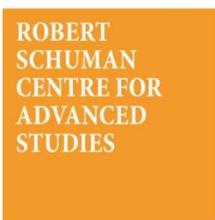




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International Migration-Development Nexus:
The Case of the Occupied Palestinian Territory (OPT)

Ramzi B. Asali

European University Institute
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Abstract

The international migration-development nexus has attracted a lot of scholarly attention in the last few years. It is widely believed that international migration can have profound and positive impacts on the development process in migrant-sending countries if the governments of these countries adopt proper policies. In this paper, I take the Occupied Palestinian Territory (OPT) as a case study to examine the impact of international migration on the development process in this conflict-stricken country. The Palestinian case is an interesting case study because the OPT: has a very weak economy; has very high population growth rate; and suffers from high levels of political instability. Therefore, it has all key factors that push migration. In fact, migration, forced and voluntary, has been a consistent and structural feature of the life of the Palestinians since the late nineteenth century, and this extensive migration has resulted in a large number of spreading all over the world, including very successful and well-established communities in different countries such as the USA and Germany. In my paper, I examined five key aspects of international migration that could have a positive impact on the development process in the OPT: 1-Bilateral & multi-lateral temporary labor agreements between the OPT and other countries, that aim at reducing unemployment in the OPT; 2-Financial remittances sent back to the OPT; 3-Diaspora organizations that support development activities in the OPT; 4-Investments that are made by diaspora Palestinian businessmen in the OPT; 5-Return migration and brain circulation of highly skilled diaspora Palestinians. Based on a wide range of scholarly materials and official reports that are relevant to the international migration-development nexus in the OPT, I argue that international migration could be a potent development tool in the OPT if it is utilized effectively by the Palestinian Authority (PA) in a way that is sensitive and responsive to the peculiar and complex Palestinian context. The PA should formulate a clear policy about migration, and the issue of migration should be fully institutionalized and integrated into national development planning so that the positive developmental impact of international migration is maximized.

Keywords

Migration, migration-development nexus, OPT, Palestine, circular migration, remittances, diaspora organizations, investments, brain drain, brain circulation, migration policy, migration institutions.

Part One- Introduction*

The Occupied Palestinian Territory OPT (the West Bank, East Jerusalem, and the Gaza Strip) has had a protracted and bloody conflict with Israel since 1948. As a result of this continuing conflict, the OPT has a very weak economy with very high unemployment and with high poverty rates (World Bank Website). Unemployment and poverty in the OPT are exacerbated by high fertility and population growth rates, and these high rates are in fact linked to the Palestinian-Israeli conflict which has a key demographic element (Fargues, 2000) (Abu-Duhou, 2003) (Winckler, 2005) (Courbage & Todd, 2010). As a result of all these inter-linked factors, the OPT has been plunged into a vicious cycle of under-development. Therefore, the Palestinian leadership is seeking to find solutions to sustain development and to build its economic base so that it can gain economic and political independence in the future. International migration could be used to promote development and alleviate poverty. But international migration will only become a potent development and poverty reduction tool: if proper policies are adopted by the Palestinian Government; if the capacity of relevant institutions is built; and if this tool is mainstreamed in development planning in a way that is sensitive and responsive to the peculiar conditions of the OPT.

The international migration-development nexus has recently started to receive a lot of scholarly attention. The international migration-development nexus is a wide topic to explore; but usually attention is focused on five key aspects. There is, first, bilateral and multi-lateral labor agreements between developing countries and other countries in regards to sending temporary migrants to work abroad; and the question of how this kind of temporary and circular migration could contain high population growth and reduce unemployment in sending countries. There is, second, the money that migrants send back home and the question of how these remittances could be geared towards human and economic development. There is, third, diaspora organizations, and the question of how these organization could be involved in promoting development in migrants sending countries. There is, fourth, investments that are made by migrants in their home countries, and the valuable capital and expertise that are injected through these investments. There is, fifth, brain drain and the question of how to reverse its negative effects and convert this drain into, if possible, a brain gain. It is worthwhile noting here that a wide range of multidisciplinary studies focus on other aspects that link between international migration and development: social remittances (values and practices that the migrant transfer to his/her home country); diaspora bonds (governmental bonds that are sold by governments at fixed interest rates to expatriates in order to get capital to fund development projects), etc. However, in this essay, I will assess the links between international migration and development in the OPT by examining the status of the five, to my mind, key aspects that link international migration and development. Development in this regard is viewed as a holistic process that encompasses economic, human, and social development.

The international migration-development nexus is worth studying in the Palestinian case because more than half of the Palestinian population lives outside of historical Palestine as a result of either forced or voluntary migration. The Palestinian diaspora includes a wide range of communities with different socio-economic positions, ranging from helpless refugees in countries such as Lebanon to economically successful communities in several countries in the world such as the USA and Germany, and these communities constitute an under-utilized resource for promoting development in the OPT. Finally the OPT is a valuable case to study because the conflict with Israel has an important demographic component. The issue of migration is, therefore, a sensitive issue to deal with publicly, and the Palestinian Authority (PA hereafter), which was established in 1994, shows apathy towards regulating this issue and to formulating a clear migration policy (Hilal, 2007).

* Migration Summer School 2014 - Best Participants' Essay. The views expressed by the author are not necessarily the views of the Migration Policy Centre.

My paper will proceed as follows. The first section will provide an introduction to the Palestinian context. The second section will examine the five aspects related to the international migration-development nexus that I highlighted above and will examine the status of these aspects in the OPT. The third section will provide conclusions and some policy recommendations for the PA and other donor organizations that work in the OPT. The goal is to produce a policy paper for Palestinian and for international decision-makers that draw their attention to this under-utilized and largely untapped resource. I will thoroughly examine and analyze relevant scholarly materials and official reports.

Part Two- The Palestinian Context

2.1- Historical Background

Palestine was part of the Ottoman Empire until 1917. From 1917 until 1948, Palestine came under the British mandate. The Palestinian population was predominantly Arabs (Muslims and Christians), but the Zionist movement in Europe, had been working on the establishment of a Jewish homeland in Palestine; thus, they facilitated the Jewish immigration into Palestine. In 1947, the United Nations General Assembly adopted a resolution which proposed a partition plan for Palestine to follow the end of the British Mandate; however, the plan never materialized as the Arabs rejected any territorial division of Historical Palestine, and the Jewish side was not united in accepting it. In 1948, the British mandate ended and Israel was established as a Jewish state. This ignited the 1948 Arab-Israeli War in which Egypt, Syria, Iraq and Jordan tried to prevent the establishment of Israel. The Arab armies were defeated and Israel was established over more than three quarters of the territory of Historical Palestine, including the Western part of Jerusalem. Jordan annexed the Eastern part of Jerusalem and the West Bank, while Egypt controlled the Gaza Strip (Tucker & Roberts, 2008).

Arab-Israeli hostilities continued unabated and culminated in June 1967 in another war between Israel and the Arab countries, the Six-Day War. The war ended in another humiliating defeat for the Arabs. In just six days Israel occupied the rest of Palestine (the West Bank, East Jerusalem, and the Gaza Strip) in addition to Syria's Golan Heights and the Sinai Peninsula of Egypt. The UN issued resolutions 242 and 338 which called for the withdrawal of Israel from (the) occupied territories (Tucker & Roberts, 2008).

From 1967 to 1987, resistance to the Israeli occupation was low profile and basically took the form of political protests and low intensity violence. At the end of 1987, the Palestinian resistance escalated into a mass uprising, the *intifada* (Tucker & Roberts, 2008).

In 1993, direct negotiations between Israel and the Palestine Liberation Organization (PLO hereafter) took place in Oslo-Norway, which resulted in a preliminary peace agreement. The agreement gave Palestinians partial autonomy in Gaza and some parts of the West Bank, while the core issues of refugees' repatriation, the status of East Jerusalem, water rights, and Israeli settlements were left for the final status negotiations. The PA was established in 1994 for the areas which were granted partial autonomy (Tucker & Roberts, 2008).

In 2000, final status peace talks that addressed the core issues in the conflict failed. After the failure of the peace talks in September 2000, a second *intifada* (uprising) erupted in the OPT. The second *intifada* was characterized by much violence and bloodshed (Tucker & Roberts, 2008).

In 2002 Israel started the construction of a separation barrier (wall) in the West Bank, which was a culmination of a tight closure system that was introduced in 1993. "Closure" here refers to the sealing off of the OPT from Israel and from each other, mainly by the setting up of check points throughout the territories (Tucker & Roberts, 2008).

In 2006, Hamas, a Palestinian Islamic faction that does not recognize Israel and is opposed to the Palestinian-Israeli peace process, won the legislative elections. A National Unity Government was

formed between Hamas and the secular Fatah movement that had previously been in power; however, internal Palestinian divisions and clashes ensued and culminated in two Palestinian governing bodies, one in the West Bank headed by Fatah, and the second in Gaza Strip headed by Hamas. Israel responded by imposing a strict land, air, and sea blockade on the Gaza Strip. Israel justified these acts on security grounds.

In the last few years, there has been no substantial change in the *status quo*. The peace process remains deadlocked and Palestinians increasingly disillusioned with the peace process. Violence and conflict remains intermittent and reached intense levels in 2008, 2012, and 2014 with fierce Israeli attacks on the Gaza Strip. Internal Palestinian political cohesion remains feeble and disrupted with two governing regimes, one in the West Bank and the other is in Gaza. This is compounded by the fact that the West Bank, East Jerusalem, and Gaza Strip are almost fully separated from each other. The Palestinian economy remains a shambles and lacks the basic features of a real economy.

