



The Palestinian Centre for Human Rights

Price Increases in the Gaza Strip

A Report on the Impacts of the Price Increases on the Economic and Social Rights of the Civilian Population in the Gaza Strip

1 July 2007 through 30 June 2008



Palestinian Centre for Human Rights

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Introduction

Civilians in the Gaza Strip, who already suffer deteriorating incomes and low purchase capacity, have real concerns regarding the increase in the price of goods, including basic foodstuffs. The price increase in the Gaza Strip is connected to international price increases; food prices have increased by 50%¹. However, the high price increases at the international level are exacerbated by the blockade of the Gaza Strip, and the resultant severe shortage of goods flowing into Gaza. As a result, Gaza civilians are forced to stockpile basic needs before they are sold out, a situation which itself results in increased prices. The price increase affects civilians purchase capacity and accordingly their capacity to ensure their basic needs.

During the reporting period Israeli occupation forces (IOF) restricted the number of goods allowed into the Gaza strip to 9 items causing severe shortage of goods and supplies in Gaza markets. In addition, some traders stockpiled goods in order to manipulate market prices. This was possible consequent to a lack of governmental supervision and occurred in spite of the deteriorating living conditions of local civilians.

The price increase indicators in the Gaza strip reveal a serious humanitarian catastrophe affecting all segments of society. The situation is compounded by an unprecedented increase in poverty and unemployment rates. During the reporting period, prices increased by 16.26%. The general consumer price index number for the Gaza Strip with its 1996 base year (1996 = 100) increased to 164.41 in March 2008, up from 141.42 in July 2007². The prices of some supplies – such as petroleum products and cooking gas – increased by 300%, the price of local agricultural products rose by 500%.

Price increases have affected the economic and social rights of Gaza's civilians, including those rights relative to an adequate standard of living, health, food, work, and education³. Civilians' purchase capacity decreased consequent to both dramatic price increases and the massive deterioration of the American dollar's value. Civilians were obliged to change their consumption patterns; they were forced to reduce expenditure on secondary goods, in an attempt to ensure their basic needs of food and medicine. International humanitarian reports indicate that 40% of Gaza civilians – approximately 600,000 individuals – do not have access to enough food. This is a violation of civilians' right to an adequate standard of living and accordingly their right to life.

In order to confront the price increase crisis in the Gaza Strip, the Government in Gaza must reconsider its policies and procedures and re-develop a plan aimed at protecting civilians against price increases and ensuring their economic, social, cultural, civil and political rights.

¹ For more details, please visit <http://www.albankaldawli.org>

² The Palestinian Central Bureau of Statistics, Statistics on Consumer Price Index. The general consumer price index number is a measure of the average change in prices over time of goods and services purchased by households. Laspeyres Formula was used to measure the general price consumer index as: total of (base year quantities * comparison year prices) ÷ total of (base year quantities * base year prices) X 100.

³ The International Covenant on Economic, Social and Cultural Rights was approved by the UN General Assembly under resolution 2200 (XXI) of 16 December 1966. 10 years later, the covenant came into force; on 3 January 1976. it includes obligations imposed on contracting parties to ensure the enjoyment of all rights provided for in the covenant and it includes mechanisms to protect these rights. The rights provided for in the covenant include rights to work, health, adequate standard of living, education, ...etc.

This report, covering the period July 2007 through June 2008, highlights the price increases in the Gaza Strip. It reviews its causes, its consequences, and the impact on the economic and social rights of Gaza's civilians. It presents some suggestions and solutions that may reduce the negative effects of the price increase phenomenon on civilians' lives and their capacity to obtain basic needs; including food, medicine and other essential goods.

I: analysis of price increases in the Gaza Strip

The IOF have imposed a tightened blockade on the Gaza Strip; all border crossings leading to and from the Gaza Strip were closed throughout the reporting period. IOF prevented the free flow of all kinds of supplies and goods; including foods, medicine and fuel. At the same time, prices of goods and supplies – including wheat, rice and petrol – increased internationally. This combination of factors reduced living conditions in the Gaza Strip to catastrophic levels; local civilians became unable to ensure their basic needs of food and medicine; a factor compounded by unemployment and poverty rates that reached 60% and 80% respectively.

In Gaza's markets, prices of goods and products, including local agricultural products, increased by more than 500%. This incredible price increase affected foodstuffs such as sugar, flour, oil, meat, vegetables and fruits. In addition, the prices of petroleum products and cooking gas, transportation services, education, tobacco and medicine increased by at least 200%. The prices increase in the Gaza strip exceeded the increase of prices at the international level. The dramatic increase in prices may be attributed to two principal factors:

1. siege and closure policy imposed on the Occupied Palestinian Territory (OPT) in general and on the Gaza Strip in particular, and
2. weakness of governmental supervision mechanisms relating to consumer protection. Current legislation is weak, and lacks the required executive, judicial and administrative procedures necessary to ensure consumers' protection against monopoly. The weakness of governmental supervision results in a situation where monopolists and price manipulators are not held to account.

Siege and closure imposed on the Gaza Strip

IOF imposed severe restrictions on the Gaza Strip following Hamas' takeover of the Gaza Strip on 14 June 2007. The imposed restrictions include movement restrictions which prevent civilians moving to and from the Gaza Strip and unprecedented import restrictions. Import restrictions have caused severe shortages in goods – most significantly foodstuffs – construction materials, and medicine. The reduced quantities of goods were offered in local markets at inflated prices often reaching 500%.

