

Theguardian20060416 Gaza on brink of implosion as aid cut-off starts to bite By Conal Urquhart

The end of Western funding and Israel's crossing closure sharpen Palestinian divisions, reports Conal Urquhart in Gaza City

An empty watchtower overlooks a deserted road lined with rusting vehicle parts. The only traffic is a pregnant bitch and a mule and cart. This is Gaza's economic lifeline, the Karni crossing into Israel, which is supposed to handle 1,300 containers of merchandise and food per day in order to sustain 1.3 million people.

But nothing is entering or leaving Gaza, and now the funds to purchase what is available there are also drying up, bringing the dire situation of its people to a new and febrile crisis.

Karni is officially closed because the Israeli army has declared a security alert for the Jewish Passover holiday. Yet it has barely been open this year. The effect is a paralysis of Gaza's commerce and severe shortages of basic foods. Not that the locals are in a position to buy what food there is. There is little money because the European Union, Canada and the United States have stopped funding the aid-dependent Palestinian Authority, which can no longer pay its staff's wages.

The result is that families are existing on tiny amounts of money and businesses are facing collapse. Palestinian areas in the West Bank face similar difficulties, but the situation in Gaza is much more severe. John Ging, the Gaza director of the United Nations Relief and Works Agency, said that, while he did not expect people to starve, 'the clock is ticking towards a crisis'.

To add further misery, in retaliation for militants firing home-made Qassam rockets at Israel, the Israel Defence Force has bombarded the north of Gaza with thousands of artillery shells. Gazans fear external pressures will lead to domestic unrest in which the situation is used as a weapon against Hamas by supporters of Fatah who have not accepted January's electoral defeat.

Confronted with the crisis facing Palestinian society, Russia broke ranks with fellow mediators the EU and Washington yesterday by promising emergency aid to save the authority from complete bankruptcy.  
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It came as the first anti-government protests took place in Khan Yunis in Gaza, when about 50 policemen, most of them Fatah supporters, blocked Gaza's main artery to demand the government pay their salaries or step aside. Yesterday dozens more stormed a government building and blocked roads.

At the root of Gaza's problems is Israel's determination to force Hamas to recognise the state of Israel and renounce violence. Israel has been joined in its efforts by Britain, the EU and the US. Hamas militants have been on a ceasefire for 16 months but they are determined to withhold recognition of Israel at least until it withdraws from occupied Palestinian territory.

Israel's policy was summed up by Dov Weisglass, an adviser to Ehud Olmert, the Israeli Prime Minister, earlier this year. 'The idea is to put the Palestinians on a diet, but not to make them die of hunger,' he said. The hunger pangs are supposed to encourage the Palestinians to force Hamas to change its attitude towards Israel or force Hamas out of government.

But it is not certain that the Palestinian reality will conform to the Israeli theory. Even if the wage bill is finally paid - with Russia's help - analysts believe it will only provide a short respite until the same problem arises next month.

Mohammed Salah, 38, a barber in the Jabalia refugee camp said that the economic crisis was 'a conspiracy from inside and outside against Hamas. Things are very low at the moment, but if we give up thieves will take over the government,' he said. He estimated that his takings had fallen by 50 per cent. 'I don't turn anyone away. They pay what they can when they can,' he said.

And while many supporters of Fatah are enjoying the discomfort of Hamas, they are not enjoying the problems that accompany it. Adib Yusef, 44, and his brother, Ahab, 37, are Fatah supporters who are responsible for a joint household of 14 - four adults and 10 children. Recently Ahab and his wife and three children moved in with his brother to share the rent and bills of £112 per month.

Adid is unemployed, but does odd jobs when he can, and Ahab is a carpenter with the Ministry of Public Works, earning £218 per month. Adib's eldest son is a policeman and is paid £192, which all goes to the family. The wages for February were paid two weeks late in March and there is no indication as to when the March wages will be paid.

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Adib says the family normally exists on £7.50 per day, but at the moment they are making do on £1.25. All their savings and assets have been used up. Ahab owes £3,750 to a bank for his wedding.

Adib, who is smoking a cigarette he has just bought for six pence, says that the family are existing on handouts from acquaintances. 'We eat potatoes, tomatoes and other vegetables that we can buy cheaply. The problem is not so much what is happening now, but that there is no hope on the horizon,' he said.

Ahab is quick to blame Hamas for the current predicament. 'Hamas used to give out charity coupons, but now they have to give out wages and they find out it is not so easy,' he said. Adib, like many non-Hamas supporters, also blames the West. 'They ask for democracy and then they do not like the result,' he said.

Even before the authority's wages crisis, the economy was in dire straits because of the Israeli closure of Gaza. More than 3,000 containers of goods have been stuck at the Karni crossing and the port of Ashdod in Israel for months. The majority of Gaza's farm produce did not reach its markets and had to be sold at a fraction of its value locally.

For those families who do not have a wage to rely on, the UN relief agency is their life support system. The agency, which was set up in 1948 to cater for the needs of Palestinian refugees, is responsible for 962,000 registered refugees in Gaza and 735,000 of them receive food aid. 'We are living with the consequences of an unprecedented period of closure. We have contingency plans for this event but they have been exhausted,' he said.

'We have run out of reserves, there is a pressure pot of of frustration compounded by the intensity of shelling, and in the midst of all this we have had avian flu and not a shekel has been offered in compensation to the farmers who have lost their livestock,' he said

Raji Serani, director of the Palestinian Centre for Human Rights, said that the ultimate effect could be to silence moderate voices. 'I have no idea where this will end, but I fear it will be bleak and black,' he said.