2.2- The Palestinian Economy

In order to understand the international migration-development nexus in the OPT, we need first to have an overview of the Palestinian economy. This overview will concentrate on the post 1967 era when Israel occupied the OPT, and also on the post 1993 era when the Palestinians were granted partial autonomy in the West Bank and Gaza Strip as a result of the Oslo Peace Accords. It is worth noting here that this discussion is applicable more to the economy of the West Bank and Gaza Strip than the economy of East Jerusalem. Israel has dealt with East Jerusalem as part of the state of Israel, and, thus, the economic development of East Jerusalem has varied, in some respects, from the economic development of the West Bank and Gaza Strip.

When Israel occupied the OPT in 1967, Israel implemented several economic policies which deprived the OPT of economic resources. The main goal was security oriented: the prevention of the establishment of a future Palestinian state. The establishment of a Palestinian state was viewed as a security threat to Israel's existence, and Israel had to destroy its foundations, mainly by destroying its economic system (Sayigh, 1986) (Roy, 1995). Thus, Israel created links of dependence with the Palestinians by giving Israel complete control over the OPT's productive resources (Sayigh, 1986) (Roy, 1995). The basic Israeli policies and acts that led to the under-development of the OPT are summarized as follows:

A-Trade relations with Israel: After 1967, a trade regime was established between Israel and the OPT which aimed at creating Palestinian dependence on trade with Israel. This situation persisted in the post-Oslo era despite some mitigation of the situation (Arnon, 2007).

B-Industry: The expansion and diversification of the Palestinian manufacturing base has been severely undermined by Israel. Industry has been unable to grow because of the severe restrictions and obstacles that Israel put down to discourage Palestinian from initiating any economic venture, and subsidized Israeli products drove many Palestinians out of business (Roy, 1995)(Arnon, 2007). Again, these restrictive policies and acts also characterize the post-Oslo era despite some relaxation (Arnon, 2007).

C-Agriculture: The Palestinian agricultural sector has been destroyed by Israeli policies. The massive loss of land (as a result of land confiscation) and water (as a result of Israel's control of water resources) obstructed the growth of Palestinian agriculture. In addition, the Palestinian agricultural sector was forced to compete with Israel's highly subsidized and protected agricultural sector (Sayigh, 1986) (Roy, 1995). A 2013 report, released by the World Bank, stated that lack of Palestinian access to resource-rich and agricultural Palestinian lands designated as "Areas C" as a result of Israeli restrictions and control of these lands constitutes a great economic loss that is equivalent to 35% of the Palestinian GDP. The report calls for the transferal of these lands with their rich resources to the

Palestinian control so that the Palestinian economy can be set on a path to sustainable growth (World Bank, 2013).

D-Finance: After 1967, Israel banned the operations of Arab and foreign banks; until 1981, only Israeli banks were allowed. The result was a very weak financial sector with low deposits available in the private sector (Brynen, 2000) (Arnon& Weinblatt, 2001). Although these restrictions were eased in the post-Oslo era, the Palestinian financial system remains weak.

E-De-skilling of the Palestinian labor force: The deprivation and expropriation of key economic resources has forced the Palestinian economy and labor to depend on external resources for employment, mainly in the Israeli employment market. This was especially relevant in the pre-Oslo era when employment in Israel restricted workers to menial jobs. Even educated Palestinians were forced in this era to either emigrate to other countries, mainly Gulf countries, or to work in menial jobs due to the absence of other options. This exacerbated the de-skilling of the Palestinian workforce (Roy, 1995). This situation was mitigated by the establishment of the PA in 1994 with its public sector jobs.

F-De-institutionalization: Pre the Oslo era, the expansion of Israeli control over the occupied OPT demanded suppression, weakening, and closure of the Palestinian institutions that could work towards independence. De-institutionalization persisted even after the Oslo-era in a different form. Israel frequently bombarded and destroyed governmental institutions and institutional infrastructure as a punitive measure against Palestinian acts that deemed by Israel as unfavourable. Consequently, socio-economic development could not be significantly achieved due to the lack of effective and competent Palestinian institutions (Arnon, 2007).

G- Closure Policy: The closure policy was introduced in 1993. Closure refers to the sealing off of the OPT from Israel, mainly by the setting up of check points. Closure has significantly restricted movement and economic activity in the OPT. The building of the separation barrier (wall), in the early 2000s, further exacerbated the situation (Brynen, 2000) (Roy, 2002) (Ajluni, 2005) (Etkes, 2007).

In addition to Israeli policies that weakened the Palestinian economy, there are other important internal factors that have weakened the Palestinian economy such as corruption in the PA especially in its early years after establishment, as massive resources were wasted to build patronage links instead of being invested in development (Roberts, 2005); political division within Palestinian political factions which led to two governance regimes, one in the West Bank and one in the Gaza strip; and high population growth that is not matched by growth of economic resources that are needed to sustain this population growth.

Finally, massive aid that was poured by the international community into the OPT has largely failed in promoting significant development and sustainable growth for the Palestinian economy (Taghdisi-Rad, 2010). The Palestinians receive one of the highest *per capita* aid in the world, and they also receive one of the highest figures of aid as a percentage to GDP ranging from 24% to 49% since 2004 (OECD Aid Statistics). However, the billions of dollars which were poured into the Palestinian economy have not been effective in achieving any substantial gains in developing said economy. This is largely due to the Israeli policies and acts against the Palestinians that forced international donors to focus on relief instead of development (Taghdisi-Rad, 2010). In addition, this failure is also attributed to problems in donor operations and goals such as high politicization of aid in terms of allocating aid and selecting programmes based on political and ideological goals (Taghdisi-Rad, 2010). There is also the failure on the side of the donors to use their political and economic leverage over Israel to force Israel to relieve the closure regime imposed on the Palestinians (Taghdisi-Rad, 2010). Finally, there was inadequate donor oversight and monitoring of how aid was disbursed by the PA. Indeed, in some cases donors tolerated certain non-transparent financial practices of the PA, especially in the first few years after its establishment, when aid was used to foster patronage politics and clientelism (Roberts, 2005).

As a result of all the above-mentioned factors, the Palestinian economy remains a weak, underdeveloped, and aid-dependent rentier economy that relies heavily on external sources and that lacks indigenous productive capacities. Therefore, unemployment and poverty rates are very high in the OPT. Thus, the Palestinian government has to deal with this dire situation by looking for new tools to promote real development, to reduce its dependence on the Israeli economy and foreign aid, and to reduce unemployment and poverty rates; in this regard, international migration constitutes one of the underutilized tools, among others, that could be used by the PA to achieve these goals.

2.3- Palestinian Migration Patterns

Almost half of the Palestinian people live outside Historical Palestine. The majority of those migrants are in fact forced migrants (refugees), but there is still a significant minority of migrants who migrated voluntarily for different reasons. These reasons included the search for better economic opportunities abroad. In fact, Palestinians have experienced multiple displacements and movements since 1948, and hence the two types of migrants (forced and voluntary) could overlap in some cases. For example some migrants were forced out of Palestine and stayed as refugees in other host countries and then emigrated voluntarily to other host countries to seek better economic opportunities.

Hilal (2007) examined the historical migration patterns of the Palestinian people and concluded that migration has been a persistent and recurring theme in the Palestinian life since late nineteenth century. Even if we put aside forced migration and we focus only on voluntary migration, we see that voluntary migration for economic reasons has also been prominent and a structural feature in the life of the Palestinians. The following table gives a brief summary of major watershed events in the Palestinian migration history:

Prior to 1948	- Palestinian migration history dates back to the late nineteenth century, and in this era the main destinations were the Americas (Hilal, 2007) (PII, 2011).
1948	-The first Arab-Israeli War broke out and Israel was established. It is estimated that around 750,000 Palestinians left their homes in 1948 and moved to other parts in Palestine or neighbouring Arab countries (Hilal, 2007).
1948-1967	-In the aftermath of the 1948 War, the West Bank and East Jerusalem were annexed to Jordan (East Bank of the Jordan River), and the residents of these areas were granted Jordanian Nationality (Gilbar, 1997) (Hilal, 2007). Investments and development efforts of the Jordanian Government centered mainly on the East Bank and therefore, there were massive movements from the West Bank and East Jerusalem to the Jordanian East Bank (Gilbar, 1997) (Hilal, 2007). In addition, there was a significant Palestinian migration in this period to the oil-producing Gulf countries. These massive movements explain why population growth in the West Bank was negligible during this period despite high Palestinian fertility (Hilal, 2007)
1967	The second Arab-Israeli conflict erupted in 1967 and it created another wave of displaced people and refugees (around 300,000) who mainly sought refuge in Jordan and Syria. Some of those affected by the war were already refugees of the 1948 war and became refugees for the second time (Hilal, 2007).
1967-1990:	-The Israeli occupation of the OPT in 1967 shattered the Palestinian economy. Large sections of Palestinian labor became dependent on the Israeli job market as circular migrant workers, mainly in low-skilled or semi-skilled jobs. During the 1970s and 1980s around one third of the Palestinian labor force were employed in the Israeli job market (Hilal, 2007). -Migration to Gulf countries accelerated in the late 1960s and 1970s, and the major surge in number of migrants was in the post 1973 era which witnessed significant rises in the oil prices and subsequent boom in the economies of the Gulf countries. (Gilbar, 1997) (Hilal, 2007).
1990s	-The return migration of thousands of Palestinians to the OPT. This return was sparked by two events, first by the Gulf War 1990-91 which led to the expulsion of around 300,000 Palestinians, most of whom held Jordanian nationality, from Kuwait as a punitive measure for the Palestinian leadership's support of the Iraqi invasion of Kuwait (Hilal, 2007); around 30,000-40,000 of those expelled from Kuwait returned to the OPT (Hammer, 2005). The second return in the 1990s was sparked by the Oslo Peace Accords which established the PA in the OPT, and the accords stipulated the return of thousands of PLO employees to the OPT in order to build PA institutions; the number of PLO returnees stood at 60,000-100,000 (Hammer, 2005).
2000 onwards	-In 2000, the failure of the peace talk and ensuing violence led to the resumption of migration from the OPT to other countries. There is little data on Palestinian migration, but it has been estimated that there was a negative migration balance of 10,000 per annum, 2000-2006 (MPC, 2013). -Circular migration of Palestinian labor to the Israeli job market was restricted significantly in this era, and restrictions have been on the rise ever since. This led to declining share of the Palestinian labor force in the Israeli job market. Today, the Palestinian labor force in Israel constitute around 10% of the workforce (ETF, 2014), while this percentage was around 20% on the eve of the second <i>intifada</i> in 2000 (Kawaja, 2012). -In 2011, the Syrian revolution and the subsequent civil war in Syria led to further displacement of Palestinian refugees in Syria as they were harassed by the warring parties. United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA hereafter) said in Oct 2013 that more than half of the Palestinian refugees in Syria had been displaced internally or to other countries such as Lebanon, Jordan and Turkey.