Restrictions on civilians' movement⁴

The Gaza Strip's two main crossings, Rafah International Crossing Point and Beit Hanoon (Eiretz) crossing, control civilians' movement from and to the Gaza strip. While Rafah crossing connects the Gaza strip to Egypt, Beit Hanoon crossing connects the Strip to Israel and the West bank. During the reporting period, Rafah crossing was almost completely closed, it was only opened for limited periods either to allow the return of thousands of Palestinians stuck on the Egyptian side or to allow the departure of hundreds of patients for treatment in Egypt, foreign residency holders or local students enrolled in international universities. Via Beit Hanoon crossing, only very restricted numbers of Gaza civilians, predominantly patients, were allowed to Israel, the West Bank or Jordan under complicated crossing and search procedures. IOF allowed limited numbers of diplomatic missions and international employees in international organizations to pass via Beit Hanoon crossing from or to the Gaza Strip.

Restrictions on movement of goods and supplies

During the reporting period, IOF imposed further severe restrictions on the flow of Gaza imports and exports. IOF restricted the number of items allowed to enter the Gaza Strip to 9: flour, rice, oil, dairy products, salt, sugar, frozen foods, medicine and medical supplies⁵. The crossings used for the movement of goods and supplies were almost completely closed throughout the reporting period. Only limited quantities of goods and supplies – incapable of meeting minimum levels of demand – were delivered to the Gaza Strip. Following is a review of the Gaza border crossings during the reported period:

Al-Mentar (Karni) crossing⁶

Located east of Gaza city, Al-Mentar crossing is the Gaza Strip's main commercial crossing, it connects the Strip to the West Bank and abroad. The Israeli-Palestinian Crossings Agreement signed in 2005, provided for the export of 400 truckloads of vegetables, fruits and industrial products daily from the Gaza strip via the crossing and the daily import of 600 truckloads to the Gaza Strip.

However, following the Hamas takeover of Gaza on 14 June 2007, Al-Mentar crossing was completely closed for exports, mainly seasonal agricultural products such as vegetables, strawberry and cut flowers, from the Gaza Strip to the West Bank and abroad. Before restricting the siege, the Gaza Strip used to export 58 truckloads of furniture, clothes, electrical supplies, floor tiles, biscuits, ice cream, flowers and fresh fish daily.

Furthermore, IOF closed the crossing to the flow of imports, preventing the transfer of food, medicine and other necessary needs throughout the reporting period. IOF operated the crossing for limited periods of times to allow the delivery of very restricted quantities of some necessary food items; imports truckloads

⁴ For more details, please see the reports issued by PCHR about the State of Gaza Strip Border Crossings

⁵ Medical supplies include different items such as cleaning materials and shampoos

⁶ The Palestinian Center for Human Rights, Border Crossings Agreement: Another Year of Suffering, (a report on the impacts of restrictions imposed on free movement from and to the Gaza Strip covering 25 November 2005 through 24 November 2006) , Arabic

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allowed to the Gaza strip decreased by 95%. During April 2007, 11,392 truckloads of imports were delivered to Gaza via the crossing, while during March 2008, only 615 truckloads of Gaza imports were allowed. In October 2007, when the imports reached its maximum levels after restricting the siege, 738 truckloads of Gaza imports were allowed via the crossing.

Sofa crossing

Soafa crossing, located in the south of the Gaza strip just east of Rafah city, is used for the import of construction materials. During the reporting period, IOF completely closed the crossing for aggregate, cement and construction materials. The prices of the limited quantities of construction materials available in the local markets increased, while the lack of materials resulted in the suspension of dozens of development projects and the layoff of thousands of construction workers.

During the first term of 2007, IOF allowed the delivery of 9973 truckloads of aggregate and construction materials. Since then, construction materials and other raw materials required for the different productive sectors have not been allowed through the crossing. The crossing was only operated for the delivery of some basic consumptive supplies.

Karm Abu Salem (Kerem Shalom) crossing

Karm Abu Salem crossing is located in the southeast of the Gaza Strip. It is used for the import of goods and supplies from Egypt via Israel. After restricting the siege and closure, Karm Abu Salem crossing was designated for the import of goods instead of Al-Mentar crossing. IOF identified 9 humanitarian items – incapable of meeting the needs of Gaza civilians – that were cleared for entry to the Strip. Abu Salem crossing is not technically prepared for the delivery of consumer goods. During the reporting period, IOF allowed the export of limited quantities of cut flowers and strawberries via the crossing. Since the crossing is not technically prepared, a part of the exported products decayed in transit. According to Gaza's Agricultural Cooperative, during the strawberry seasons, Gaza strawberry production averaged 30-40 tons out of which only about 20% was allowed to be exported.

Nahal Oz crossing

Nahal Oz crossing is located to the east of Gaza City. It is used for the transfer of fuel. The crossing is equipped with fuel and gas tanks connected with the Israeli side via pipes. On 28 October 2007, IOF reduced fuel supplies to the Gaza strip and then imposed further restrictions on 28 November 2007. Only about 60% of Gaza needs of cooking gas, 30% of diesel, 9% of benzene and 82% of industrial gas were allowed during March 2008⁷. These quantities are very low in comparison with those allowed prior to restricting the siege. The Gaza Strip daily need of diesel is 350,000 liters, 120,000 liters of benzene, 350 tons of cooking gas and 350,000 liters of industrial gas required to operate the Gaza power plant.

