save the children, Save the Children, CDF, ANERA, Canada Fund and others.

### **During the Palestinian Authority**

The sources of offering public services, mentioned in the previous sections have continued their role during the Palestinian Authority period. However, the direct international aid was a new major source of financing public social services. The important and the role of the above sources witnessed some changes, which may be explored as follows:

#### **The Government Social Budget**

The social welfare government budget during the Palestinian Authority has no changes in policies, procedures and ratios of allocations from the last periods. The share of social budget was limited to 10% or less

from the total budget. It decreased in the last two years to less than 4.4% from the total current budget, and it formed 3% of the total current and capital (development) budget. The value of allocated government budget during the Palestinian Authority ranged between \$ 34 million and \$ 47 million between 1995 and 2000 as indicated in Table No. 11.

Table No. 11.  
The share of social welfare budget in the Palestinian Authority during the  
Period from 1995 to 2000 in Million \$

Years	Social Budget	Current budget	Total Budget	% of total Current Budget	% of total Budget
1995	34	560	750	11%	5%
1996	40	710	928	6%	4%
1997	47	790	1113	6%	4%
1998	44	819	1183	5%	3.7%
1999	41	927	1185	4.4%	3.5%
2000	44	925	1386	4.8%	3.2%

The contribution of development government budget is so immaterial during the same period. The social government budget is divided to units according to the structure of the Ministry of Social Affaires and cost item classifications. It includes salaries and transfer of subsidies and supplies (The Palestinian Law of Budgets 1997-2000).

The social government budget shows no direct aids to the non-profit organizations supplying social activities as used to be during the last periods. However, limited direct donations came from the office of the PNA presidents' budget to some social charities in a selective and non-regular basic.

### UNRWA Social Budget

The UNRWA is continuing to offer its own services as used to be since 1948. The social budget is related to offer services to the registered Palestinian refugees. The social welfare services include two parts, first one is related to relief services and the second part is related to social services. The relief services cover four subprograms including, special hardship assistance, food support, shelter rehabilitation, and selective cash assistance. The social budgets cover six subprograms including, community development, institution building, disability program, youth activities, women in development, and poverty alleviation subprogram.

The share of UNRWA social and relief budget ranked number three after the education and health allocations. The annual social and relief budget ranged from \$ 15 million to \$ 20 million during the period from 1994 to 2000. The allocated social budget for Gaza Strip is almost twice than in the West Bank. The ratio of social and relief budget ranged from 12% to 21% from the total UNRWA budget, with an average of 14% during the period as presented in Table No. 12.

Table No. 12  
The share of social UNRWA Budget during the Period from  
1994 to 1999 in Million \$ and Ratios

Years (Two Years)	Total Budget		Social and Relief Budget		%
	Gaza	West Bank	Gaza	West Bank	
1994 -1995	149	110	21	12	13%
1996-1997	167	109	25	13	14%
1998-1999	202	110	31	14	21%
2000	88	48	11	5	12%
Average					14%

Source: Financial Position and annual reports of UNRWA, in 1995 and 1999

The total beneficiaries from the UNRWA social services ranged from 603,380 to 794,600 individuals in the Gaza Strip during the period from 1992 to 1997. The number of hardship cases ranged from 56,220 as in 1992 to 69,147 beneficiaries as in 1999. Concerning the West Bank, the number of beneficiaries from social budget was 587,100 individuals in 1997, while the number of hardship cases was 28,016 beneficiaries in 1999 as indicated in Table No. 13.

Table No. 13  
Number of Beneficiaries and Hardship cases received support from the UNRWA Social Budget during the Period from 1992 to 1999

Years	Number of Beneficiaries		Number of Hardship cases	
	Gaza	West Bank	Gaza	West Bank
1992- 1993	603380	479023	56220	30047
1994 1995	657657	522121	61642	30206
1996-1997	794600	587100	69193	32549
1998-1999			69147	28016

Source: Financial Position and annual reports of UNRWA, in 1995 and 1999

### **Non- Profit Organization During the Palestinian Authority:**

During the Palestinian Authority, the non-profit organizations continued their role in providing public services in general and social services in particular. The major revenues for the non- profit organizations come from direct denotations, from local and abroad individuals, institutions and governments. The World Bank report (West Bank and Gaza Update, 1998) indicated that the Palestinian non- profit organizations used to receive about 180 million in the early of 1990s. It declined to one third in 1996. Accordingly many activities such as outpatient clinic services have been cut, dozen of pre schools closed and disability programs were discontinued.

The non-profit organizations received aids from 1994 to 1998 of about \$ 246 million (MOPIC'S Reports, 1998). Other aids from abroad come throughout direct contact between individual organizations and donors. In addition, there was a special program known as the Palestinian NGO project of a value of \$15.5 million run by the Welfare Association Consortium, and aimed to support Palestinian non-profit organizations, through direct project grants, technical assistance, and institutional capacity building. The social organizations offer social services including care of children, handicapped, detainees' services, illiteracy control, elderly education, kindergarten and nursing schools.

In 1997 a survey concerning this sector, concluded that out of the 460 organizations working under the Palestinian Authority, there are 19% of the non profit organizations offering cash support. While other 19% offering free goods, 36% are offering free services, 17% are offering rehabilitation programs social cases, and 6% offer other services (Hillal and others, 1997).