2.4- The Number of Palestinians in the World

As a result of Palestinian movement abroad (voluntary and involuntary, migration and displacement) that I set out above, Palestinians are widely dispersed around the world.

Despite the difficulty in counting the number of Palestinians worldwide, the PCBS provides annual estimates about the numbers and whereabouts of Palestinians. The estimates cover people of Palestinian descent regardless of their nationality. In 2013, the PCBS estimated the number of Palestinians in the world at 11.8 million, of whom 4.5 million lived in the OPT, 1.4 million in Israel, 5.2 million in Arab countries, and 665 thousand in the rest of the world, mainly the Americas and Europe (PCBS, 2013). Therefore, according to this rough estimate, almost half of the Palestinians live inside Historical Palestine, and the other half live elsewhere.

The figures that estimate the number of Palestinians are controversial. There are some scholars who argue that these figures are intentionally inflated in order to boost the Palestinian demographic presence for political reasons (Faitelson, 2009). Other scholars and studies point out that the number of Palestinians in the world could be higher than those estimated by the PCBS and other sources in host countries. For example, the number of Palestinians in Latin America is believed to be underestimated as migration from Palestine to Latin America started in late nineteenth century when Palestine was part of the Ottoman Empire. Palestinian migrants were registered as Turks, and descendents of early migrants are now fully assimilated in these countries (PII, 2011). The number of Palestinians in other countries such as the United Arab Emirates and Saudi Arabia could also be underestimated as Palestinians who live in these countries carry the nationalities and travel documents of many countries: they are often enumerated as holders of other nationalities (Abu Suod, 2013). Moreover, in some countries the Palestinians are registered as stateless or of unknown nationality as many countries did not recognize the Palestinian citizenship or nationality until recently (PII, 2014).

The controversy over the number of Palestinians in the world also extends to the number of Palestinian refugees. The figures about the number of Palestinian refugees are mainly provided by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). UNRWA is a UN-affiliated agency that was established in 1949 to provide humanitarian and development services to the Palestinian Refugees in UNRWA's fields of operation: Jordan, Lebanon, Syria, the West Bank, and the Gaza Strip. UNRWA defines a Palestinian Refugee as a "person whose normal place of residence was Palestine during the period 1 June 1946 to 15 May 1948, and who lost both home and means of livelihood as a result of the 1948 conflict". UNRWA estimated the number of registered Palestinian refugee at around 5 million in 2013. UNRWA figures usually stir controversy. For example, Gilbar (1997) argues that UNRWA's overburdened bureaucracy hinders proper data collection and therefore figures of Palestinian refugees could be inflated as a result of double counting and overlaps. In contrast, the Palestinian Resource Centre for Palestinian Residency and Refugee Rights (BADIL) contends that the number of Palestinian refugees in the world is still much higher than those provided by UNRWA as a large number of refugees: could not register with UNRWA; were not eligible to register as a result of UNRWA's restrictive definition of a "Palestinian Refugee"; or did not want to register for a variety of reasons. According to BADIL, the number of refugees provided by UNRWA is only for those who are officially registered with the UNRWA and who are, by its restrictive definition, a "Palestinian refugee". For example, the Palestinians who were displaced by the 1967 War and who did not match the definition of a "Palestinian refugee" are "displaced" instead of "refugees". They are, therefore, absent from UNRWA's registered figures of refugees. In addition, there were Palestinian refugees who sought refuge in Arab countries that are not covered by the UNRWA, such as Egypt and Iraq. Therefore, those refugees are not registered with the UNRWA and do not appear on UNRWA's figures as well. Moreover, there were Palestinian refugees, mainly wealthy ones, who opted not to register with the UNRWA (BADIL Website). Therefore, BADIL contends that UNRWA's figures for Palestinian refugees are too low and do not give the whole picture.

2.5- Notable Palestinian Communities in the Diaspora

Today, there are several key successful Palestinian communities in different parts of the world, especially in high-income countries. These Palestinian communities are valuable resources with their capital, skills, expertise, and connections. They could usefully be mobilized to contribute to the development and rehabilitation of the OPT. Examples of some notable Palestinian communities in the diaspora include:

2.5.1- The Palestinian Community in the USA

There are between 200,000 and 250,000 Palestinians in the USA, and studies show that the Palestinian community in USA is largely successful (PII, 2013). Studies also show that, although the Palestinians are well-integrated in American society, that they are still very proud and attached to their national Palestinian heritage. This attachment is even found among second and third generation American Palestinians who were born in USA (Cainklar, 2004). In addition, the Palestinian community in the USA has strong social and economic bonds with the OPT (PII, 2013)

2.5.2- The Palestinian Community in Germany

According to PII (2014), the largest Palestinian community in Europe is to be found in Germany. There are around 100,000 Palestinians in Germany, making this the biggest Arab community in that country. Despite the fact that almost three quarters of Palestinians in Germany were originally dispossessed refugees from Lebanon, the Palestinian community in Germany is considered successful. The contribution of the Palestinians in Germany to the development efforts of the OPT has been limited. One of the factors that explain the limited contribution of this community is that the Palestinian representative office in Germany lacks a clear strategy and actual programs to build connections with the community (PII, 2014).

2.5.3- The Palestinian Community in Chile

According to PII (2011), there is a strong Palestinian presence in Latin America in general and Chile in particular. Emigration from Palestine to Chile started in the late nineteenth century when the Ottoman Empire still ruled Palestine. The Palestinian community established itself as a notable and successful community in terms of education and socio-economic status by the late 1940s. The number of Palestinians in Chile is estimated today at between 100,000 and 300,000. Studies show the Palestinian community is proud of its heritage, especially the fact that most of them descended from the holy land of Bethlehem. In addition, there are significant social, political, and religious bonds between the Palestinian community in Chile and their homeland. But economic and development contributions are still below their potential and restricted mainly to some hometown associations that conduct humanitarian and development activities in Bethlehem area. The efforts of the PA to establish links with the Palestinian community in Latin America are still almost non-existent (PII, 2011).

2.5.4- The Palestinian Community in the Oil-Producing Gulf Countries:

The Palestinians had a very strong presence in the oil producing Gulf countries, especially Kuwait, prior to the Gulf War 1990-1991. The Palestinian leadership's position was interpreted as support for the Iraqi invasion of Kuwait. This led to mass expulsions of Palestinians from Kuwait at the end of the war. Today, according to Abu Suod (2013), the Palestinian presence in the oil-producing Gulf countries is still significant with the exception of Kuwait. The exact numbers of Palestinians in the Gulf countries are not known but it is generally thought to run into hundreds of thousands. Despite having meagre data about the numbers and demographics of the Palestinian communities in the Gulf region, it is widely believed that these communities are resourceful in terms of their education,

expertise, and financial capital. The Gulf region has historically attracted large numbers of highly-skilled Palestinians (Hilal, 2007). Hanafi (2001) studied the Palestinian community in the United Arab Emirates (UAE) and he noted the sense of insecurity that is prevalent among the Palestinians in the Gulf region. This, he found, led a large number of them to establish their private business in order to diversify their income and reduce their dependence on insecure annual job contracts, and thus the Palestinians emerged as a successful entrepreneurial business community in the UAE. Despite the success of the Palestinian community in the Gulf, their contribution to development in the OPT is still limited and in most part focused on humanitarian aid in times of emergency. There is lack of consistent efforts from the PA to communicate with these communities and engage them in the development process (Abu Suod, 2013). In addition, the Gulf countries look with suspicion at any foreign activism among its migrant workers, even in the field of development. Therefore building bridges with the Palestinian communities in the Gulf is not an easy task.

Part Three- International Migration-Development Nexus

The relations between international migration and development are quite extensive, but in this paper I will focus on five key aspects that link international migration and development. First, bilateral and multilateral agreements that facilitate labor access from one country to the job market of another country on a temporary and circular basis, thus reducing unemployment and population pressure in migrant sending country; second, remittances that are sent by migrants that could be geared to promote development; third, contributions of diaspora organizations to development efforts; fourth, investments made by businessmen from the diaspora in their home countries; fifth, return migration of the highly skilled and/or their mobilization from afar (brain circulation). This section will study the impact of each of these five aspects of international migration on the economic, social, and human development of the OPT.