⁷ The Palestinian Center for Human Rights, reports on the State of Gaza Strip Border crossings

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The severe shortage of fuel supplies to the Gaza Strip caused partial paralysis of transport services. The prices of diesel and benzene, now sold on the black market, increased. Accordingly, private cars have been taken off the road and the work of taxis has been reduced causing unprecedented increase in transportation fees. The price of diesel reached 18 NIS/liter in comparison with 4 NIS/liter prior to the siege. Cooking gas restrictions forced a dramatic increase in cooking gas prices; the price of a 12-kg gas bottle reached 120 NIS while prior to the fuel crisis it was sold at 42 NIS⁸.

Impact of closure on economic activities

The closure policy affects all economic sectors in the Gaza strip; industry, agriculture, trade, services and infrastructure sector. Work in these sectors has almost completely ceased, forcing unemployment to its highest recorded rate and increasing the number of families who are incapable of ensuring their basic needs of food, medicine and other household essentials. Following, we review the most significant impacts of closure on the different economic sectors in the Gaza Strip:

Industrial sector

During the reporting period, the industrial sector in the Gaza Strip deteriorated sharply. Almost all of the 3900 industrial installations in the Gaza Strip suspended their work due to the restrictions placed on the import of raw materials, and as a result of the closing of the commercial crossings to exports. On 21 June 2007, IOF cancelled Gaza's custom code causing complete paralysis to the industrial sector. 90% of Gaza imports that come from or via Israel stopped causing the suspension of work in 96% of Gaza's industrial establishments and the layoff of more than 33,000 workers. Before the beginning of the siege imposed on Gaza in June 2007, the industrial sector used to employ some 35,000 people; this has now been reduced to no more than 2000 workers.

Agricultural sector

The imposed siege and closure caused a total shortage of agricultural products including fertilizers, pesticides, plastic sheets used for covering strawberries, spare parts for irrigation water pumps, and greenhouse frames. Almost all agricultural projects implemented by local and international organizations ceased due to the shortage of required material such as fodder, fertilizers, seeds, seedlings, plastic and metal tools for greenhouses, tools required for water wells and animals farms, cement, electrical water pumps, and so on.

In addition, there has been a partial shortage of some agricultural products whose prices increased by about 50%. This inputs included irrigation networks, tools required for greenhouses rehabilitation and different types of seedlings. Compared to their prices prior to restricting the siege, prices of fertilizers and cement increased by 20% and 43% respectively⁹. The continuation of the siege threatens Gaza export-

⁸ Institute for Development Studies, the Socioeconomic Changes in the Gaza Strip, Report No. "6", March 2008.

⁹ The Palestinian Non Governmental Organizations Network (PNGO), the Impact of the economic Siege on the Agricultural Production in the Gaza Strip.

oriented agricultural products. Farmers are expected to incur heavy losses, as more than 80% of agricultural crops have been damaged.

Construction and infrastructure sector

The construction and infrastructure sector has completely stopped due to the comprehensive import ban placed on raw materials, such as cement, iron, construction materials and paints. All factories producing construction materials closed; 13 floor tiles factories, 30 concrete factories, 145 marble factories and 250 brick factories, causing the layoff of 3500 workers. All construction projects, valued at more than US\$350 million, were suspended. UNDP terminated all its contracts for infrastructure projects (valued at US\$60 million), including rehabilitation of roads and rehabilitation of water and sewage networks.

UNRWA stopped its job creation programs valued at US\$93 million and directly targeting more than 16,000 individuals. A project for rehabilitating Salah Ad Deen St. valued at US\$18 million has stopped¹⁰. The following table illustrates construction materials delivered to the Gaza strip from 2005 up to the end of the reporting period¹¹:

#	Item	Supplies in ton/ 2005	Supplies in ton/ 2006	Supplies in ton/ 2007	Supplies in ton/ 2008
1	Unpacked cement	405,039	496,355	140,415	00
2	Packed cement	178,520	94,920	58,880	00
3	Iron	63,560	33,400	27,880	00
4	Aggregate	00	00	756,000	00

Commercial and services sector

The commercial sector is on the brink of collapse due to the severe shortage of goods available in the local markets. Shops are about to close and local traders are about to go bankrupt. Many traders have goods stuck in Israeli sea ports, they are not optimistic that these goods will be delivered in the future. There are currently 1,500 goods containers stuck in storage in Israel. Some of these containers contain goods that are now expired now; a significant percentage of these goods decayed due to poor storage.

Weakness of supervision role played by government

Governmental supervision is intended to ensure the implementation of designed plans and programs, to identify deviations and errors, to study weak points and to identify and support opportunities for success. Techniques of governmental supervision should be based on protecting both consumer and vendor; they

¹⁰ The Palestinian Trade center (PALTRADE), the monthly report on following up the commercial movement on Gaza border crossings, December 2007.

¹¹ The Palestinian Center for Human Rights, a report on the impact of siege on infrastructure projects covering the period 1 January 2006 through 1 June 2008.