#### **International aids and UN organizations allocations to social activities:**

The international aids offer direct and indirect social services, through implementing specific projects. Some of these social projects are implementing through participation of two or more ministries. The social projects offered through allocation of international aids may be classified in four subprograms. The subprograms are related to children and youth, human and social development, humanitarian aids, and women oriented programs. The total value of international aids allocated to social projects ranged from \$ 13 million to \$ 39 million annually during the period from 1994 and 1999, as shown in Table No. 14.

Table No. 14  
International aids offered to the Palestinian Authority and  
Allocated to social Services between 1994 to 1999

	1994	1995	1996	1997	1998	1999
Children and Youth				2.988	2.044	1.200
Human and social development	3.559	2.174	9.198	10.124	26.384	7.782
Humanitarian aid	33.798	31.013	16.231	13.343	15.688	2.885
Women	1.406	2.032	2.919	1.881	3.177	1.251
Total of social budget	38.763	35.219	28.348	28.336	47.293	13.118
Total grants budgets	655.0	457.3	541.9	490.4	382.1	409.8
Ratio of social to total	6%	8%	5%	6%	12%	3%

Sources: MOPIC' Reports from 1998 to 2000

The share of social allocations was between 3% and 12% with an average of 6.7% of the total international aids allocated to public services during the period from 1994 and 1999. However, Ministry of Social Affairs and other related ministries implement the above allocations. The share of social allocations is less than the ratio of health (7%) and the education (11%) allocations from international aids (MOPIC' Reports from 1998 to 2000).

Examples of the subprograms related to social services offered by the international aids during the period from 1994 to 1999 in the Palestinian Authority are (MOPICS' Reports 1998-2000): vocational training, support to local initiatives and upgrading of village councils, support to human rights, support to Palestinians trade union, family planning. Other programs related to identification of NGO activities, rehabilitation of Intifada victims, support to the elderly, emergency relives and aids, food assistance, and core program support.

Other subprograms financed by the international aids are related to rehabilitation of post conflict victims, pharmaceuticals and hospitals aid,

assistance to the drought affected people, support to social safety nets, empowerment of women election in 1996, advocacy for women's rights. The programs related to women are: development of women's' cooperatives, nursery schools in women organizations, Beijing conference follow up, development of gender statistics program, gender & law, gender and educational system, women's departments within P.A. Ministries.

In, addition, there are other UN organizations working on implementing a part of the international aids, or using their own budget allocations and missions. These are the UNDP and the UNICEF. The UNDP works in various aspects of economic and social services since 1978. Table No. 15 presented a summary of the social and children based projects, implemented by the UNDP and financed by different donors in the Palestinian Authority from 1978 to 1999.

Table No. 15  
UNDP Programs Allocated for Social Purposes  
During the Period 1978 to 1999

Projects	US \$	Financed By
Jerico Football Stadium	2.300.000	Japan
Palestine Football Stadium	1.000.000	Norway
Building Sport club	3.000.000	Norway
Closed Sporting Halls	1.000.000	Norway
Maintenance of Public grounds		Japan
Maintenance of Play grads	939.000	Sweden
Women Centers and Children Centers	517.000	
Youth Center in Jerico	730.000	Canada
Art and Craft Village in Gaza	290.000	UNDP
Culture Center, Al- Beira	1.000.000	Japan
Building a Handicap center	1.000.000	Japan
Remodeling of social departments	175.000	Norway
Other programs	3.677.530	Norway, Sweden, Japan and UNDP
Total of UNDP projects	17.587.000	

Source: 20 Years of Partnership in the West Bank and Gaza Strip, UNIDO, 1999

It indicated that there were more than fifteen programs allocated for social services of a value of \$ 17.6 million were implemented and completed during that period.

The UNICEF (the United Nations Children Fund) is working in Palestine since 1984, it finances and implements projects related to the children, youth and women. The objectives of the UNICEF programs have been formulated within the framework of the convention on the right of the child and to eliminate discrimination against women (UNICEF and PA, master plan 1998-2000). The UNICEF annual budget ranged between \$ 2.5 million to \$ 4.7 million during the period from 1995 to 2000. The main projects implemented by the UNICEF are related to: advocacy, capacity building and monitoring, health and nutrition, primary education, early childhood development and psychosocial counseling, youth and community development, child friendly, and community initiative (UNICEF Annual Report, 1996-1999 West Bank and Gaza).

#### **Consolidated Social Activities in the Palestinian Authority:**

To consider all the above sources which offer social public services, the value of social budget allocations in the Palestinian Authority will increase significantly as indicated in Table No. 16. It indicates that consolidated allocated values ranged between \$ 24 million to \$122 million during the period from 1982 to 2000. The share of government social budget was ranged between 26% and 53% of the total allocated for public social services by all concerned parties. The contributions of other parties have fluctuated from one year to another. While the contribution of government and UNRWA budgets for social services are more constant and increased

gradually as the population, social cases and inflation rate are increased. The average share of UNRWA budget in social public services formed about 50% of the respective share of government during the period from 1995 to 1999.

