

# **Palestinian Central Bureau of Statistics**

## **Poverty in the Palestinian Territory (January-December 2004)**

### **Press Conference on the Main Findings Results**

**July, 2005**

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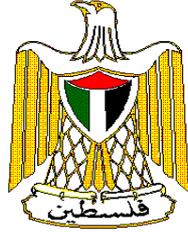
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## Press Release

### Main Findings of the Poverty Report, January-December 2004

Poverty statistics reported here are based on an official definition of poverty developed in 1997<sup>1</sup>. The definition combines absolute and relative features and is based on a budget of basic needs for a family of 6 persons (2 adults and 4 children). Two poverty lines have been developed according to actual spending patterns of Palestinian families. The first, termed “deep (absolute) poverty line,” was calculated to reflect a budget for food, clothing and housing. The second line “relative poverty line” adds other necessities including health care, education, transportation, personal care, and housekeeping supplies. The two lines have been adjusted to reflect the different consumption needs of families based on their composition (household size and the number of children).

The results are presented for 2004, using available data from the 5<sup>th</sup> Palestinian Expenditure and Consumption Survey (January 15<sup>th</sup> 2004 and January 14<sup>th</sup> 2005).

Given the day-to-day development in the political realities of the Palestinian Situation, both consumption and income data was used to analyze poverty rates to show the variation that standards of living witnessed due to the variation of income, remittances, loans and social aids that households depend on

- The relative poverty line and the absolute poverty line for a six-member household in the Palestinian Territory in 2004 stood at NIS (New Israeli Shekels) 1,934 (US\$ 433) and NIS 1,622 (US\$ 363)<sup>2</sup> respectively.
- The results indicated that the rate of the total diffusion of poverty among Palestinian Households in the Palestinian Territory is 25.6 percent in 2004, (when monthly consumption is used), and rose to 53.7 percent when monthly income is used.
- More significant is the fact that 16.4 percent of the households in the Palestinian Territory, (about 2 of 10 households) were suffering from deep poverty in 2004, according to monthly expenditure, compared with 44.4 percent when monthly income is used.
- The results indicated that the poor households in Gaza Strip were poorer than those of the West Bank. This finding is also confirmed by the poverty gap measure.
- With the exception of Central West Bank, poverty increases consistently if one moves from the north to the south. There are significant differences in poverty within Gaza as well.

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<sup>1</sup>(Poverty in Palestine. Poverty Report, 1998. Methodology)

<sup>2</sup> exchange rate is 4.47

### Poverty rates according to monthly consumption and income, 2004 by main variables

Selected variables	Monthly Consumption		Monthly Income	
	Poor	Deep Poverty	Poor	Deep Poverty
<b>Palestinian Territory</b>	<b>25.5</b>	<b>16.4</b>	<b>53.7</b>	<b>44.4</b>
<b>West Bank</b>	<b>19.8</b>	<b>11.6</b>	<b>48.0</b>	<b>39.7</b>
West Bank without Jerusalem	23.6	14.0	54.1	44.9
West Bank-North	22.2	11.7	54.6	44.3
West Bank-Middle	6.7	3.7	29.6	23.1
West Bank-South	31.2	20.6	59.3	51.8
<b>Gaza Strip</b>	<b>37.2</b>	<b>26.0</b>	<b>65.0</b>	<b>53.9</b>
Gaza Strip-North	31.7	20.9	67.2	57.1
Gaza Strip-Middle	32.1	23.0	60.6	49.4
Gaza Strip-South	48.3	33.6	70.8	59.0
<b>Locality Type</b>				
Urban	24.4	16.2	52.2	43.4
Rural	24.6	14.2	54.0	44.7
Refugee camp	31.6	21.6	58.5	47.1
<b>Sex of Head of Household</b>				
Male	26.0	16.5	53.7	44.2
Female	21.0	15.0	54.6	47.0
<b>Household Size</b>				
1	13.7	11.8	51.6	44.5
2-3	14.5	7.5	42.7	34.3
4-5	17.0	11.0	41.2	31.7
6-7	21.5	12.5	51.9	42.8
8-9	34.6	21.0	64.0	53.1
10+	44.4	33.1	70.2	61.9