3.1- Emigration as a Tool to Reduce Overpopulation and Unemployment

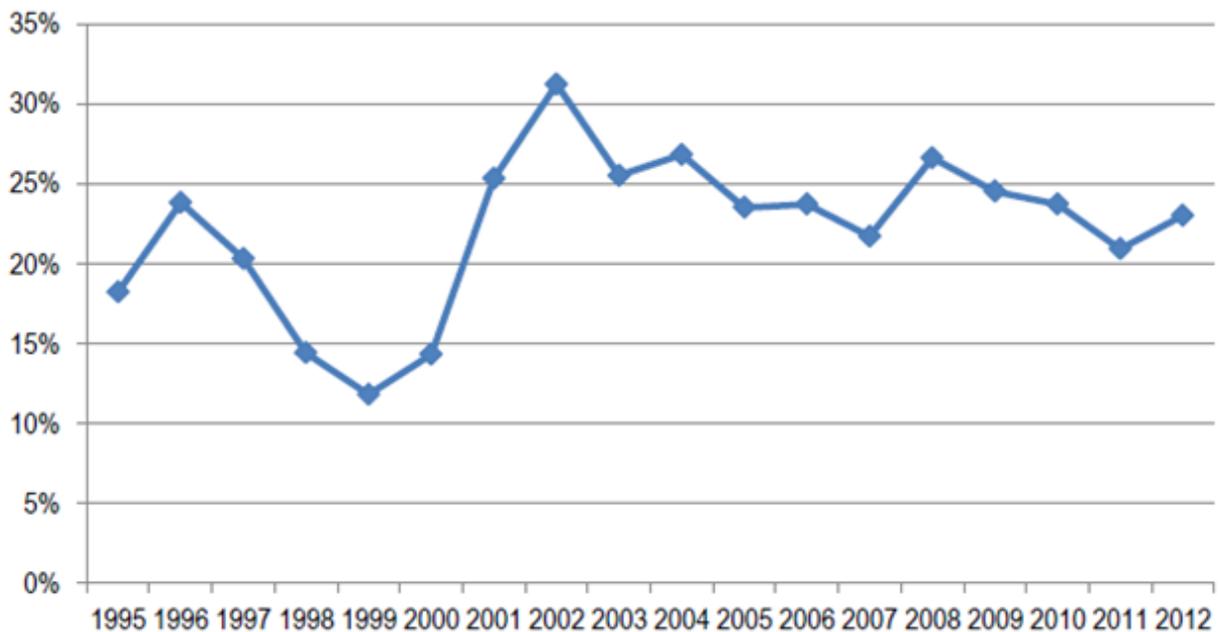
Many countries in the world with weak economies have opted to promote emigration as one of its key strategies to reduce unemployment; in this case, emigration reduces competition for limited jobs while migrants send large sums of remittances back home (Koser, 2008). The need to emigrate is compounded in countries which have very high population growth rates, as there are higher proportions of young people who need to be absorbed into the local job market (Koser, 2008). In this regard, the OPT is a strong candidate to be a country of emigration as a result of its weak economy and high population growth rates.

The OPT has a very weak economy, as I set out in part one of the paper. And the problem is compounded by the fact that the OPT has one of the highest fertility rates and population growth rates in the world. For example, according to World Bank data, in 2012, population growth rate in the OPT stood at around 3% which makes it the fourteenth highest in the world. The fertility of the Palestinians is very high by regional and international standards (Khawaja, 2000) (Courbage & Todd, 2010). The fertility of the Palestinians is significantly higher than what is suggested by their favorable conditions in terms of school enrolment, secondary education, university education, level of urbanization, and infant mortality rates (Khawaja, 2000) (Courbage & Todd, 2010). Studies found that high fertility is attributed to several factors such as: young age at marriage; low participation of women in the labor market despite their high education as a result of the negative impact of conflict on the labor market; massive Arab and international aid to Palestinians that has indirectly subsidized and defrayed the costs of procreation; and, above all, there is a practical consensus in the literature that the high fertility of the Palestinians is attributed to the Palestinian conflict with Israel and the intense demographic competition between Palestinians and Israelis (Fargues, 2000) (Abu-Duhou, 2003) (Winckler, 2005) (Courbage & Todd, 2010). The Palestinian-Israeli conflict is basically a conflict over disputed lands, and the Palestinians believe that their high fertility and demographic dynamics will create a numeric

advantage for the Palestinians in the lands that are still occupied by Israel. This will, therefore, force Israel to end its occupation of the OPT (Fargues, 2000) (Kauffman, 2010). The Palestinian leadership has, thus, historically encouraged high fertility, encouraged return migration, discouraged emigration, or at least restrained from dealing with these issues in order to sustain the Palestinian demographic presence in the OPT (Khalil, 2010).

Despite the significant political gains that are associated with growing Palestinian population, there are negative economic consequences that cannot be overlooked. Labor supply in the weak Palestinian economy, exceeds, by a long way, labor demand, and thus there are very high levels of unemployment (EC, 2010). For example, according to the World Bank figures in 2014, unemployment reached 26% in the middle of 2014, 16% in the West Bank and 45% in Gaza Strip. Unemployment is particularly high among the young (15-29) who constitute around 30.1% of Palestinians according to PCBS data in 2014 (ILO, 2014). These figures are by far the highest in the Middle East and North Africa region (ILO, 2014), and if Gaza Strip is dealt with as a country then it has the highest rate of unemployment worldwide (ILO, 2015). In addition, there is a wide gender gap in unemployment as unemployment is particularly high among young women (only 7.1% of women aged 15-29 work compared with 41.8 of young men in the same group) (ILO, 2014). Worse still, youth unemployment is 1.5 times higher among university graduates than among non-graduates (ILO, 2014).

Unemployment rate, 1995–2012



Source: PCBS, Labour Force Survey 2012.

The EU, in its report about the labor markets in the OPT in 2009-2010, estimated that, as a result of the population growth and the high number of new entrants to the labor market, the PA should create around 46,000 jobs annually from 2009-2020: this to reduce its unemployment rate from the level of 22% to 15%. The report notes that this number of jobs is high and constitutes a real challenge even for normal economies with good and sustainable economic growth rates.

The PA has been keen to solve the issue of high unemployment and the Palestinian National Development Plan 2014-2016 puts unemployment as one of national key development challenges and

priorities (ILO, 2014). The main traditional policies of the PA to contain unemployment have been through: employment in the oversaturated public sector; the funding of micro-financing programs; training programs for graduates; and temporary emergency employment projects that are funded mainly by international organizations. However, these activities have not been very effective in curbing unemployment (EC, 2010). There have been studies and reports providing recommendations for the strategies and policies needed to reduce unemployment. These include: addressing skills mismatch issues among young graduates in order to improve synergies between work and education; improving and promoting vocational education; better training for young entrepreneurs; and facilitating access to credit for youth initiatives, etc. (ILO, 2014). However, even if these recommendations are followed, unemployment would not perhaps be significantly ameliorated as the key problem in Palestine lies in its large labor supply in comparison to labor demand and economy's size. Therefore, there have been recent studies which looked for additional realistic options to reduce unemployment. Some studies have recommended that the PA should formulate a national policy towards migration and should ponder emigration, especially through temporary and circular migration schemes, as one of the strategies and policies to reduce unemployment (Khalil, 2010) (PCBS, 2010).

As I mentioned earlier, the issue of promoting emigration as a tool to reduce population growth and unemployment has been largely ignored by the PA since its establishment in 1994. This is despite the fact that, prior to 1990, emigration had been a persistent and prominent feature in the life of Palestinians (Hilal, 2007). Emigration in this era was an effective tool to cope with political and economic turmoil, and it served as a tool to reduce overpopulation and underemployment in the OPT (Hilal, 2007). There have been no clear policies adopted by the PA to deal with the issue of emigration as it was perceived as detrimental to political and national interests (Hanafi, 2005) (Khalil, 2010).

There are recent indications that the PA has started to respond to the calls for formulating clear migration policies. It has, for example, begun to explore temporary and circular emigration as a tool to reduce unemployment. The Palestinian National Plan 2011-2013 stated, in its section about labor strategies, that regulating the employment of Palestinians in foreign and Arab countries and increasing their percentages is a priority. The plan emphasized the need to build networks and information sharing mechanisms that provide sufficient data about markets that may assimilate the Palestinian labor force. This is, in addition to encouraging bilateral and regional agreements with other countries, especially Arab ones, in labor areas. In addition, the plan emphasized the need to build the national capacities of the Palestinian labor force, especially in education and vocational training, so that Palestinians can compete and benefit from opportunities in the international labor market (MOPAD, 2011). Moreover, Mr. Asef Saed, the Director General of the Employment Department at the Palestinian Ministry of Labor, said, in his commentary on the issue of Palestinian migration in a conference that was organized by Birzeit University in January 2012, that the PA would soon formulate a national migration policy. He added that one of the essential elements of this policy is to make a governmental effort to reach bilateral and multilateral agreements between the OPT and other countries in regards to sending temporary and circular migrants to work abroad. He said that exploring migration opportunities abroad is an attempt to reduce dependence on the Israeli job market and to confront the discriminatory, unpredictable and insecure working conditions that Palestinians face on the Israeli Job market (Saed, 2012). Having said that, it is premature to conclude that the PA has taken the decision to deal with emigration as one of the strategic solutions to the crisis of unemployment or to deal with emigration as a sustainable source of employment. Progress towards achieving this goal is not, in any case, yet tangible.

The issue of promoting emigration is still a thorny issue to deal with publicly due to the demographic component of the Palestinian-Israeli conflict. However, some experts would say that the temporariness and circularity of the proposed migration schemes could be a middle ground that reconciles the need to reduce unemployment and the need to keep Palestinian demographic weight. Temporary job contracts are important and have several benefits. They create valuable opportunities for unemployed Palestinians to work abroad, gain experience, build international connections, and

then to return after few years to their home country with experience, skills, connections, and savings. But they do not affect the demographic weight of Palestinians due to the temporary and circular nature of their migration. In addition, such arrangements may reduce unemployment among women, especially young and educated ones, and may reduce gender-based gaps in labor market outcomes. Palestinian women are among the most educated women in developing countries and yet they have one of the lowest participation rates in job market; this is mainly because of the conflict in the region that led to the malfunctioning of the Palestinian economy and labor market (ILO, 2012). Thus, such circular and temporary employment schemes could also provide an opportunity to empower unemployed Palestinian women.