Table No. 16  
Consolidated Social Expenditures Current Budget  
Between 1982 to 2000 in \$ Million

Sources	1982	1988	1992	1995	1999	2000
Government	7	13.4	14	34	41	44
UNRWA	12	7.1	11	17	23	16
Arab & Others Sources	8	3	15	10	11	10
International Aids	--	--	--	35	47	13
Total allocations to social	27	24	40	96	122	83
Share of the government	26%	56%	35%	35%	34%	53%

Source: Compiled by the Author

## Part III: Analysis of social welfare budget

### Focusing on child allocations

#### Introduction:

**A**nalysis of social budget policies, objectives and allocations in the Palestinian Authority is considered a significant issue, considering the following features of the Palestinian society:

**First:** the average poverty level of the Palestinians was 22.5% in 1997. In the West Bank it was 16%, and 38% in Gaza Strip. In addition, the level of poverty in the refugee camps in Gaza strip was about 42%, and two out of three poor families in Gaza suffer from a state of absolute poverty (Palestinian Poverty Report, 1998).

**Second:** The average annual growth of the Palestinian population was 5.5% compared to 3.2% in the Middle East area.

**Third:** The percentage of the refugees from the Palestinian population in the West Bank and Gaza Strip was 42% in 1999. (UNRWA Annual Report, 1999).

**Fourth:** The percentage of people under 15 years of age was 47% in 1997 (The Palestinian Human Development Report, 2000).

**Fifth:** The average size of Palestinian family was 6.4 in 1997. And the rate of family support (dependency ratio for less than 15 years of age and over 65 years of age) was 101 in 1997. The dependency ratio was 113 for Gaza Strip and 95 for the West Bank. The total fertility ratio was 6.2 and the

crude birth rate 45.4 per 1000 in 1996. (The Palestinian Human Development Report, 2000 and the World Bank, 1999).

**Sixth:** The general domestic product per capita in the Palestinian Authority was 1531 US\$ in 1998, while the general national product was 1873 US\$ in 1998. And the unemployment rate was 16% in 1998 (Palestinian Monetary Authority Statistical Bulletin, 2000).

Considering the above facts, there is an urgent need to analyze the social welfare policies and criteria use by the related parties to select the targeted groups for supporting. This includes discussing policies, objectives and analyzing allocations based on subprograms, projects, and cost item classifications. The analysis process will be devoted to the social budgets in general and child allocations in particular.

### **The Central Government Social Policies:**

The Ministry of Social Affairs has stated its own objectives, policies and regulations to be followed in implementing the social public budget. This section is devoted to explore first the major objectives and functions of Ministry of Social Affairs, while the next part will summarize the policies and procedures.

First: The general aims and objectives of Ministry of Social Affairs may be stated as follows ( MSA, Annual Reports 1995- 1999):

- To support families of security prisoners in the Israeli prisons.
- To support families of martyrs.
- To support the released prisoners' rehabilitation programs.

- To support families who lost their total or most of their income due to absence or inability of the breadwinner of the family to provide.
- To supervise and follow up the activities of the social voluntary organizations, including licensing and registration issues.
- To supervise and support social organizations which mainly concentrate in offering care for children. There are about 29 organizations taking care of children, offering residencies for about 2500 children including males and females.

Second: The policies: The Social regulations (NPA, MSA, Annual Reports 1995- 1999 and the manual for social services) indicated the detailed process of how to state the eligibility of a family or individual for support. It stated also, the conditions for offering help for special families. The major policies and procedures may be articulated as follows:

- The Ministry of Social Affaires defined aids as cash, physical, health insurance, care services, rehabilitation services, offering residency services and vocational training.
- The aids offered for social cases should be examined yearly in order to decide whether to be continued or not.
- The eligible social cases are either orphans children, elderly individuals without other working members in their families, and mental or physical sickness.
- The other social cases are widows, divorced women, or older unmarried women above forty years of age without regular income, detainees' families, and residents of social centers.

- In considering the eligible social cases, the unmarried son of over 18 years should contribute 25% of his own income to his parents. For married son should contribute 10% of his income to his parents.
- The minimum monthly cash aids for a social case family is about \$25 per person, while the maximum is about \$ 120.

**The UNRWA Social Policies and objectives:**

The UNRWA defined the refugee family to be eligible as a hardship case if the family lost its own income because of death or inability of work, or because of age. The refugee household should have non-of his male members between the age of 18 and 60 years, who may capable of earning an income. The available income of the household should not be more than two third of the lowest salary paid by the UNRWA the Palestinian (Poverty Report of 1998).

The objectives and policies of the UNRWA social budgets are stated in UNRWA annual reports and financial positions' statements. The relief services aim to provide direct material and financial aid to those refugee families without a male adult capable of earning income, to cover food, shelter and other basic needs. In emergency situations this service is extended to cover non-refugees as temporary relief measures.

The aim of the food support program is to ensure minimum standards of nutrition to special hardship cases. The community subprogram aims to empower the target refugees to articulate their own priority social-economic needs and to secure locally sustainable funding. The objective of women development subprogram is to improve the capacity of disadvantaged women

to cope with family and economic needs, in order to play a significant role of their own communities (UNRWA annual reports and financial positions' statements. 1995- 1999).

### **The Central Government Childhood Policies:**

Generally, there are no stated policies and objectives nor social commitments concerning the Palestinian children. Nevertheless, the Palestinian Authority offer direct and indirect services through the central annual social budgets to children among other social cases. In addition the Palestinian Authority shows a special interest and attention to the Palestinian child in the following fields:

First: all Palestinian children have free full health insurance up to three years of age including health care, and medicine.