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are particularly based on the protection of the poorest of the poor against monopoly and price manipulation.

In 1985, the UN General Assembly adopted guidelines for consumer protection. These guidelines have the following objectives:

1. To assist countries in achieving or maintaining adequate protection for their population as consumers;
2. To facilitate production and distribution patterns responsive to the needs and desires of consumers;
3. To encourage high levels of ethical conduct for those engaged in the production and distribution of goods and services to consumers;
4. To assist countries in curbing abusive business practices by all enterprises at the national and international levels which adversely affect consumers;
5. To encourage the development of market conditions which provide consumers with greater choice at lower prices.

UNDP called for sustainable consumption; basic needs should be ensured to all, human capacities should be built, ensuring that patterns of consumption of certain segment not threatening other segment's well-being and ensuring the free choices of future generations.

Law 22 relating to consumer protection issued in 2005¹² obliges the government to take its supervision responsibility as follows:

- article 2 provides for ensuring goods and services and for the prevention of price exploitation and manipulation,
- article 3 deals with free choice of goods and services, right to access to fair deals including quality assurance and reasonable price, and right to refuse compulsory deals,
- article 22 provides for the prohibition of selling goods or providing services for prices or profits that exceed the announced prices,
- article 27 provides for the punishment of those who refrain from selling or offering basic goods with imprisonment for a term not exceeding one year or a fine exceeding 1,000 Jordanian Dinars. Those who break the announced prices shall be punished with imprisonment for a term not exceeding 6 months or with a fine of 500 Jordanian Dinars.

Following are the supervision mechanisms taken by the government in Gaza:

The Ministry of Economy in Gaza Government implemented different practical procedures to intervene to prevent the manipulation of prices that reached unbelievable rates. The most significant procedures taken by the government were as follows¹³:

1. the government activated the supervision and inspection committee in all Gaza governorates,
2. make periodical tours in local markets since November 2007. In this regard, the government took the

¹² For more details, please see the consumer protection law No. 21 issued in 2005.

¹³ An interview with Hatem Uweida, Director of Economy Minister's Office in Gaza Government

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following procedures:

- a. committing vendors to announce price for their goods and show them on lists. The government posed fines to those who did not commit to set prices,
- b. imposing fines and issuing seizure notices for those who sold goods at high prices,
- c. set a fixed price for flour and bread since November 2007,
- d. hold continued meetings with more than 311 traders mainly those who sell frozen foods, fodder, flour, dairy products, soft drinks, sweetmeats, nuts, in addition to owners of gristmills and bakeries. Up to March 2008, the following procedures were taken:
 - 417 inspection tours were organized
 - 3227 shops were visited
 - 131 fines for not announcing prices were issued
 - 49 shops were seized
 - 40 impermanent bans were imposed on 40 shops
 - 68 samples were tested under orders by inspection officers
 - 71 samples were taken directly from the commercial crossings to test laboratory
 - 25 summons were issued
 - 173 violations were submitted to the Attorney General
 - 53.854 tons of goods were destroyed

Meanwhile, Gaza local markets completely transformed into black market places. Some basic goods; such as meats, milk and rice, completely disappeared. Following the reduction of these items' supplies to Gaza Strip, many traders and vendors kept them in their stores to manipulate their prices. In January 2007, when the border with Egypt was breached, the government in Gaza did not intervene to prevent the delivery of cigarettes, tobacco and motorcycles to the Gaza Strip through the borders while the government did not intervene to put an end to price manipulation of basic goods.

Hence, governmental supervision is not effective to control prices. The government in Gaza must play an effective supervision role in controlling price chaos. It must put into force the law relative to the consumer protection and enact executive regulations to ensure its implementation. The Government in Gaza must evaluate the markets' conditions to support basic goods and set fixed prices in order to reduce living costs of households with limited income. Currently, two thirds of Palestinian households are not able to ensure their basic needs due to high rates of poverty and unemployment.

Dr. Mo'een Rajab¹⁴ says: "follow-up of markets and supervision of prices, taking into account the sake of both the consumer and the producer, are the responsibility of Gaza government. The price increase phenomenon requires serious intervention and imposition of punishment on monopolists. A clear mechanism should be developed to initiate this intervention. The developed mechanism should include follow-up of all imported supplies and setting of fair prices before offering supplies at markets. In fact,

¹⁴ An interview with Dr. Mo'een Rajab, economy professor in Al-Azhar University in Gaza
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there are huge quantities of medicine and other supplies that are offered at local markets without having permits for importation and without being subject to quality supervision resulting in their price increase.”

Dr. Sami Abu Tharifa¹⁵ traces the price increases to the absence of supervision over prices. He says: "the dismissed government in Gaza is not capable of taking its responsibility for supervision over prices since supervision requires regulations and a judicial system. Lawlessness is prominent in Gaza and many problems are posed around the judicial system. The role played by the Ministry of National Economy is weak. The Ministry does not have the professional personnel to follow up and make supervision over prices. The absence of follow-up and coordination with concerned authorities is enforced in view of the dismemberment state characterizing the Palestinian case".