It is worthwhile highlighting here that any policy of promoting emigration to reduce unemployment should exclude Palestinians from East Jerusalem. The Palestinians of East Jerusalem live under the Israeli jurisdiction, and they may lose their residency rights if they stay for more than seven years abroad (Khalil, 2009). In any case, unemployment is not as serious in East Jerusalem as the rest of the OPT because the residents of East Jerusalem are allowed to work in Israel without special permits. In addition, the Palestinian Migration Survey which took place in 2010 showed that Palestinians from East Jerusalem are least willing to emigrate in comparison to other regions in the West Bank and Gaza Strip: only 6.6% in the age group 15-29 are willing to emigrate while the figure reaches 30.9% in northern parts of the West Bank (PCBS, 2010). In contrast, if a Palestinian region needs be prioritized for any policy that promotes emigration, then this region would be the Gaza Strip. The Gaza Strip has a far worse economy and unemployment rate than that of the West Bank as a result of the military blockade that has been in place since 2006. A UN report predicted that Gaza Strip will not be a liveable place by 2020 due to several factors, including high population growth that is not matched by a growing economy and growing services provision (United Nations, 2012). As a result, emigration could be one of the solutions to contain population growth and the incredible unemployment levels there.

Finally, I conclude this section by highlighting that any policy by the PA to encourage emigration would entail finding host countries that are willing to host Palestinian migrants and provide them with temporary job contracts. As we know there are growing restrictions on migration worldwide. Therefore, there is a need to incorporate this issue within the wider framework of international development aid that is given to Palestinians. There have been, lately, scholarly calls for a new approach that calls upon the developed countries to facilitate temporary and circular schemes that allow preferential movement of labor from the developing countries to the developed countries. This approach encourages the donor OECD countries, especially those with ageing communities, to give temporary work visas to workers from developing countries instead of conventional aid. This is done to help the developing countries, while at the same time benefiting host countries which suffer from shrinking labor-force and ageing population. It would be an alternative to conventional aid schemes, which have been largely ineffective in promoting development (De Haas, 2007) (Fernández-Huertas Moraga & Rapoport, 2014). The OPT is one of the most aid-dependent countries in the world and it receives generous aid from donor countries. However, aid has been largely ineffective in achieving development, and therefore donors should ponder new ways to aid Palestinians, including the bilateral and multilateral temporary labor agreements that I highlighted above.

Let us also note that the Palestinian labor force is characterized by fine educational indicators, high technological penetration, and good knowledge of international markets (World Bank, 2012 & 2014). These qualifications make Palestinians competent enough to compete in international jobs markets, and find labor contracts that could accommodate them. The World Bank (2012) states that 95% of Palestinians aged 24-32 have obtained a formal educational degree; among those who obtained a formal degree, 20% have a university degree, 25% have completed their secondary education, and 50% have a basic school degree. In comparison to other countries in Middle East and North Africa, Palestinians have the highest literacy rate and highest gender parity in literacy (World Bank, 2012). Still, more efforts are needed at the Palestinian state level to improve the quality of education and

prepare the next generations to compete in international job markets. There should be an added emphasis on languages, information technology, training programs, etc. in order to improve the educational output and to promote a competitive Palestinian labor force.

3.2- Remittances:

Financial remittances are the best known link between migration and development (Koser, 2008). Remittances have substantial benefits for recipient countries: They constitute a main source of foreign currencies. They improve the credit ratings of recipient countries. They improve human capital and human development by more household expenditure on health and education. They contribute to poverty alleviation mainly through income diversification. And they contribute to economic growth especially if they are used in investments (Koser, 2008) (Ratha & Mohapatra & Scheja, 2011). The benefits of remittances are maximized when they are sent through formal channels (such as banks), and when governments guide remittances-receiving individuals and families and their money towards productive investments instead of mere consumption (ESCWA, 2004).

If I turn now to my case study and examine the dependence of the Palestinian economy on remittances, and the impact that remittances have on the development process in the OPT, we see that studies and reports show that there had been much dependence on remittances in the OPT in the 1970s and 1980s. The peak came in 1984 when remittances received by West Bank and Gaza Strip amounted to, respectively, 33.2% and 56.4% of GDP (Hilal, 2007). During this era, remittances were primarily coming from Palestinian migrants in the Gulf region, and to a lesser extent from Palestinian circular migrant workers in Israel. Remittances from Israel were largely informal remittances due to the circular nature of work in Israel: Palestinian workers were mainly daily-paid workers who had to return home on daily basis. Therefore, in this era, the OPT was extremely dependent on remittances from the Gulf and from Israel (Hilal, 2007). Things started to change in the aftermath of the Gulf War in 1990-91, as the vast majority of Palestinians in Kuwait were expelled from there, and this led to a sudden sharp decline in the remittances that were sent back from the Gulf region (Hilal, 2007) (EC, 2010). Only 10-13% of those expelled returned back to the West Bank and Gaza, and the rest settled in other countries, mainly Jordan, hence the loss of remittances was not significantly offset by the returnee's assets. In addition, starting from the early 1990s, Israel started to implement policies to physically separate large parts of the OPT from Israel through checkpoints, and this involved the substantial reduction of permits issued for Palestinians to work in Israel. This policy has been on the rise since 2000 which led to a further decline in remittances from Palestinian labor in Israel (EC, 2010). Today, the OPT receives less remittances than in the 1970s and 1980s, but the OPT is still significantly dependent on remittances despite their progressive decline since the early 1990s. For example, in 2010, there are estimates from the World Bank that the OPT received an amount of formal and informal remittances equivalent to 1.3 billion U.S. dollars. This amount of remittances constituted around 18.1% of the Palestinian GDP in 2010 according to the World Bank website. This figure is considered very high in comparison to other countries and puts the OPT as one of the top remittances/GDP recipient countries; still, it is significantly less than what the OPT received prior to 1990.

There is not enough data about the source countries of the remittances that is received today by the OPT, but a sizable part of these remittances come from Palestinian circular workers in Israel. Remittances of Palestinian circular workers in Israel comprise more than 90% of the remittances of workers' compensation and more than 50% of the total personal remittances according to Saad (2015). However, if we exclude the remittances that come from Israel, and we focus only on remittances that come from the Palestinian expatriates in the diaspora, we see that these remittances are meagre and that they have little developmental impact. Hilal (2007) examined a variety of sources to assess the dependence of the Palestinian economy on remittances from its migrants abroad, excluding Israel. He found that the flow of remittances from the Palestinian migrants to their families is meagre, and that they are reduced further by the fact that there is also a significant outflow of outward remittances from

the OPT to other parts of the world. Therefore, the amounts of inward remittances that come from Palestinian migrants in the world are modest. He attributed the declining inflow of remittances to the declining numbers of new migrants abroad since 1990: this is particularly in comparison to the situation which preceded 1990 in which there was a constant and sizable flow of migrants to the Gulf region. In addition, remittances usually tend to decline as years of migration increase because migrants who stay a long time in the host country become less connected to their homelands and more focused on providing for their nuclear families in the host countries. Therefore, remittances from migrants abroad are no longer particularly relevant to the Palestinian economy and the Palestinian development (Hilal, 2007): first, because of the reduced numbers of new Palestinian migrants in the last twenty four years; and second because of the decline of remittances that old migrants send as a result of their long stay in the diaspora. It is worthwhile highlighting two important points here: First, this analysis does not cover the remittances that are sent in emergencies, which act as safety valve for many families (Hilal, 2007); for example, during the *intifada* years the remittances that were sent by the Palestinians in the diaspora skyrocketed from US \$270 millions to US \$736 millions, and these large sums of money played a key role in ameliorating the dire economic conditions of the second *intifada* (Saad, 2015). Second, despite the fact that remittances have declined in importance at the macro level in recent years, they are still important at the micro level in certain villages on the central West Bank and the southern part of the Gaza strip. These have high numbers of migrants in North and South America and these communities receive regular and vital remittances. Apart from this, studies show that very few Palestinians depend on remittances from abroad (Hilal, 2007), and these remittances, when they come, are largely used for daily consumption, education, health, construction of houses instead of savings and/or investments (Hilal, 2007).

In sum, if we exclude the remittances which come from Palestinian circular migrants in Israel and focus on remittances which come from the Palestinian migrants in other parts of the world, we see that the Palestinian economy at the macro level does not depend on remittances from its migrants abroad: the only exceptions are a few villages that have large pool of migrants abroad and that receive regular remittances, in addition to those who receive large sums of remittances in times of emergency. Even in these few cases, remittances are spent mainly on consumption, not investments or savings, which reduces their developmental impact. We have excluded the remittances which come from the Palestinian workers in Israel because the Israeli job market has been lately very restrictive and insecure for Palestinians, and therefore any long-term development planning in the OPT should acknowledge that these remittances do not provide a sustainable source of income or a real opportunity for development in the OPT. Remittances could become again highly relevant to the Palestinian economy and a potent driver of its development if emigration were promoted through the bilateral and multilateral labor recruitment agreements that I highlighted in the previous section

3.3-The Palestinian Organizations in the Diaspora

When there are large numbers of migrants from the same country resident in a host country, those migrants usually establish formal organizations that cater to the welfare of migrants in the host country, and/or they carry out humanitarian and development activities in their home countries. These organizations are usually called “diaspora organizations” (Koser, 2008). There is a debate on the developmental impact of these organizations and on the home countries that they serve. Some scholars underestimate the developmental potential of these organizations as a result of their limited resources, while others hail the contributions of these organizations and consider their contributions as distinctive and different from the contributions of the professional development industry. These organizations are more socially and historically embedded in their home countries, which gives them an advantage over other organizations (Mercer & Page & Evans, 2009).