Second: all Palestinian children have free and compulsory education up to the tenth grade.

Third: The Palestinian Authority decree for national plan of action for Palestinian children in 1995.

Fourth: The Palestinian Authority established a supreme council for children and motherhood as issued in the Presidential Deceleration No. 2 of 1999. However this council is not active yet and may has not a specific budget to run its activities.

Fifth: The Palestinian Authority established a special school for gifted young students as issued by the law No 29, of 1998 and was published in the official Gazette (official Gazette No. 25, ministry of Justice). The school already has been under construction in Nablus, and it is in the final process of completion.

Sixth: The ministry of Youth organizes the summer camps for children and youth annually. The numbers of the Palestinian children who participated in 134 camps were about 42000 in 1998 (Children of Palestine Annual Report of 1999).

Seventh: The Palestinian Authority established the department of family and child as a directorate general inside the Ministry of Social Affairs. The annual budget of that unit is less than one million dollars. The new department major interests are (MSA, Annual Report for Family and Children, 1999):

To support children, who are classified as special hardship cases, throughout limited cash payments.

To work in developing of children abilities, establishing temporary centers for protection of children through special activities.

To supervising the private nursing centers and pre-schools.

To supervising the social societies taking care of children and having special residences for orphans and children of hardship cases.

Eighth: the Ministry of Social Affairs executes special programs regarding children such as the orphans children care program financed by Sweden, and other related projects under implementation regarding developing handicapped rehabilitation centers.

Ninth: The Ministry of Social Affairs is considering special projects for serving children. It developed various proposed projects as a part of the ministry plans. For example projects related to early born infant centers, young people centers for training and rehabilitation are proposed for the 2000 plan, and looking for financing from international aids (PNA, The Cabinet report of 1998).

Finally Table No. 17 presents a consolidated list of social activities and programs allocated to the children during the last five years by government and other related parties.

**Table No. 17**  
**Consolidated List of Social Activities Allocated to Children**  
**Between 1995 to 2000**

Sources	Social activities Allocated to Children
Government	Department of Child and Family (MOSA)
	National Council for children
	Orphans
	Summer Camps
	Training and rehabilitation centers
UNRWA	Handicapping disability
	Community- managed youth centers
	Culture activities
	Summer camps
Non- Profit organizations	Orphans
	Child Care Centers
	Nursing and kindergartens
	Handicapping disability
International Aids	Establishment of an SOS children Village
	Culture Centers and Children's Libraries
	School Counseling
	Agenda for social renewal (child secretariat )
	Orphans
	Healing wounds & restoring childhood
	Renovations of schools-youth clubs
	Summer Camps

Source: Compiled by the Author

### **The non- profit organization Social Policies:**

The majority of the Palestinian non-profit organizations adopted the decline of income as the main criteria for eligibility of support, or the absence of a male head of household. The Al-Zakat committees consider the loss or inability of the male head of the household. Some of these committees concentrate in special social cases such elderly, children, disabled, and sick. (Hilal and Malki, 1997 and the Palestinian Poverty Report of 1998).

### **Analysis of social budget allocations**

#### **First: Analysis of the government social allocations**

The social government budget includes two major items, which are related to transfer of subsidies and wages. The transfer of subsidies is the major function of the Ministry of Social Affaires. It offers monthly aids to 8144 widows, 2435 divorced women, 8375 handicapped individuals, 5827 elderly persons and other 4696 social case families. This includes providing commodities, cash payments, paying of education tuition, and covering health insurance for a total of 30.000 cases. It cost about \$ 32 million dollars, or about 90% of the total social current budget, as presented in Table No. 18.

Table No. 18  
The Distribution of Palestinian social allocations according to major categories (Between 1997 and 2000)

Years	1997	1998	1999	2000
Payroll	9%	8%	10%	11%
Operational Expenditures	2%	2%	2%	2%
Transferable Expenditures	89%	90%	88%	86%
Capital Budget				1%

Total Budget	100%	100%	100%	100%
--------------	------	------	------	------

Sources: Based on, the Palestinian Laws of Government Budgets (NPA, 1997-2000)

The second cost item is related to wages and salaries of the ministry employees and forms an average of 10% of the total social budgets during the period from 1997 and 2000. Other cost items are related to operational expenditures and ministry supplies and furniture. The allocation for social development budget is immaterial and it started to be included in the 2000 budget. The Social budget allocated for development and capital projects are those financed from international aids as presented in other sections of this paper.

### **Second: Analysis of the UNRWA social allocations**

To analyze the social UNRWA budget according to subprograms, Table No. 19 indicates that poverty alleviation subprogram is the most important activity, which presented more than 52% of the total social services expenditures. While women and disability programs represented the second and the third important activities of social programs during the 1999 budget expenditures.