The Ministry of National Economy disagrees with what the questions raised by the above mentioned economic specialists. Mr. Hatem Uweida traces the causes of the price increase phenomenon to¹⁶:

- The siege imposed on OPT,
- destruction of productive workshops by IOF affecting Palestinian household income,
- destruction of infrastructure by IOF and streaming funds to rehabilitation of destroyed infrastructure instead of development,
- holding goods and supplies at border crossings for long periods,
- civilians rushing to buy foodstuffs and storing them, and
- the impossibility of receiving goods from the West Bank.

Mr. Uweida says the crisis could be overcome by:

- encouraging investment in the agricultural sector,
- purchasing of the agricultural products by the government at international prices to encourage farmers,
- activating the role of commercial chambers far from politicization,
- breaking monopoly, and
- supporting the establishment of small income generation projects at household level.

¹⁵ An interview with Dr. Sami Abu Tharifa, Director of the Intellectual Property Protection Unit, Ministry of the National Economy.

¹⁶ An interview with Hatem Uweida, Director of Economy Minister's Office in Gaza Government

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II: impact of price increase on economic and social rights in the Gaza Strip

The incredible price increases in the Gaza Strip affect 1.5m civilians' capacity to ensure goods and supplies, mainly foodstuffs and medicine. Estimates indicate a complete paralysis that affects all economic sectors in the Gaza Strip. Unemployment reached about 50% while it is expected to increase should the siege imposed on the Gaza Strip be continued¹⁷.

Poverty increased to unprecedented levels, it exceeded 80%, up from 63.1% in 2005. Studies point out that 8 households out of 10 live below poverty line (594 US\$/ household/ month). The most dangerous indicator is the size of household living in deep poverty (below US\$474 month). 66.7% of Gaza households currently live in deep poverty.

Poverty in the Gaza Strip is 30% higher than in the West Bank. The World Bank estimated that the rate of those living below the poverty line increased from 35% at the end of 2006 to more than 67% at the end of October 2007. This rate is expected to have increased in 2008¹⁸. In spite of the increasing rates of poverty and unemployment in the Gaza Strip, the prices of goods and supplies increased dramatically, affecting civilians' economic and social rights as follows:

1. right to adequate standard of living

The right to an adequate standard of living is a fundamental human right. Article 25 of the Universal Declaration of the Human Rights recognized this right while it was provided for in article 11 of the International Covenant on Economic, Social and Cultural Rights: "The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions..... The States Parties to the present Covenant, recognizing the fundamental right of everyone to be free from hunger...."¹⁹.

The right to an adequate standard of living in the Gaza Strip has been violated by the siege imposed on the Gaza Strip. The severe restrictions imposed on the flow of foodstuffs and medicine to the Gaza strip resulted in the unprecedented deterioration of health and alimentary conditions. The severe restrictions were imposed on supplies of meat, fish, wheat, flour, rice, oil, fruits and dairy products. The allowed items were in limited quantities in the local markets. Moreover, the cost of the transportation of the allowed

¹⁷ Office of the UN Special Coordinator for the Middle East Peace Process (UNSCO), according to special socioeconomic reports, prior to the imposition of the strict siege and closure, workers in the Gaza Strip amounted to 215,000 people distributed to the different economic sectors.

¹⁸ <http://siteresources.worldbank.org/intwestbankgazainarabic/resources/arwbupdateoct07.pdf>, Arabic resource

¹⁹ Article 25 of the Universal Declaration of Human Rights adopted in December 1948 provides that: " Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family....". While article 11 of the International Covenant on Economic, Social and cultural Rights provides that: " The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family...."

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limited items was high. As a result, the prices of the offered items in the local markets unbelievably increased.

99% of Palestinians feel prices highly increased in comparison with before while 94% of them gave up some of their daily needs. 87% of Palestinians reduced their social interactions²⁰.

The violation of the right to an adequate standard of living affected:

a. right to food

The right to food encapsulates everyone's right to access safe and rich foods in conformity with the right to have access to sufficient food and the right to be free of hunger. During the reporting period, Gaza markets witnessed severe shortage in basic foodstuffs while many food items disappeared affecting civilians' capacity to have access to the different food items.

In comparison with July 2007, food prices in March 2008 increased by 27.61% while prices increased by 3.35% in April 2008 in comparison with March 2008²¹. The price increases affected the different food items including flour, rice, bread, beef, chicken, dairy products and fresh vegetables²². Flour price increased by 38.4% and meat by 76%. The Gaza Strip daily needs include more than 867 tons of flour, 153 tons of sugar, 110 tons of rice, 75 tons of oil and 49 tons of vegetables.

The following table indicates that, in the 8 month following the tightening of the siege in June 2007, prices increased by between 30% and 1366% depending on availability of goods offered in local markets²³:

Item	Unit	Prior to restricting siege (mid June 2007)		8 months post siege imposition (31 March 2008)	
		Price in \$	Price in NIS	Price in \$	Price in NIS
Beef	Kg	9.92	34	17.6	60
Chicken	Kg	-	-	2.80	9.5
Flour	50-kg bag	23.50	80	38.2	130
Sugar	50-kg bag	28.72	98	35.2	120
Olive oil	1-liter bottle	4.96	19	6.47	22
Tea	Kg	4.70	17	7.65	26

²⁰ Gaza Community Mental Health Program, a research study on a sample of 400 children conducted by Dr. Abdul Aziz Thabet

²¹ Laspeyres Formula was used to measure the general price consumer index as: total of (base year quantities * comparison year prices) ÷ total of (base year quantities * base year prices) X 100

²² The base year 1996 was used to compare the consumer price index between July 2007 and March 2008, while the base year 2004 was used to compare the consumer price index between March 2008 and April 2008. All data used to measure the General Consumer Price Index Number was taken from the Palestinian Central Bureau of Statistics.