- The consumption data showed that 25.6 percent of the households are below the poverty line including the value of the emergency assistance they consumed. When this emergency assistance is subtracted out, the poverty rates increased to 28.7 percent (assuming other factors would remain unchanged in the absence of emergency assistance). On the other hand, the emergency assistance had served to reduce deep poverty rates from 19.4 percent to 16.4 percent. Also, the data indicates that the leakage rate is 47.9 percent, that is 47.9 percent of those who receive emergency assistance are not needy. The under-coverage rate is 47.2 percent; that's is 47.2 percent of needy households do not receive emergency assistance. 37.3 percent of total assistance value went to the non-needy, which means that the total assistance value covers 81.1 percent of resources required to bring them up to the poverty line.
- The results revealed that food still represents the 1<sup>st</sup> top priority of the Palestinian Households, followed by money. About, 47.0 percent of households reported the need for food as top priority, while 12.8 percent of households reported the need for money, and 12.3 percent of households expressed the need for education as their first priority, and 11.5 percent of households expressed the need for work as their first priority.
- The priority needs of needy households do not indicate any difference regarding the priority needs of households in general. The results revealed that 48.4 percent of needy households reported the need for food as top priority, while 15.4 percent of needy households reported the need for money, and 13.3 percent of needy households expressed the need for work as their first priority.
- Because economic hardship on the Palestinians as a whole rose with the current crisis, 89.5 percent of the households took various coping measures depending on the monthly family income, 69.1 percent relied on delay of payment of bills, 60.6 percent relied on

reducing expenditure, 40.2 percent relied on borrow from individuals, and 31.2 percent relied on savings.

- Comparing coping strategies used in 2004 by the needy with those used by households, the data indicated that 84.2 percent of needy households relied on delay of payments of bills, 82.8 percent relied on the available monthly income, 74.6 percent relied on reducing expenditure, 54.4 percent relied on borrowing from individuals, and 26.0 percent relied on using available savings.

### **Poor Palestinian Living Conditions**

- Data revealed that 69.8% of individuals (18 years old) were not satisfied about their households living conditions in general, and 22.2% expected that their households' living condition will be worse during the next twelve months.
- 28.6% of individuals (18 years and above) were not satisfied about the quantity of food consumed by the household members, compared with 37.5% were satisfied about the quality of food consumed.
- 73.2% of individuals (18 years old and above) were not satisfied about their households' living condition today compared with last year.
- 35.5% of individuals (18 years and above) were not satisfied about their ability to get a job, and 66.6% were not satisfied about the amount of employed household's members salary.

## Concepts and Definitions

Household:	One person or group of two or more persons with or without a family relationship who live in the same dwelling unit, who share meals and make joint provisions for food and other essentials of living.
Head of Household:	The person who usually lives with the household and is recognized as head of household by its other members. Often, he/she is the main decision-maker and responsible for financial support and welfare of the household at the time the survey is conducted.
Adult:	Person aged 18 years and above (the completed age in years of the person)
Child:	Person aged up to 17 years (the completed age in years of the person)
Household Composition:	Relationships between household members. It could be one of these: one individual, husband and a wife, husband and a wife or one of them with unmarried sons or daughters, husband and a wife or one of them with married and unmarried sons or daughters with grandchildren, one of the aforementioned households with other relatives, a group of relatives or un-relatives who share dwelling and collective living arrangements
Highest Qualification:	The highest level of education that person passed
Employment Status:	Include the following: employer, self-employed, unpaid family worker, government employee, private sector employee, unemployed, student, housekeeper, retired\too old\ disabled, other
Employer:	A person who operates his or her own economic enterprise or engages independently in a profession or trade, and hires one or more waged employees.
Employee:	A person who works for an employer and receives remuneration in wage, salary, commission, tips piece-rates or pay in kind.
Unpaid Family Member:	A person who works without pay in an economic enterprise operated by a related person living in the same household
Occupation:	Refers to the kind of work done during the reference period by the person employed, or the kind of work done previously if unemployed, irrespective of the industry or the employment status of the person
Main Source of Income:	The main source of income for household (agriculture\fishery or animal breeding, other household business, wages and salaries from public sector, wages and salaries from private sector, wages and salaries from Israel, support by UNRWA or Ministry of Social Affairs, transfers from Palestine, cash remittances from abroad, pensions\ inheritance, tenancy or land lease, other sources
Expenditure:	Includes the following: <ol style="list-style-type: none"><li>1.Cash spent on purchases of goods and services for living purposes.</li><li>2.The value of goods and services payments or part of payments</li></ol>