Table No. 19

#### **Ratio of UNRWA Social and Relief Subprograms as in 1999**

<b>Social Services Expenditures</b>	<b>1999</b>	<b>Relief Services</b>	<b>1999</b>
Community Development	0%	Hardship assistance	3%
Disability Program	24%	Food support	70%
Youth Services	4%	Shelter rehabilitation	19%
Women	18%	Cash assistant	7%
Poverty alleviation	52%	Other	1%
Other	2%		
Total	100%	Total	100%

Source: Financial Position and annual reports of UNRWA, in 1999

In regard to the relief services, the food support is the most important subprogram, which cost about 70% of the total relief UNRWA budget expenditures in 1999. It includes five basic commodities of flour, rice, sugar, oil and milk powder, and a cash subsidy to buy fresh food. The second and the third important item expenditures were shelter rehabilitation and cash payments as presented in the second part of the Table No. 19. While the hardship assistance program was limited to 3% of the total relief budget expenditures.

To analyze the UNRWA social and relief budget based on cost item classifications, Table No. 20 shows that supplies purchased represented the highest cost item, which formed 41% of the total budget. Grants and subsidies came the second important cost item, which formed 40% of the total expenditures. The salaries of the employees formed 15% of the total budget expenditures.

Table No. 20  
Ratio of UNRWA Social and Relief Budgets Based on Cost Items as in 1999

Expenditure	%
International Staff Cost	2%
Area Staff cost	15%
Services	1%
Supplies Purchased	41%
Grants and subsidies	40%
Other	2%

Source: Financial Position and annual reports of UNRWA, 1999

### **Third: Analysis of the non-profit organizations' social allocations**

The non-profit organizations offer supporting as complementary to the government and UNRWA support, for women, disabled, sick, students, elderly, children and other social cases. About 22,615 families and 27,8348 individuals have received support or emergency assistance (Palestinian Poverty Report of 1998). The value and size of supporting programs for this sector is fluctuating from year to another, and based on the collected donations and funds available and not based on regular budgets.

The author analyzed forty financial statements of the social societies for the years of 1997, 1998 and 1999. Based on that finding, it may be concluded that the total assets of those societies ranged from 10,000 dollars up to 6.5 million as the Enaash Al- Asra Society in 1999. The majority of the societies have assets of less than \$50,000 dollars. Other significant organizations are known as the Zakaat Committees, there are about 50 committees in the Palestinian Authority. They mainly distribute cash and commodities for eligible beneficiaries and run specific social and health projects. The most active and old committee is the Nablus committee,

Concerning the annual revenues and expenditures, the total values of those societies vary, they ranged between \$ 600 dollars as for the Orphans Care Society of Jenin to \$ 350.000 as for Enaash Al-Asra Social Society in 1999 for an example. Major revenues come from local and foreign donations, membership fees, fees from subsidized services, revenues from social events and parties, exhibitions and folklore activities.

As an example for the financial position of the social societies, Table No. 21 presents a statement of the Balance Sheet of Enaash Al-Asra Social

Society. And Table No. 22 presents the distribution of annual revenues for Enaash Al-Asra Social Society in 1999.

Table No. 21  
Balance Sheet of Enaash Al-Asra Social Society  
As at 31-12-1999 in Ratios and \$ million

Assets	%	Liabilities	%
Cash	2%	Current Liabilities	6%
Other Current Assets	11%	Loans and allowances	6%
Building and furniture	87%	Fund Balance	88%
Total	\$ 6.5 M	Total	\$ 6.5 M

Source: Based on the annual report of 1999

Table No. 22  
Distribution of Revenues for Enaash Al-Asra Social Society  
For the Year Ended at 31-12-1999 in Ratios and \$ Million

Revenue Items	Ratios
Donations	33%
Rent Revenues	13%
Memberships fees, Scholarships, and other revenues	26%
Zakkat revenues	12%
Endowment Fund revenues	16%
Revenues from business (No net profit)	--
Total Revenues	\$ US 350.000

Source: Based on the annual report of 1999

The non-profit organizations are looking for permanent and self-generating income. Therefore, some are conducting businesses and profit making projects to have internal source of funds, and to hire local employees. However, this experience of running business projects are not encouraging and report losses in most cases as presented in their annual financial statements.

The work of this sector occasionally comes under criticism from different parties. They claims that their work are not efficient, and they are competing with the Palestinian Authority over the same sources of funds, and

their priorities may not according to the general interests (Hanafi, 1999). However, such criticisms may be justified in some situations. But one should appreciate the role of many organizations that have been serving the social aspects of the Palestinian society for a long time, and offering services which are not offered by the government social budgets or UNRWA budget. Especially those services related to the various groups of handicapped individuals.

The above criticisms lead to issue a new law concerning the non-profit organizations called the Law of Charity Societies and Civil Institutions, called as No. 1 of 2000 and issued in 16-1-2000 (PLC, Laws from 1996 to 2000). However, the new law did not state in details the sources of funds for those organizations. Except what was mentioned in article No. 33, which stated that the society has the right to collect donations from the public, and throughout exhibitions, social parties, charity markets, sports events and during other public gatherings after notifying the related ministry.

#### **Fifth: Analysis of international aids allocated to social projects**

By examining the social activities offered throughout the international aids, it may be concluded that the majority of the implemented programs and projects were related to humanitarian aids and social development. It formed about 90% of the total actual expenditures, during the period from 1994 to 1999, as shown in Table No. 23. While the share of projects and programs allocated to the Palestine child was limited to 3% of the total allocated social projects and programs.