²³ The Palestinian Economic Council for Development and Reconstruction (PECDAR), a report by Abdol Baset Khalaf issued in Ramallah.

Bean	25-kg bag	22.85	78	38.24	130
Chick-pea	Kg	1.31	4.5	1.76	6
Cement	50-kg bag	4.18	15	64.70	220
Plaster	50-kg bag	10.44	36	82.35	280
Cooking gas	14-kg bottle	10.44	36	18.52	63
Benzene	1 liter	1.34	4.5	1.76	6
Diesel	1 liter	0.78	3	1.47	5
Kerosene	1 liter	.078	3	1.72	6
Cigarettes	Box	1.31 – 2.61	4-9	1.41 – 8.82	15 – 30
Flavored Tobacco	Small box	0.52	2	1.41	15

- \$ exchange rate = 3.40 NIS
- Source: an interview with a supermarket owner in Al-Naser neighborhood in Gaza city.

b. right to adequate housing

Housing is a basic right that governments are committed to ensure for their civilians. Governments must begin by housing the poorest of the poor through implementing programs with individual and social efforts. They are obliged to overcome obstacles confronting these programs²⁴. An adequate house must contain certain facilities essential for health, security, comfort and nutrition. All beneficiaries of the right to adequate housing should have sustainable access to natural and common resources, safe drinking water, energy for cooking, heating and lighting, sanitation and washing facilities, means of food storage, refuse disposal, site drainage and emergency services.

In the Gaza strip, housing expenditure increased by 6.45%. The consumer price index of housing expenditures increased from 151.06 in July 2007 to 160.80 in March 2008; housing expenditures increased by 0.40% in April 2008 in comparison with March 2008²⁵. This increase, however, affects ensuring housing for the different segments of the Palestinian civilian population in the Gaza Strip and effects the right to enjoying access to basic needs and services. Personal or household financial costs associated with housing should be at such a level that the attainment and satisfaction of other basic needs are not threatened or compromised. Steps should be taken by States parties to ensure that the percentage of housing-related costs is, in general, commensurate with income levels²⁶.

2. right to health

The right to health is of central importance for the enjoyment of all economic, social and cultural rights. Every human being is entitled to enjoy the highest attainable standard of health conducive to living a life

²⁴ For more details on the right to adequate housing, please see a study by the Palestinian Center for Human Rights: right to adequate housing in international conventions on human rights

²⁵ See Laspeyres Formula definition

²⁶ General Comment 4 on article 11 (1) of the International Covenant on Economic, Social and Cultural Rights was approved by the Un Committee on Economic, Social and Cultural Rights in its session of 12 January 1991. the comment is the most trustable source for the explanation of the right to adequate housing.

in dignity. The right to health could be applied by developing health policies, implementing health programs as designed by the World Health Organization and adopting specific legal instruments²⁷. However, Gaza civilians are suffering severe health conditions caused by the siege imposed by the IOF. The restrictions imposed on the free movement of Palestinians led to decreasing the standards of healthcare. The prices of medicine fluctuated between slight increase and slight decrease between July 2007 and March 2008.

The quantities and qualities of medicine available in the Gaza strip were sharply reduced during the reporting period. 140 medicines required for the treatment of dangerous diseases such as cancer, heart diseases and psychiatric diseases were not available at Gaza stocks²⁸. As a result, the prices of the unavailable medicines increased. For example, the price of Solian, an antipsychotic, increased to 213 NIS in comparison with 113 NIS prior to the siege, whilst in Israel, it is 143 NIS²⁹.

Dr. Baian Al-Saqqa, Head of Cancer Unit at Shefa Hospital in Gaza City, stated that the Ministry of Health ran out of many medicines required for the treatment of cancer patients forcing patients to buy them at their own expense. The medicines that ran out include immunoglobulin used to treat immunodeficiency, Sodium pamidronate used to control cancer spread and to stop pain and Neupogen used to increase immunity following chemotherapy. Since these medicines are very important, patients are obliged to buy them at their own expense while they used to get them from the stocks of the Ministry of Health. In view of the siege, the price of a single bottle of these medicines reached 200 US \$.

3. right to education

The right to education is a basic right that governments must ensure³⁰. Its realization is important to achieve other civil, political, economic, social and cultural rights.

Although the scholar year 2007/2008 began in 370 schools that opened for 246,475 students, the educational process remained obstructed. During the reporting period, the costs of the education services increased by 8%. The general consumer price index number of education expenditures increased from 138.59 in July 2007 to 149.67 in March 2008³¹. Stationary prices increased as a result of the increased transportation costs since the delivery of a truck

²⁷ Article 12 of the International Covenant on Economic, Social and Cultural Rights provides that: " The States Parties to the present Covenant recognize the right of everyone to the enjoyment of the highest attainable standard of physical and mental health". It also obligates the States Parties to the covenant to take certain steps to achieve the full realization of the right to health.