Now I turn to the Palestinian organizations in the diaspora to evaluate the role that they play in promoting development in the OPT. I would like, first, to highlight that the Palestinian organizations in the diaspora can be classified into four main categories (Hijab, 2004):

	Category	Domain of activities	Example
1	Development and relief organizations	They provide humanitarian and development services to areas in need in the OPT, or to Palestinian refugees camps in neighboring Arab countries.	Welfare Association (Switzerland)
2	Community groups	They aim at fostering and maintaining ties among Palestinian diaspora communities in host countries, and they also aim at fostering Palestinian cultural heritage among younger Palestinians who are born and raised in the diaspora. Community groups sometimes get involved in charity work and fundraising campaigns that benefit their home-country, but this is not their main domain of activities.	Ramallah Association (USA)
3	Research organizations	They mainly work on producing pieces of research and reports that provide information about wide areas pertinent to the Palestinian cause, mainly political ones	Institute of Palestine Studies (Lebanon, USA, and France)
4	Solidarity groups	They provide advocacy efforts in favor of the Palestinian cause that are intended to shift public opinion and hence influence foreign policies of governments.	Women against Occupation (Canada)

As this paper is focused on the migration-development nexus, I will concentrate here on the development efforts and activities that are carried out by the Palestinian organizations in the diaspora. These include the Welfare Association which is a Switzerland-based NGO that was established in 1983 by Palestinian expatriates, and the United Palestinian Appeal (UPA) which is a USA-based NGO that was established in 1978 by Palestinian Americans. Both are prominent examples of diaspora organizations that provide development and humanitarian assistance to the Palestinian people.

Studies and reports that examined the developmental impact of the Palestinian diaspora organizations conclude that the contributions of the Palestinian organizations in the diaspora to the development process in the OPT have been meagre, sporadic, uncoordinated, and that they have lacked focus (ESCWA, 2004) (Hijab, 2004). Studies and reports attribute this unfavourable situation to the following points:

First, the vast majority of Palestinian diaspora organizations are small with limited budgets. In addition, they generally suffer from chronic funding problems. Therefore most of these organizations have narrowed their focus into advocacy and awareness raising instead of development and rehabilitation (ESCWA, 2004) (Hijab, 2004). Funding in fact dwindled massively in the aftermath of the 9/11 terrorist attacks, as a result of restrictive measures in the Western Countries on the operation of diaspora institutions (Aryasinha, 2004).

Second, many Palestinians in the diaspora have never lived in the OPT but rather lived in refugee camps in neighbouring Arab countries. For example, three quarters of the Palestinians in Germany came originally from the Palestinian refugee camps in Lebanon (PII, 2014). Therefore, they donate mainly to diaspora organizations which work and channel their aid primarily to these Palestinian refugee camps. This focus on Palestinian refugee camps out of the OPT is good in providing much needed aid to marginalized Palestinian communities, but it actually reduces the share of aid that the OPT receives from the Palestinian diaspora organizations.

Third, the meagre contributions that are channelled by Palestinian diaspora organizations to OPT, focus more on relief rather than socio-economic development: this is true of in-cash and in-kind contributions to community institutions but also of projects that are designed and implemented by these organizations. This situation further reduces their developmental impact (ESCWA, 2004) (Hijab, 2004). Here we have a difficulty, in fact, that transcends the diaspora organizations to include most aid organizations that work in the OPT. Israeli practices have forced many governmental and non-governmental aid organizations to change their strategies and switch their focus from development to relief efforts as a result of the protracted conflict in the region (Loddo, 2006). This has brought many aid organizations, including diaspora organizations, to disillusionment. They, now, believe that any substantial development efforts should be preceded by serious conflict resolution steps, otherwise their development efforts will be meaningless (Loddo, 2006).

Fourth, the small amount of diaspora aid that is channelled for development remains fragmented and of a limited impact. This is due to the lack of coordination of the development efforts of the diaspora organizations with the PA, and coordination among the diaspora organizations themselves. There is a lack of clear strategies and vision on the part of the Palestinian leadership that could bring in diaspora organizations with agreed upon goals and a common framework (ESCWA, 2004) (Hijab, 2004). This is partly because aid coordination effort is a real problem in the OPT as a result of the occupation: this makes vast areas of Palestine inaccessible to the control of the PA. In addition, the presence of a large number of international governmental and non-governmental international aid organizations that work in the OPT renders any form of coordination most difficult. Therefore, the PA prioritizes coordination of development efforts with key donors from international bilateral or multilateral governmental organizations instead of non-governmental organizations (The Palestinian Ministry of Planning website). However, even if the PA were willing to coordinate the activities with diaspora organizations, this would be difficult given the PA's reputation for corruption among the diaspora. Therefore, diaspora organizations may prefer to preserve their autonomy rather than to gather under a PA umbrella. It is worth noting here that even efforts by diaspora organizations to network and coordinate their efforts among themselves are slight: this further limits the developmental potential of their activities (ESCWA, 2004).

In sum, the contributions of the Palestinian organizations in the diaspora to the development process in the OPT remain limited and scattered. Therefore, some reforms are needed in the PA in order to increase the quantity and amplify the quality of the contributions of diaspora organizations. There is a need to build institutional arrangements that work on enhancing networking and coordination among the diaspora organizations themselves, and between the diaspora organizations and the PA: in this way they can all work under a common and comprehensive framework to achieve development in the OPT. However, it is important to point out here that there is a need for prior institutional and structural change within the state in order for diaspora organizations to function properly (Skeldon, 2008). Diaspora organizations have only a limited capacity to overcome structural

economic problems and to make up for the failure of national development policies; therefore, hopes and expectations about their developmental impact should not be exaggerated unless there are real structural economic and political reforms at the local and national level. Diaspora organizations are not expected to generate development in structurally defective environments and hence states play a crucial role in ensuring that diaspora organizations have positive developmental impacts (De Haas & Vezzoli, 2010). Key donor organizations that work in the OPT could provide technical aid to the PA on how to network and establish partnerships with the Palestinian diaspora organizations; and the aid organizations themselves could also build partnerships with diaspora organizations and benefit from their international scope and organic social embeddedness in designing and implementing development projects.

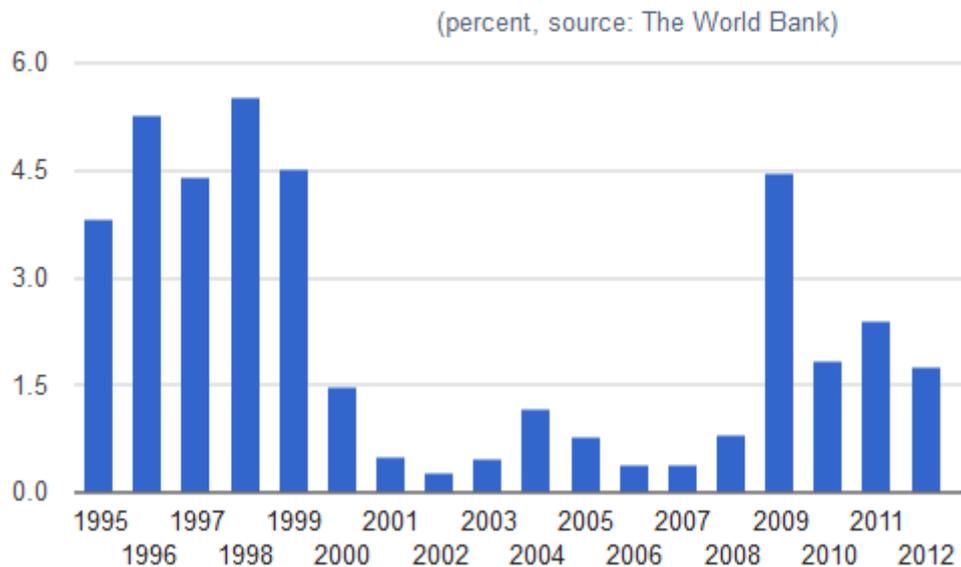
3.4-Investments

Any developing country which has a large stock of migrants and that would like to attract foreign direct investments (FDI) should focus first on attracting FDI from its diaspora. Riddle & Nielsen (2011) argue that diaspora investors and entrepreneurs differ from their non-diaspora counterparts in having better knowledge about market conditions and needs in their home country. This means that they are less risk averse and better equipped to carry out transnational entrepreneurial activities in their homelands. In addition, they have strong social and business networks in their home countries that may facilitate their work. Moreover, the motivation of diaspora investors to invest in their homeland is not based solely on economic grounds but rather on their strong feelings of identification and commitment towards their homeland (Riddle & Nielsen, 2011).

If we track the history of Palestinian diaspora's investments in the OPT, we see that the investments were significant only during a short period of time between 1993 and 2000. Before 1993, the OPT was under the full control of the Israeli authorities and Israel adopted policies that deterred Palestinian investors from investing in the OPT (Hanafi, 2001). The PA was established in 1994, and hopes were high that an independent Palestinian state would be established soon and state-building efforts were, therefore, intense. The PA embarked on legal and institutional reforms to attract investors and these reforms largely succeeded. For example, Hanafi (2001) estimated that 70% of FDI which were carried out in 1997 came from Palestinians in the diaspora. Diaspora businessmen led the business scene and they infused their expertise and capital, which were significant in restructuring the economy (Hanafi, 2001). In 2000, the second *intifada* erupted and the area descended into unprecedented bloody violence which put most of investors into flight.

FDI has been modest since 2000. The World Bank's website provides data about FDI in Palestine from 1995 to 2012. According to this data, the average FDI, as a percentage of GDP in Palestine during the period of 1995-1999 was 4.7%; while this average dropped significantly to 1.28% during the period between 2000-2012 as a result of the deterioration in the political situation. In 2012, the world average of FDI as a percentage of GDP was 5.52% and the average for Palestine was 1.75% which puts it at 128 out of 181 countries covered in the report. This low average constitutes a clear case of under-investment. The World Bank's report doesn't provide data about the source countries of the FDI, but the PCBS issued a report about FDI in Palestine in 2011, and the report included a section on the distribution of FDI in Palestine by country of origin. This report showed that 80.5% of FDI came from Jordan alone, a country where half the population are of Palestinian descent: this indicates that FDI in Palestine in the post 2000 era is still dominated by its diaspora.