However, it should be noted that the allocated share budget for the Palestinian child projects includes some implemented and completed

projects, and other projects which still under implementation as shown in Table no. 24. It indicated that there are two projects related to children which were implemented and completed, while there are another five projects still undergoing. These projects are implementing by various ministries including ministry of planning, ministry of youth, ministry of education, ministry of culture, Ministry of Social Affaires.

Table No. 23

## Total of International aids to the Palestinian Authority

## Allocated to social Services (1994-1999)

	Ratio
Children and Youth	3%
Human and social development	31%
Humanitarian aid	59%
Women	7%
Total of social services	100%

Sources: MOPIC' Reports from 1998 to 2000

Table No. 24

## Distribution of International aids Allocated to Child Budget over Ministries between 1995 and 1999

Ministry	Projects	Statuses	Values \$
Ministry of culture	Culture centers	Implemented	851.000
Ministry of Education	Children Library	Implemented	833.000
	School Counseling	Ongoing	
Ministry of Planning	Agenda, Child Secretariat	Ongoing	521.000
Ministry of Social Affaires	Orphans & disadvantage children	Ongoing	1.040.000
Ministry of Youth	Summer Camp	Ongoing	467.000
Others	Follow up, Consultancy	Ongoing	339.000
Total			5.770.000



## Part VI: Epilogue

### Conclusions

This study indicated that the consolidated allocated values from all concerned parties for social public services ranged between \$ 24 million to \$122 million during the period from 1982 to 2000. The average share of government social budget was 40% of total allocations for public social services by all parties including UNRWA, no-profit organizations, international aids, and other UN organizations. The contribution of international aids played a significant role in financing special and development social projects in the last five years. UNRWA budget for social services are the third important source of supplying social services, after government budget and international aids, it formed about 50% of the respective share of government budget during the period from 1995 to 1999 with an annual average of \$ 19 million. The share of social UNRWA budget formed 14% of the total UNRWA budget.

The allocated value of government budget during the Palestinian Authority ranged between \$ 34 million and \$ 47 million (1995 and 2000) It formed 6% of the total current budget. The social government budget includes two major items. They are: the transfer of subsidies cost item and wages and salaries. The transfer of subsidies is the major function of Ministry of Social Affaires, to provide commodities and cash payments, for about 30.000 cases monthly. This cost about 40 million dollars annually, or about 90% of the total social budget. The beneficiaries of social services are:

special and hard cases of widows, divorce women, handicapped individuals, orderly individuals, orphans, hard case children, and other social cases families.

The Palestinian central budget has a commitment for free and compulsory education up to the tenth grade, and full medical insurance to children up to three years of age. However, unfortunately the Palestinian Authority budget still has no similar commitments towards social and culture needs for children in general, or for children with hardship social cases. Nor does it have comprehensive coverage for children with disabilities and special needs. The annual report of Ministry of Social Affaires (1995) talked about a national plan for the Palestinian child and stated seven special projects. However, the further annual reports mentioned no follow up of that plans or projects.

In addition, there are no direct allocated programs to the Palestinian children by the central budgets, except that related to the department of family and children affaires. The special children programs are allocated throughout part of the international aids as implementing short terms programs. The only allocations for children may be found in the social cases among other eligible groups as presented in the above sections. This also applied to the UNRWA budgets, there is only one small program financed by UNRWA, which is related to support community youth centers.

The ratio of international aids related to the three major social needs of education, health and social welfare was about 25% during the period from 1995 to 1999 (MOPICS' Reports, 1998-2000). This ratio is above the

recommended percentage by what is known as 20/20 initiative announced by the major UN organizations including UNDP, UNESCO, UNFPA, UNICEF, WHO, and the World Bank (UNICEF, 1998). The 20/20 initiative calls for the allocation of an average of 20% of the official development assistance to the basic social services.

Considering the other recommended 20% by the UN Initiative, it is also applicable to the Palestinian government and UNRWA budgets. As matter of fact, both budgets are much higher than the recommended 20% of the current budget for the developing countries. However, the issues here is that education and health are more attractive and thus have shares more than the social budgets as presented in the previous parts (7% out of 33% for health and education). Finally, the ratio of social budget from the total current budget is closed to the respective shares of Arab states such as Bahrain and Jordan (ESCWA, 1996). The share of education, health and social services in the Palestinian Authority was 33% compared to 24% of the total budget in the Arab countries. The highest ratio was in Algeria, which reached to 40%, while the lowest was in the Al- Sudan which was 8% (Unified Arab Economic Report, 1998).

The social allocated budget ratio from the Palestinians GDP is about less than 1% for the period from 1995 to 1999. The family transfers as percentage of GDP was 0.8% compared to 2.82 in France, 0.4% in USA, and 0.22% in Span (Bradshaw and others, 1993). The social budget allocation per capita was \$14 dollars compared to \$29 for health budget allocation and 38 \$ for education budget allocation in 1998.

---

**Recommendations**

Based on the above findings of this study, the following recommendations may be drawn out:

**First:** to change and use new models of classifications in preparing and articulating the Palestinian central budget. At this time, it uses only two models of organization and cost items classifications. In implementing the government budget there is no control techniques or procedures to follow up the undergoing stated activities. In addition no relevant used measures to assess the outputs of public services allocations. Therefore, there is a need to use innovative techniques of classifications such as to use programs and project classifications, which can directly, allocated to children' concern as a direct objective, while such projects and programs may be implemented throughout different governmental agencies. And it will be relevant for follow up and evaluating the outcomes.