²⁸ The Palestinian National Information Center, a report on the Israeli Violations throughout 2007.

²⁹ An interview with Suheil Ubeid, the Director of the Medical Supplies Company in Gaza

³⁰ For more details, see article 26 of the Universal Declaration of Human Rights adopted by the UN General Assembly in December 1984 and articles 13 and 14 of the International Covenant on Economic, Social and Cultural Rights.

³¹ The Palestinian central Bureau of Statistics, Statistics on Consumer Price Index. Lasbeyres Formula was used to measure the general consumer price index number of education expenses.

load of goods costs between 15,000 and 20,000 NIS as lorries wait for days at crossings to get goods³².

Due to the low purchase capacity of the locals, traders reduced imports of goods by 50%, including school uniforms and shoes. During the last five years prior to the strict siege, Gaza used to import 40 to 45 containers of school uniforms and shoes for a single season. While for the season covered by this report, only 40% of these quantities were imported to Gaza³³. The shortage of school books and stationary caused problems for students and for their study.

Due the fuel crisis caused by a decision by IOF to reduce fuel quantities delivered to Gaza, 85% of transport was affected and many taxis and private were off the road. As a result, the rates of absenteeism among teachers and students was high threatening the continuation of the educational process.

Quotes from civilians reflecting their suffering caused by the unaffordable price increase:³⁴

H. B., 75, is from the Beach Camp in Gaza city. She is a widow and lives in a family of 21 members. She stated:

"I live with my 3 sons and their children. One of my sons was working in plastering and his work was terminated due to the siege. 2 months ago, we were out of cooking gas. We bought an electrical heater and we suffer a lot when electricity is cut. We mainly rely on alimentary aid offered by UNRWA. We don't buy fruits, we only buy basic needs due to the price increase. We don't buy fresh meats, but if we have some money we buy frozen low quality meat. One of my sons suffer from Hepatitis and we can't buy him the required treatment for the medicine prices are very high".

L. H., 70, from Al-Sheikh Radwan neighborhood in Gaza city, is a breadwinner of an 8-member family. She stated to PCHR:

"I come to the Ministry of Social Affairs every 2 months to receive alimentary aid. I live with my son Tawfiq who is unemployed since the beginning of the Al-Aqsa Intifada. We do not go the market. Before, we used to buy frozen meat, we never bought fresh meat. But now we even do not buy frozen meat. We only buy chicken once a week. I suffer from blood pressure and can not afford buying my treatment that costs an arm and a leg".

F. A., 67, from Gaza city, lives with an 8-member family. She stated:

"My husband has a cardiac condition and is unemployed. We rely on alimentary aid of UNRWA. We only buy few frozen meat. Before we used to buy few fruits, but today we never buy fruits since they are very expensive. My husband needs medicine but we can't afford its high prices".

³² The Palestinian Center for Human Rights, a report on the Impacts of the Border Crossings Agreement on Gaza Civilians "2", reporting period 5 November 2005 through 24 November 2006

³³ Ibid

³⁴ Full names of the interviewed persons are kept by the Palestinian Center for Human Rights

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M. A., 46, from the Beach Camp, is a breadwinner of an 8-member family. He stated to PCHR:

"I am waiting for financial aid from the Ministry of the Social Affairs to buy my family's basic needs. Before, I used to work in Israel, but now I am unemployed. Because of the price increase, my purchase capacity decreased. I used to buy frozen meat once a week, but nowadays we buy it once every 2 weeks. Before I used to buy fruit twice a month but now I buy it only once a month".

M. A., 32, from Al-Naser neighborhood in Gaza City, is a breadwinner of a 3-member family. He stated the following:

"I used in a marble factory and earned 40 NIS/day. Following the imposition of the strict siege, the factory closed and I was laid off. Now my brothers support me to ensure my family's basic needs. I am very discontent because no body raises a finger to put end to monopoly in Gaza. I now buy frozen meat once a week while before I used to eat only fresh meat".

Conclusion

Confronting the price increase crisis in the Gaza Strip requires the Government in Gaza to reconsider its policies and procedures and to re-develop a plan aiming at protecting civilians against price increase and ensuring their enjoyment of their economic; social; cultural; civil and political rights. The members of the Palestinian Legislative Council must activate the PLC's role in supervising and observing the local markets and the price increase. They must develop supervision mechanisms to protect the Palestinian civilians in Gaza and provide them basic needs, mainly bread. The civil society organization also must play a role to alleviate the dangers of the price increase phenomenon.

The Palestinian Centre for Human Rights demands that the following parties fulfill their obligations:

First: the International Community must

1. pressure the Israeli occupation forces to revoke the siege and closure policy imposed on the occupied Palestinian territory in general and the Gaza Strip in particular, and to facilitate Palestinian commerce with the external world and to facilitate the free movement of individuals,
2. open all the commercial crossings and the crossings used for the movement of civilians,
3. take into consideration the basic consumer rights confirmed by the UN, mainly consumer right to have access to its basic needs and desires, and
4. ensure international protection for the Palestinian civilians in accordance with the obligations of International Humanitarian Law (as defined by the 1449 Fourth Geneva Convention relative to the protection of civilian persons in times of war) and that IOF continue to commit against the Palestinian civilians. The international community's obligations arise consequent to:
 - Article 1 of the 1449 Fourth Geneva Convention relative to the protection of civilian persons in times of war that provides for: "The High Contracting Parties undertake to respect and to ensure respect for the present Convention in all circumstances". While article 146 of the convention imposes specific obligations on the High Contracting Parties, including enactment of legislations to provide effective penal sanctions for persons committing or alleged to be committed any grave breaches, bringing them before courts or handing them over for trial to another High Contracting Party concerned, and
 - Article 2 of the EU-Israel Association Agreement that establishes that: "Relations between the parties, as well as all the provisions of the Agreement itself, shall be based on a respect for human rights and democratic principles, which guides their internal policy and constitutes an essential element of this Agreement."