Palestine Foreign Direct Investment, percent of GDP



Studies show that FDI in Palestine and investments from the Palestinian diaspora have always been limited, even in its peak period of 1993-2000 which witnessed significant foreign investments from the diaspora. The volume of diaspora investments during this era was modest compared to the potential of the resourceful Palestinian diaspora communities and compared, too, to the regional average of investments (Hanafi 2001). Hanafi (1996) (1997) (2001) summarizes the reasons that explain the meagre investments from the Palestinian businessmen in the diaspora despite their significant resources:

First, any investor who would like to establish a business in the OPT needs to get a permit from Israel. Israel has declined to provide these permits on many occasions if the business would produce products that would compete with similar products that are produced by Israel, or if they involve imported products that have an Israeli equivalent. In addition, Israel has often declined to provide permits on political grounds as a punitive measure towards the Palestinian government. The need to get a permit from the Israeli side has also deterred many investors of Palestinian descent who live in Arab countries that do not have diplomatic relations with Israel: some of these countries, it must be remembered, have strict laws that criminalize any interaction with Israel.

Second, the multiple movements and displacements that many Palestinians in the diaspora have gone through created a sense of insecurity. Therefore, Palestinian in the diaspora generally feel that they are people in transit and always expect movement and relocation to other destinations. Palestinians in the diaspora, thus, view investments as a strategy for survival, and they tend to have multiple investments in different locations. Palestinians in the diaspora prefer to invest in countries which are secure and stable in case they face any problems or threats in the host countries. Therefore, they prefer not to invest heavily in the OPT as a result of insecurity, instability, and volatility in the region that makes any investment prone to failure.

Third, most Palestinians in the diaspora have never lived in the OPT. They, rather, lived as refugees in neighbouring Arab countries (like most Palestinians in Germany). Thus, these multiple displacements and movements created multiple loyalties and affiliations for the Palestinians towards their home country and other countries where they lived. These multiple loyalties may affect their investment choices and hence reduce the share of investments that go to the OPT.

Fourth, based on some case studies, most Palestinians in the diaspora who invest in Palestine care first and foremost about the economic profits and gains that they will get out of their investments. Helping their home country is important but still secondary to them. Therefore, as long as their economic considerations, rather than their willingness to help their home countries, are dominant here then they will be less motivated to invest in the OPT: after all, they are fully aware of how the conflict and political instability may jeopardize any investment.

In sum, based on this brief overview about the investments of the Palestinian diaspora in the OPT, we see that diaspora investments are still very weak and underutilized in the OPT. It is a real challenge for Palestinian policy makers to engage diaspora members in investments in OPT, as the main factors that deter investors are more related to the Israeli policies and political instability. A report on the investment climate in West Bank and Gaza was recently issued by the World Bank. This report stressed that political instability, as a result of the unresolved conflict and the restrictions on movement and access, remains the main constraint in the Palestinian investment climate that impedes attracting FDI; political instability results in uncertainty, risks, and increased costs for businesses and investors (World Bank, 2014). According to the World Bank (2014), any reforms to attract investors should focus first and foremost on addressing the issue of political instability. Investments can be slightly enhanced with better governance and business regulations reforms in the PA and if better incentives are provided to potential investors. However, investments will remain minimal and marginal despite these reforms as long as the issue of political instability is not addressed first by the key stakeholders (World Bank, 2014). The levels and quality of investment could be enhanced if these reforms are complemented by serious conflict resolution steps that bring political stability to the region and facilitates the access of the diaspora investors to the OPT to get engaged in post-conflict reconstruction.

3.5-Brain Drain, Brain Gain, and Brain Circulation

International migration can have positive impacts on the development process in countries of origin. However, there is still a negative aspect in the relationship between international migration and development, which is the migration of the most entrepreneurial, most educated, and brightest in migrant sending countries, i.e. brain drain (Koser, 2008). This type of migration is considered negative as it depletes skills and expertise in sending countries, skills and expertise that are in short supply in migrant sending countries; in addition, countries which suffer from brain drain do not see a return on their investments on the education and training of their citizens who migrate (Koser, 2008). Having said that, recent studies have started to look at the issue of brain drain from a different angle, as several case studies show that brain drain is not always negative and that it could be reversed and converted into a brain gain through the return of highly-skilled migrants or through their remote mobilization (Khalil, 2010). Return migration brings benefits to the development process in migrant-sending countries as returnees can benefit their home countries with their new skills, experiences, and contacts that they gained abroad (Koser, 2008). In addition, remote mobilization of highly-skilled migrants (also called brain circulation) is also beneficial to development of migrant-sending countries. It provides highly-skilled migrants with the opportunity to benefit their home countries through short visits, temporary return, online advice and consultancy. This kind of brain circulation allows migrants to circulate and to transfer their skills without having to leave the host countries where they are settled. Sometimes this contribution is possible virtually over the internet without having the migrant return physically to his or her home country (Hanafi, 2008) (Khalil, 2010).

The problem of brain drain is a key problem in the OPT. The poor key economic resources in the OPT, which I highlighted in the section on the Palestinian economy, has had its effects. The Palestinian labor force has since 1948 to depend, largely, on external resources for employment, especially among the highly-skilled. This large scale migration of educated and highly-skilled Palestinians led to brain drain of key human resources who were needed for the social and economic development of the OPT. This problem was very notable in the pre-Oslo era, but it began to reverse

with the establishment of the PA in 1994 with its public sector jobs. However, the domestic absorption capacity for the highly-skilled remained inadequate, which has led to a continued brain drain (Hilal, 2007).

The migration of the highly-skilled continues unabated (Shalabi, 2010). No exact numbers are available given that Israel controls the crossing points and population registry in the OPT (Khalil, 2010). Therefore, estimations made by experts have been based on a variety of sources such as available data about movement at crossing points, family surveys, and surveys on samples of local communities (Shalabi, 2010). Shalabi (2010) examined this variety of sources and estimated that between 20,000 and 30,000 emigrate from the OPT annually, and that at least 25% are tertiary educated. Shalabi (2010) considers that this figure is high for a small country like the OPT. Therefore, the OPT is still losing its human capital, which is one of its key tools in achieving economic development.

Brain drain is inevitable in many countries in the developing world, including the OPT. However, as I mentioned brain drain is not always negative and could be reversed and converted into a brain gain through return migration and brain circulation. Let us now scrutinize the Palestinian case to test if return migration of skilled Palestinians has ever been effective in reversing brain drain and regaining skilled Palestinians. Here we see that return migration has been minimal and meagre in Palestinian history except, as we said early in two events that occurred in the 1990s. According to the 1997 census, 10.5% of the total population of the OPT in 1997 were returnees; a high percentage of those who returned were highly educated (12.6% held BA degree or higher compared to 6.6% of the general population). Therefore, these two events constitute an exceptional case of return migration and brain gain. However, this substantial return migration was temporary and not steady as the available data from 2000 onwards show that rate of return migration of skilled Palestinians slowed down substantially. Annual figures show that emigration of skilled Palestinian exceed the return of their counterparts, which results in a negative migration rates of the highly-skilled (Shalabi, 2010).

Let's now examine the remote mobilization of the highly-skilled (brain circulation) to see if it has ever been relevant for Palestinians. There have, as it happens, been attempts by international organizations and civil society organizations to benefit from highly-skilled Palestinians in the diaspora: through short visits, short-term job assignments, online consultancy, online exchange of ideas, and joint ventures and partnerships (Hanafi, 2008) (Khalil, 2010). Most of these activities were successful but lacked sustainability as they were a product of short-term programs funded and carried out by international organizations (Khalil, 2010).

The first program was named "TOKTEN" which stands for "Transfer of Knowledge Through Expatriate Nationals". This program was started in the OPT in 1994 by the UNDP and lasted for several years, and it aimed at attracting highly-skilled Palestinian professionals to fill temporary senior planning and advisory positions in the Palestinian public and private sector that required high levels of technical expertise. One of the objectives of the program was to encourage experts to return permanently and settle in their home countries (Khaili, 2010). The idea of this program was based on the fact that many highly-skilled migrants have established their lives in the host countries and it is most unlikely that they would return to settle in their home country. The permanent return of the highly-skilled is even more difficult in the Palestinian case because of Israeli restrictions (Khalil, 2010). Therefore, temporary return is a good option as their home countries can gain them back temporarily without them having to interrupt their lives in host countries. Expatriate experts also know better about their countries compared to a foreign expert and they have desirable linguistic and cultural competencies which give them a comparative advantage in their assigned job compared to their foreign counterparts (TOKTEN Brochure).

TOKTEN was hailed as a success story and an innovative program in the OPT (Hanafi, 2008) (Khalil, 2010). The Palestinian experts who participated in the program were instrumental in building the capacities of the institutions where they worked. In addition, high percentage of them, around 21%

according to Hanafi (2000), decided to settle permanently in OPT at the end of their missions, as TOKTEN provided them with a good opportunity to explore living conditions and professional opportunities in OPT (Hanafi, 2008). Therefore, TOKTEN was instrumental in promoting permanent brain gain in addition to temporary brain circulation. However, despite the general success of the program, it had some problems that would need to be avoided in new cycles of the same program or in other similar programs. According to Hanafi (2008), the program mainly attracted young Palestinian expatriate experts with limited experience and failed to attract experts of wide experience (80% of participants were 35 or younger). Moreover, most of participants were expatriate Palestinian experts who lived in the Arab world compared to those who came from the developed countries (65% of participants were from the Arab world in 2001). This sometimes created a situation where TOKTEN experts did not have better skills and experience than those possessed by local Palestinian experts; therefore, overlap occurred in many instances, and power struggles within the host institutions hindered proper cooperation with TOKTEN experts on many occasions (ESCWA, 2004) (Hanafi, 2008). Therefore, TOKTEN should have focused on creating pull factors that attract well-established experts with wider experience, especially from developed countries.