**Second:** There is a need to insure that the allocated social budget resources are utilized with efficiency and spread out in equitable manner for the relevant beneficiaries. However, the present situation has no such mechanism to check about efficacy and equity. This observation agreed with recommendations concluded by the published report related to the Strengthening Palestinian Public Institutions (1999). It stated that "Performance indicators and cost calculation system should be developed and applied in order to improve the efficiency and equality of social services delivery"

**Third:** There is a need to establish a clear and straight forward relations between the non profit organizations and the Ministry of Social

Affaires, and to create a permanent system for supervising, guiding, and subsidizing such organizations based on the ministry priorities and policies. The Ministry of Social Affaires occasionally supports such organizations in non-regular basic offering some equipment and furniture.

**Forth:** There is a need to allocate special programs to the Palestinian children by the Palestinian central budgets, and not to be satisfied with those programs financed by international aids. Examples of such needed programs are related to: children and nutrition, care programs of abused and neglected children, children with disabilities, child counseling in the schools, culture programs and libraries. Accordingly, there is a need for continuing monitoring of allocated budgets for children.

**Sixth:** there is a need to increase the exempted income tax allocated for children, throughout the new suggested tax law (2000) which is now under debate in the Palestinian Legislation Council.

**Seventh:** To establish inter-Ministerial committee to monitor and suggest, and to introduce budget proposals and to focus on integrated child budget. The inter- committee may include the ministries of education, health, social welfare, culture, planning and ministry of youth.

**Eight:** To shift gradually to finance income generating and social development programs beside financing the direct social supporting and subsidies programs, as started by the UNRWA adventures.

**Ninth:** a special attention should be given to children with disabilities by the central government budget. The number of Palestinian children under 18 years with disabilities, was about 15567 in 1997 (Palestinian Children Annual Report of 1999). Up to now, the ministry of social affairs leaves this responsibility to non-profit organizations and social charities, with almost no regular and permanent support for this segment of the Palestinian society. Accordingly, a care dependency grants program may be implemented throughout the central government budget, in order to pay monthly cash subsidies for low-income families of mentally or physically disabled children.

**Tenth:** The majority (90%) of Palestinian government tax revenues come from indirect tax, thus the tax burden for the Palestinians due to imposing indirect taxes is high, it is estimated as 20% of the income (Sabri, 2000). This leads to increase significantly the cost of basic needs and foods. Accordingly, basic children needs and foods should be excluded from the value-added taxes, which increase the tax burden on low-income families and increase the prices for their related necessities.

## References

1. AMCI, **A Survey of Palestine: Volume II** (Institute for Palestinian Studies, Washington, D.C.) 1991
2. Arie Bregman, **Economic Growth in the Administrated 1968--1973** ( Jerusalem) 1974.
3. Bradshaw **Support for Children: A Comparison of Arrangements in Fifteen Countries** (HMSO, London) 1993.
4. Council On foreign Relations **Strengthening Palestinian Public Institutions** (NY, 1999).
5. Diwan, Ishac and Redwan Shaban ed. **Development under Adversity: The Palestinian Economy in Transition** (MAS and the World Bank) 1999.
6. Economic Planning Authority, **The Economy of the Gaza Strip and Sinai** (Jerusalem; ICBS) 1967.
7. ESCWA **Statistical Abstract of the ESCWA Region** (United Nations, NY) 1992-1998.
8. Hanafi, Sari "Profile of Donor Assistance to Palestinian NGOs: Survey and Database (un-published manuscript, June) 1999.
9. Hilal, Jamil and Majdi Al- Malki **Social Support Organizations in the West Bank and Gaza** (MAS, Ramallah, Palestine) 1997
10. Hilal, Jamil and Majdi Al-Malki **The Social Support Institutions in the West Bank and Gaza Strip** (Palestine Economic Policy Research Institute, MAS, Jerusalem) 1997
11. Himadeh, S. B. **Economic Organization of Palestine** (Beirut, American University of Beirut) 1938.
12. Horowitz D. and R. Hinden, **Economic Survey of Palestine** (Economic Research Institute), 1938.
13. Jordanian-Palestinian Joint Committee Financial Statistics, Technical Bureau, Amman, 1987.
14. Khadr, Ali Donor Assistance in **Development under Adversity: The Palestinian Economy in Transition** (MAS and the World Bank) 1999.
15. **Laws of the State of Israel**, Vols. 29-40 (1975-1988).
16. League Of Arab States **Unified Arab Economic Report** (League Of Arab States, Arab Monetary Fund, Arab Fund For Economic And Social Development, and AOPEC) 1998.
17. MOPIC **MOPIC'S 1998 Monitoring Report of Donors' Assistance** (Ramallah, West Bank) 1999.
18. MOPIC **MOPIC'S 1998 Monitoring Report of Donors' Assistance** (Ramallah, West Bank) 2000.
19. Nathan R. and others, **Palestine Problem and Promise** (American Council on Public Affairs) 1949.
20. National Palestinian Authority **Palestine Poverty Report 1998** (PNA, National commission for Poverty Alleviation) 1998.
21. National Palestinian Authority **The Law of Palestinian Budget for 1997** (The Legislation council) 1997.
22. National Palestinian Authority **The Law of Palestinian Budget for 1998** (The Legislation council) 1998.
23. National Palestinian Authority **The Law of Palestinian Budget for 1999** (The Legislation council) 1999.