Second: the Palestinian National Authority

1. overcome the catastrophic impacts of the siege by referring the two conflicting parties in the Ramallah and Gaza to law and dialogue,
2. raise the salaries of its employees in the Gaza strip by a percent commensurate to the price increase and cost-of-living, and
3. activate the role of the Palestinian Legislative Council played in supervising price increase and government performance in relation to price increase and control.

Third: the government in Gaza

1. activate the Palestinian law (21) issued in 2005 and relative to the protection of consumer, and issue executive regulations to apply this law,
2. develop economic policies with social and humanitarian dimensions through supporting the provision of some basic goods, such as flour; sugar and oil, to the poorest of the poor,
3. restrict supervision over local markets and obligate bakeries to sell bread according to weight and not according to number of loaves,
4. supervise the markets, prevent manipulation of prices, eliminate monopoly and provide effective sanctions to these commit breaches and who sell at unreasonable prices,
5. restrict supervision over quality since the price increase may attract traders to manipulate quantities, weight and quality,
6. form a special committee to observe prices in the different governorates in the Gaza strip and submit reports to concerned authorities who will then make decisions,
7. activate the role of consumer protection associations that are dedicated for making supervision over prices and submission of reports on government's procedures taken to eliminate monopoly,
8. organize awareness campaigns aiming at making consumers conscious about their important role in pressuring traders to decrease prices,
9. form a joint national committee including members of different parties; governmental sector, civil society sector, private sector, traders, consumers, to follow up the effective supervision over goods prices to ensure protecting consumers and preventing price manipulation, and
10. prosecute those who work in the black market and who manipulate prices, mainly those of goods unavailable in the local markets, and take all procedures necessary to protect consumers against monopoly.



The Palestinian Centre for Human Rights

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The Palestinian Centre for Human Rights is an independent non-profit legal agency based in Gaza city. The Centre was established in April 1995 by a group of Palestinian lawyers and human rights activists in order to protect human rights and promote the rule of law in accordance with international standards, create and develop democratic institutions and an active civil society in Palestine in accordance with internationally accepted standards and practices and support all efforts aimed at enabling the Palestinian people to exercise their inalienable rights according to international law.

The Centre enjoys Consultative Status with the ECOSOC of the United Nations. It was granted three international prominent awards for its efforts in the field of human rights:

1. The 1996 French Republic Award on Human Rights; and
2. The 2002 Bruno Kreisky Award for Outstanding Achievements in the Area of Human Rights; and
3. The 2003 International Service Human Rights Award (UNAIS).

The Centre has wide relationships with human rights and civil society organizations throughout the world. It is an affiliate of five international and Arab human rights organizations, which are active in the international arena:

International Commission of Jurists

The International Commission of Jurists (ICJ), headquartered in Geneva, is a non-governmental organisation in consultative status with the United Nations Economic and Social Council, UNESCO, and the Council of Europe and the OAU. Founded in 1952, its task is to defend the rule of law throughout the world and to work towards the full observance of the provisions in the Universal Declaration of Human Rights. its membership is composed of sixty eminent jurists who are representatives of the different legal systems of the world.

Federation Internationale des Ligues des Droits de l'Homme

The Federation Internationale des Ligues des Droits de l'Homme (FIDH) is an international non-governmental organisation dedicated to the world-wide defence of human rights as defined by the Universal Declaration of Human Rights of 1948. Founded in 1922, FIDH has eighty-nine national affiliates in all regions.

Euro-Mediterranean Human Rights Network

The Euro-Mediterranean Human Rights Network (Euro-Med Network) is a network of human rights organisations and individuals from the Middle East, North Africa and the European Union, established in 1997. The overall objective of the Network is to contribute to the protection of the human rights principles embodied in the Barcelona Declaration of 1995.

International Legal Assistance Consortium (ILAC)

The International Legal Assistance Consortium (ILAC) is one of the most important international legal bodies. It is specialized in legal and judicial training. It includes more than 30 members of distinguished legal organizations throughout the world, including American Bar Association; Arab Lawyers Union; and Bar Council of England and Wales.

The Arab Organization for Human Rights

It is an NGO founded in 1983. It calls for respect and promotion of human and people rights and fundamental freedoms in the Arab World for all individuals on its land in accordance with international human rights instruments. The Organization signed an agreement with Egypt in May 2000, according to which its headquarter was moved from Limassol in Cyprus to Cairo.



The Palestinian Centre for Human Rights

The Palestinian Centre for Human Rights is an independent non-profit non-governmental organisation dedicated to the protection and promotion of human rights, the rule of law, and democratic principles in the Occupied Palestinian Territories.

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