received from employer.

3. Cash expenditure spent as tax (non-commercial or non-industrial), gifts, contributions, interests on debts and other non-consumption items.

Consumption:

Includes the following:

1. Cash spent on purchases of goods and services for living purposes.
2. The value of goods and services payments or part of payments received from employer.
3. Own-produced goods and food including consumed quantities during the recording period.
4. Estimated rent value of the dwelling.

Head Count Index:

Gives the percentage of the population in poverty.

Poverty Gap Index:

Gives the percentage by which the average income of the poor is below the poverty line.

Poverty Severity Index:

Gives the mean of the squared consumption deficits

جدول (1): نسب الفقر وفقاً لأنماط الاستهلاك الحقيقية للأسر حسب المنطقة

Table (1): Poverty Rates According to Actual Monthly Consumption Patterns of Households by Region

Region	2004		2001		1998		1997		المنطقة
	الفقر المدقع	الفقر							
	Deep Poverty	Poverty							
<b>Palestinian Territory</b>	<b>16.4</b>	<b>25.6</b>	<b>19.5</b>	<b>27.9</b>	<b>12.5</b>	<b>20.3</b>	<b>14.2</b>	<b>22.5</b>	الأراضي الفلسطينية
West Bank	11.6	19.8	12.0	18.9	8.4	14.5	9.2	15.6	الضفة الغربية
West Bank-North	11.7	22.2	15.8	24.9	9.9	18.3	10.4	18.1	شمال الضفة الغربية
West Bank-Middle	3.7	6.7	3.9	6.7	4.6	6.9	3.6	8.4	وسط الضفة الغربية
West Bank-South	20.6	31.2	16.0	25.0	12.2	20.4	17.5	24.4	جنوب الضفة الغربية
Gaza Strip	26.0	37.2	35.4	46.7	21.6	33.0	25.8	38.2	قطاع غزة

جدول (2): نسب الفقر وفقاً لأنماط الاستهلاك الحقيقية للأسر حسب جنس رب الأسرة

Table (2): Poverty Rates According to Actual Monthly Consumption Patterns of Households by Sex of Head of Household

Sex of Head of Household	2004		2001		1998		1997		جنس رب الأسرة
	الفقر المدقع	الفقر							
	Deep Poverty	Poverty							
Males	16.5	26.0	19.7	28.3	12.1	19.8	13.6	21.8	ذكور
Females	15.0	21.0	17.4	23.7	16.8	25.6	22.0	29.9	إناث
<b>Both Sexes</b>	<b>16.4</b>	<b>25.6</b>	<b>19.5</b>	<b>27.9</b>	<b>12.5</b>	<b>20.3</b>	<b>14.2</b>	<b>22.5</b>	كلا الجنسين