A similar program to reverse brain drain in the OPT was conducted by the World Bank under the name "Palestinian Expatriate Professional Project" PEPP, 1997-2004. The program was much wider than TOKTEN in scope and budget. The program aimed at attracting experienced managers and senior technical specialists from the Palestinian diaspora to fill short-term management and technical positions in key Palestinian ministries. The objective was to build policy-making and institutional capacity within the Palestinian government. Unlike TOKTEN, the program was judged to be "unsatisfactory" despite some success stories. The evaluation report stressed that the idea and rationale of the program were well-grounded but the modest results of the program were attributed to the deteriorating political and security situation in the OPT; in addition to other weaknesses in the way the project was managed and supervised. Therefore, the evaluation report of the program acknowledged its weaknesses but implied that the program could fare better if the lessons learned are captured and turned into best practices in future cycles. In addition, the evaluation report stressed that projects like TOKTEN which have same goals but with smaller scale are better suited given the volatile political environment (World Bank, 2005).

Another attempt to mobilize the highly-skilled Palestinian diaspora and to achieve brain gain through brain circulation was carried out in 1997 with the creation of an internet based network and database for Palestinian engineers and scientists in the diasporas. It was named "Palestinian Scientists and Technologists Abroad" PALESTA. The initiative was funded by the UNDP and hosted by the Ministry of Planning (Hanafi, 2008) (Khalil, 2010). The network aimed at creating a database to gather information about the Palestinian scientific diaspora so that the PA and international organizations can mobilize them for short-term technical aid missions. In addition, PALESTA aimed at building links with the Palestinian expatriate experts in order to get their input, advisory opinion, and suggestions so that they contribute technical knowledge and experience to building the scientific base in the OPT. Moreover, PALESTA members were expected to initiate new projects and partnerships between the OPT and other international institutions where some PALESTA members work and hold prominent positions (Hanafi, 2008). This virtual consultancy and long distance involvement was very suitable to the Palestinian context to circumvent obstacles that hinder the real return of some migrants as a result of Israeli visa obstacles (ESCWA, 2004) (Khalil 2010). However, PALESTA achievements were modest in this regard as PALESTA suffered from a low participation rate among those registered in the network. In addition, members complained of censorship and too much centralization in the network: this restricted networking among members (Hanafi, 2008). Others complained about English being the main language of communication as this resulted in the exclusion of many Palestinian scientists who do not speak English (Hanafi, 2008). Most of these complaints were taken into account and addressed in the later version of PALESTA and this led to better discussions, better networking, and numerous activities and conferences among Palestinian communities in the USA and Europe. Although no substantial projects were initiated through

PALESTA, it was a good forum to disseminate and exchange ideas and expertise. The network eventually came to an end in 2001 as a result of a lack of funding as well as the deteriorating political situation which led to the malfunctioning of most Palestinian institutions. Despite the modest achievements of PALESTA, it remains an innovative idea and a pilot project to build networks and connections with the highly-skilled Palestinian diaspora (Hanafi, 2008). PALESTA's chances of achieving its objectives are higher today than was the case when it was launched in the 1990s given the advances in technology and telecommunications: the proliferation of social media and digital media might particularly facilitate better communication and networking.

Another noteworthy attempt to tap into the Palestinian scientific diasporas was made recently by Al-Najah University in the West Bank, in cooperation with the Department of Expatriate Affairs. The university held the First Global Conference of Palestinian Academics in the Diaspora in April 2013. The conference aimed at enhancing prospects for continued cooperation, coordination, and communication between Palestinian academics in the diaspora and their counterparts at academic and scientific institutions in the OPT. The conference managed to gather 100 Palestinian academics from the diaspora who work in prestigious universities and research centres around the world. One of the conference achievements was the creation of an association for Palestinian academics in the diaspora so that they can better organize and coordinate their efforts with their counterparts at Palestinian institutions in order to promote scientific research, scholarship, and joint ventures (Al-Najah University, 2013).

In summary, brain drain is a real problem in the OPT that may hinder its development. Unfortunately, no governmental policies aimed at addressing this problem have been made (Khaili, 2010) (Shalabi, 2010). However, the negative effects might still be mitigated and substantially reduced if proper policies and programs are taken up. Therefore, it is imperative that the PA should take this issue seriously and focus on two tracks: preventing brain drain; and encouraging brain circulation.

The first track is to prevent the brain drain of the highly-skilled in general and some priority groups in particular, such as specialist physicians and academics. Some of the suggested policies that may retain these high priority groups include: increasing public expenditure on scientific research; ameliorating the working conditions in Palestinian institutions; and reforming employment practices and upward mobility practices so that they become more transparent and meritocratic instead of being politically motivated and dominated by favouritism. The issue of public position appointments that are based on favouritism and political affiliation is a case in point. A public opinion poll that was conducted by AMMAN, a Palestinian NGO that monitors corruption in Palestine, found that more than half of respondents perceived corruption in public appointments as the most pervasive form of corruption in Palestine.

The second track is more realistic as it acknowledges that there is a limited absorption capacity for the highly-skilled on the Palestinian labor market, and hence it is inevitable that the highly-skilled will continue to emigrate unabated. However, this is not always negative, as these brains could be regained again through return migration and brain circulation. TOKTEN, PEPP, PALESTA are just cases in point that need to be replicated in order to benefit from the pool of Palestinian experts in the diaspora. Lessons learned from earlier phases of these projects should be taken seriously in order to maximize the benefits of these programs and make them more sustainable. Assistance from international organizations is necessary especially given that technical aid constitutes a major form of aid for Palestinians, and expatriate Palestinian experts are best suited to involvement in technical aid missions. However, this assistance should be provided without impinging on the Palestinian ownership of these programs in order to ensure sustainability (ESCWA, 2004). The Palestinian embassies and consulates abroad should assist in collecting data and statistics in order to create an inclusive database for the highly-skilled Palestinian diaspora so that they could be easily reached and mobilized in brain circulation missions (ESCWA, 2004).

Part Four- Conclusion

It is widely believed that international migration can have profound and positive effects on the development process in migrant-sending countries, always supposing, of course, that the governments of these countries adopt proper policies. Even key international governmental and non-governmental organizations that work in development have started to pay attention to this untapped resource for development. In this paper, I took the OPT as a case study to examine the impact of international migration on the development process in this conflict-stricken country. I examined key aspects of international migration that could have a positive impact on the development process in the OPT. Based on this examination and analysis, I argued that international migration could become a potent development tool in the OPT if utilized in a way that is sensitive and responsive to the Palestinian context. The PA should formulate a clear migration policy, and the issue of migration should be fully integrated and mainstreamed in national development planning. The migration policy that I propose should focus on three aspects related to the international migration-development nexus:

The first aspect of this policy should focus on reaching bilateral and multilateral agreements between the Palestinian government and high-income countries in regards to sending temporary and circular migrants to work abroad. Such employment arrangements would reduce unemployment in the OPT and would benefit the economy of the OPT through the remittances sent by those migrants. In my discussion of this point, I highlighted that this issue could be done in a way that reconciles the need to promote temporary emigration in order to reduce high unemployment in the OPT, and the need to keep the demographic presence of the Palestinians in their homeland. The Palestinian-Israeli conflict has a strong demographic component and any migration policy that encourages emigration needs to address this issue. In this regard, I emphasized how any arrangement of this sort should be in the form of temporary and circular migrant labor contracts and should give priority to Gaza Strip due to the dire economic situation there. In addition, such arrangements should exclude East Jerusalem due to political sensitivities and legal concerns that surround the status of Palestinians in the city. In addition, I also highlighted how such agreements should be incorporated within the wider foreign aid schemes that are given to Palestinians. It is important to point out here that this migration policy should complement other policies that have the same goal of reducing unemployment in the OPT. It should not absolve the Palestinian government or the international community from the need to work on other fronts to salvage the ailing Palestinian economy and reduce the very high unemployment rates.

The second part of this policy is related to the engagement of the Palestinian diaspora in the development process in the OPT. In my discussion of this issue, I recommended some policies that could enhance the engagement of the Palestinian diaspora in the development process in the OPT. However, I pointed out that the engagement of the Palestinian diaspora in investments and development projects cannot be fully utilized unless there are real conflict resolution steps that bring peace and stability. The diaspora will then be able to play a substantial role in post-conflict reconstruction.

The third part of the proposed migration policy should focus on reversing brain drain through programs that promote the permanent return of highly-skilled Palestinians in the diaspora. Alternatively, there should be their mobilization in short-term assignments that allow them to benefit their home countries even if only temporarily. In this regard, I analyzed some of the initiatives that were carried out by international and local organizations, and I highlighted some of the lessons learned from these pilot programs.

In order to implement the different parts of the proposed migration policy that I highlighted above, there is a need to build the capacities of the Palestinian governmental institutions that are involved in migration so that tangible benefits are reaped (ESCWA, 2004) (PCBS, 2010). In this regard, key international development organizations can provide technical aid to the PA in institutionalizing the issue of migration and formulating proper policies (ESCWA, 2004). There is also an urgent need to build the capacities of the Palestinian consulates and embassies abroad as they are in direct contact

with the Palestinian diaspora. They should, thus, be involved in conducting surveys and studies that give accurate information about the numbers, characteristics, and areas of expertise of diaspora Palestinians in order to facilitate their engagement in the home country (ESCWA, 2004) (PCBS, 2010). Some reports show that Palestinian representative offices in certain foreign countries lack clear strategies and actual programs to build connections with the community. Therefore, they should be empowered and their capacities need to be built up so that they can perform better in communicating with the Palestinian diaspora, engaging them in development in the OPT (PII, 2014).

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