24. National Palestinian Authority **The Law of Palestinian Budget for 2000** (The Legislation council) 2000.
25. National Palestinian Authority, **Ministry of Social Affaires Annual Report**, 1995 (Ministry of Social Affaires, 1995).
26. National Palestinian Authority, **Ministry of Social Affaires Annual Report**, 1999 (Ministry of Social Affaires, 1999).
27. National Palestinian Authority, Ministry of Social Affaires **Annual Report for Family and Children administration, 1997** (Family and Children administration) 1998.
28. National Palestinian Authority, Ministry of Social Affaires **Annual Report for Family and Children administration, 1998** (Family and Children administration) 1999.
29. National Palestinian Authority, Ministry of Social Affaires **Annual Report for Family and Children administration, 1999** (Family and Children administration) 2000.
30. NPA **Regulation for social and Welfare Services in the West Bank**, 1995
31. NPA, Presidential Ordinance No. 2 of 1999 "Establishing of Supreme Council For Motherhood and Childhood (Ministry of Justice, Palestinian Gazette) 1999.
32. NPA, Presidential Ordinance No. 29 of 1998 "Establishing of Standard School For Gifted Students (Ministry of Justice, Palestinian Gazette, no. 25) 1998
33. **Palestine Gazette** No. 1525, Supplement No. 1, 30<sup>th</sup> September. 1946
34. PBS **Children in Palestine: The Annual Report of 1999: Issues and Statistics** (PBS, April, 1999).
35. PMA **Statistical Bulletin 8<sup>th</sup> Issue** (Research and Monetary Policy Department, April, 1999).
36. PMA **The Third annual Report** (Palestine Monetary Authority, Research & Monetary Policies Department) 1998.
37. PNA, **Cabinet Reports on PNA Ministries 1997-1998** (PNA, 1999).
38. Robinson, Shirtey and Linda Biersteker **First Call The South African Children's Budget** (IDASA, 1997).
39. Sabri, Nidal Rashid "The Tax situation in the Occupied Palestinian Territories" **Arab Certified Accountant** (November, 1986)) pp. 60-65.
40. Sabri, Nidal Rashid **Financial and Legal Aspects of the Palestinian Budget** (The Palestinian Independent Commission for Citizens' Rights ) 2000
41. Sabri, Nidal Rashid **Public Finance in West Bank & Gaza Strip** (UNCTAD Geneva). 1994
42. Save the Children **Making the Link: A Report from the International Seminar on Macroeconomics and Children's Rights** (Save the Children, South Africa) 1998.
43. Shaban, Radwan and Samia Al- Botmeh **Poverty in the West Bank and Gaza Strip** (Palestine Economic Policy Research Institute, MAS, Jerusalem) 1995.
44. Skaak,, Ibrahim **Gaza Strip Under Egyptian Administration** (1957—1967).
45. The Hashemit Kingdom of Jordan, Department of Statistics, **Statistical Year book** (No. 16) 1965.
46. UN **Manual for Economic and Functional Classification of Government Transactions** (Department of Economic and Social Affairs, United Nations, New York) 1958
47. UNDP, **20 Years of Partnership in the West Bank** (Program of Assistance to the Palestinian People, Jerusalem) 1999.
48. Unicef **Annual Report 1996 West Bank and Gaza** (unicef) 31, December, 1996
49. Unicef **Annual Report 1998 West Bank and Gaza** (unicef) 31, December, 1998
50. UNICEF **Implementing the 20/20 Initiative: Achieving access to basic social Services** (UNICEF, UNDP, UNESCO, UNEPA, WHO, and the World Bank) 1999.

51. Unicef Program of Cooperation for Palestinian children and Women in the West Bank and Gaza: Master Plan of Operations 1998-2000.
52. United Nations General Assembly “**Report of the commissioner-General of the United Nations Relief and Works Agency For Palestine Refugees**” (Supplement No. 13, A, 48, 13, New York) October, 1997.
53. United Nations General Assembly “**Report of the commissioner-General of the United Nations Relief and Works Agency For Palestine Refugees**” (Supplement No. 13, A, 48, 13, New York) October, 1999.
54. United Nations General Assembly “Report of the commissioner-General of the United Nations Relief and Works Agency For Palestine Refugees” (Supplement No. 13, A, 50, 13, New York) August, 1995.
55. United Nations **Report of The Commissioner-General of the United Nations Relief and Works Agency For Palestine Refugees in The Near East**, 1 July 1997--30 June 1998 (United Nations, New York) 1999.
56. UNRWA, Financial statements for West Bank and Gaza Strip (Un-published data, UNRWA, Jerusalem) 1970-1991.
57. UNSCO Report on Economic and Social Conditions in the West Bank and Gaza Strip (spring, Gaza) 1999.
58. Vandemoortele, Jan **Absorbing Social Shocks, Protecting Children and Reducing Poverty** (UNICEF Working Paper, UNICEF) 2000
59. World Bank and UN **Donors’ Investment in Palestinian Development 1994-1998**, (World Bank, and Jerusalem) 1999.
60. World Bank Group **West Bank and Gaza up Date**, (World Bank, Jerusalem) 1998-2000.