جدول (3): نسب الفقر وفقا لدخل الأسرة الشهري حسب المنطقة، 2004

Table (3): Poverty Rates According to Household's Monthly Income by Region, 2004

Region	Deep Poverty الفقر المدقع		Poverty Severity شدة الفقر		Poverty Gap فجوة الفقر		Poverty الفقر		المنطقة
	المساهمة Contribution	القيمة Value	المساهمة Contribution	القيمة Value	المساهمة Contribution	القيمة Value	المساهمة Contribution	القيمة Value	
<b>Palestinian Territory</b>	<b>100.0</b>	<b>44.4</b>	<b>100.0</b>	<b>18.0</b>	<b>100.0</b>	<b>23.0</b>	<b>100.0</b>	<b>53.7</b>	الأراضي الفلسطينية
<b>West Bank</b>	<b>59.4</b>	<b>39.7</b>	<b>60.7</b>	<b>16.4</b>	<b>60.5</b>	<b>20.9</b>	<b>59.5</b>	<b>48.0</b>	الضفة الغربية
West Bank-North	27.3	44.3	27.4	18.0	27.6	23.3	27.8	54.6	شمال الضفة الغربية
West Bank-Middle	10.8	23.1	12.0	10.4	11.8	13.0	11.5	29.6	وسط الضفة الغربية
West Bank-South	21.3	51.8	21.3	20.9	21.1	26.5	20.2	59.3	جنوب الضفة الغربية
<b>Gaza Strip</b>	<b>40.6</b>	<b>53.9</b>	<b>39.3</b>	<b>21.1</b>	<b>39.5</b>	<b>27.2</b>	<b>40.5</b>	<b>65.0</b>	قطاع غزة
Gaza Strip-North	7.9	57.1	8.3	24.2	8.1	30.1	7.7	67.2	شمال غزة
Gaza Strip-Middle	18.6	49.4	16.8	18.0	17.4	24.0	18.9	60.6	وسط غزة
Gaza Strip-South	14.0	59.0	14.1	24.0	14.0	30.6	13.9	70.8	جنوب غزة

جدول (4): أثر المساعدات على نسب الفقر وفقاً لأنماط الاستهلاك والمنطقة، 2004

Table (4): The Impact of Assistance on Poverty According to Monthly Consumption Patterns and Region, 2004

Poverty Status before receiving assistance	حالة الفقر بعد تلقي المساعدة Poverty Status after Receiving Assistance					حالة الفقر قبل تلقي المساعدة
	المجموع Total	Non-Poor غير فقيرة		Poor فقيرة		
		المساهمة Contribution	القيمة Value	المساهمة Contribution	القيمة Value	
<b>Poverty</b>						<b>الفقر</b>
Poor	28.7	4.2	10.9	100.0	89.1	فقيرة
Non-poor	71.3	95.8	100.0	-	-	غير فقيرة
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>74.4</b>	<b>100.0</b>	<b>25.6</b>	<b>المجموع</b>
<b>Deep Poverty</b>						<b>الفقر المدقع</b>
Poor	19.4	3.6	15.5	100.0	84.5	فقيرة
Non-poor	80.6	96.4	100.0	-	-	غير فقيرة
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>83.6</b>	<b>100.0</b>	<b>16.4</b>	<b>المجموع</b>

جدول (5): التوزيع النسبي للأسر التي تلقت مساعدات حسب حالة الفقر (الاحتياج) وفقاً لأنماط الاستهلاك والمنطقة، 2004

Table (5): Percentage Distribution of Households Who Received Assistance by Poverty Status (Need) according to Monthly Consumption Patterns and Region, 2004

Poverty Status before receiving assistance	المنطقة Region			حالة الفقر قبل تلقي المساعدات
	قطاع غزة Gaza Strip	الضفة الغربية West Bank	الأراضي الفلسطينية Palestinian Territory	
<b>Poverty</b>				<b>الفقر</b>
Poor (needy)	54.8	46.5	52.1	فقيرة (محتاجة)
Non-poor (not-needy)	45.2	53.5	47.9	غير فقيرة (غير محتاجة)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>المجموع</b>
<b>Deep Poverty</b>				<b>الفقر المدقع</b>
Poor (needy)	41.5	36.1	39.7	فقيرة (محتاجة)
Non-poor (not-needy)	58.5	63.9	60.3	غير فقيرة (غير محتاجة)
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>المجموع</b>
<b>Percentage of Households who received assistance</b>	<b>58.8</b>	<b>14.2</b>	<b>29.1</b>	<b>نسبة الأسر التي تلقت مساعدات</b>