

Alternative **Tourism** Journal



Lost Revenue from
Tourism to the Palestinian **Economy**

Alternative Tourism Journal is an initiative of the Alternative Tourism Group-Study Center Palestine (ATG). It is a journal which offers an alternative narrative of the situation in Palestine and the way it impacts on tourism.

ATG is a Palestinian NGO specializing in tours and pilgrimages that include a critical examination of the history, culture, and politics of the Holy Land. ATG operates on the tenets of “justice tourism” and seeks empowerment of the local community through affirmation of Palestinian cultural identity, and protection of eco-rights. Above all, ATG seeks to promote justice in the Holy Land with tourism as one of its instruments.

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Published in Palestine by the Alternative Tourism Group-Study Center (ATG)

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Preface

In an ideal world, tourism must benefit host communities and leave the destinations better off economically. In an ideal world, tourism would also allow for authentic encounters between the visitor and the visited.

In the case of Palestine, both of these remain confined to the level of ideals. They seem almost unachievable under the current Israeli occupation of Palestinian lands. Rather than work to achieve these ideals, Israel has moved in a contrary direction. It has made certain that when visitors travel to the Holy Land, they rarely get to meet a Palestinian. Many travellers often are not aware when they enter Palestinian territories. Tourists are confused about notions of the Holy Land and see Palestinians as dangerous people who live in only parts of the land.

Tourism, especially to the Holy Land, is a lucrative business. There are millions upon millions of dollars to be gained through tourism. Israel has designed its tourism policy and practice in such a way that the bulk of the tourism dollar remains in Israeli hands. Palestinians are forced to be content with the crumbs! Israel employs a whole gamut of unfair trade practices to deprive the Palestinians of their rightful share of revenues. For, after all, a large number of the historical and religious sites for the pilgrim, ordinary tourist, study group, and solidarity activist, are in Palestinian areas.

Through the occupation, Israel creates exclusionary mechanisms and profits at the cost of the Palestinian and, thus, virtually appropriates what is not its entitlement. Israeli control over tourism and its impacts on Palestinians is what this study is all about. The study details the apparatus by which Israel strips Palestinians of tourism benefits.

The fallout of Israeli machinations cannot be calculated in bare economic terms. The fallout is more than economic in scope. There are social, cultural, and political implications too. This situation imposes on civil society actors within Palestine, the Palestinian government machinery, and the international community as a whole, the need to examine whether Israel should radically revise its tourism procedures to create an equitable tourism and even try

to build linkages between the products on offer in Israeli and Palestinian areas. After all, the visitor is interested in the Holy Land as a whole. There also needs to come a time when Palestinian losses of tourism income are compensated. Indeed, there is a huge debt owed to Palestine by Israel for its manipulative and controlling trade in tourism.

ATG promotes tourism as if people matter. That tourism includes people's cultures, and history. It also narrates how the current political machinations render Palestinians as the occupied and Israelis as the occupiers.

What is alternative about ATG's effort is that justice is its cornerstone. Tourism is not the end; rather it is the means to allow people both economically and socially to gain a just share from an industry, for their benefit. Above all, ATG envisions a Palestine in which the occupation ends and Palestinians live in justice, peace and dignity. To that extent, ATG is not merely about offering profits. It is also about the final liberation of Palestinians. Tourism, then, is a device to make possible a wider international understanding of the realities that deprive Palestinians of their freedom.

We hope readers will not only read this study but will disseminate it widely among potential networks and alliances for justice.

Rami Kassis

Executive Director
Alternative Tourism Group





Introduction

Among the various branches of the Palestinian economy, tourism holds a central position. While this relatively small country does not possess abundant natural resources or thriving industry, it is rich in historical and religious sites, while boasting an appealing climate. Palestinian and international economists often refer to tourism as one of the only areas in which Palestine possesses a competitive advantage (PNA, 2011: 12).

Freedom from Israeli domination would be incomplete unless the Palestinian economy was developed sufficiently to sever its ties of dependency, thereby allowing Palestinians the economic options to choose their own future. Development of tourism potential in the occupied Palestinian territory (OPT) is a topic, therefore, that touches on some of the key issues pertaining to Palestinian freedom. Revenue from tourism would constitute an important building block for much-needed public services, infrastructure and economic security, which form the basis of a healthy society. However, economic development cannot in and of itself be a substitute for political liberation, and the idea that economic development can succeed under foreign military occupation has been strongly rejected by economists (Khalidi&Taghdisi-Rad, 2009). The tourism sector is a prime example of the restrictions imposed on Palestinian economic growth. Although the number of tourist entries into the OPT has increased in recent years, the lion's share of revenues from tourism remains within the Israeli economy (Abukumail, 2013).

Therefore, the purpose of this study is not to trace yet another plan for promoting tourism in the OPT, to recommend priorities or to conduct a cost-benefit analysis of different investment options. Instead, it aims to highlight the impact of Israel's occupation policies on the tourism industry in the OPT in order to achieve three results: (1) to demonstrate that the current state of the OPT tourism industry does not reflect that sectors potential; (2) to bring to the fore the damage inflicted on the tourism sector by the Israeli occupation, an inadequately addressed topic which needs to be highlighted within the context of international campaigns which expose the reality of life under Israeli occupation; and, (3) to serve as the basis for calculations of the total accumulated damages inflicted by the Israeli occupation on the Palestinian tourism industry, so that this amount is added to calculations of compensation Israel is obligated to pay the Palestinians for its unlawful practices.

It should be noted that the question of tourism in Palestine is a highly political question, with ramifications reaching far beyond the economic. Indeed, the Zionist movement used tourism as a tool to spread its political message long before the state of Israel was even founded (Cohen-Hattabi, 2004).

Through tourism and alternative tourism, visitors from around the world formulate their opinions about Israel's occupation. In the long-term, what tourists see and understand during their stay has a profound impact on the international community's position regarding the Palestinian struggle for liberation. Tourists are encouraged to see the reality with their own eyes and to convey their experiences to friends and family back home. Indeed, many tourists have become activists after being shocked by the disparity between the reality they witnessed and the reality they had previously read about in newspapers or seen on television. These points are important, but are not the focus of this report. This report will focus on economic issues, particularly the potential revenue that could be generated from tourism. There is a wider question that this report will not address, but which should be acknowledged, and that is the social and political importance of tourism as a link between Palestinian society and the rest of the world. This question deserves further study, and it is possible that conclusions of such

a report would change in light of such a study - likely reflecting the even greater importance of the tourism industry (even in cases where it does not generate positive revenue).

Domestic tourism currently accounts for about half of the Palestinian tourism industry, but will not be analyzed within the framework of this report (Silver, 2010). In brief, however, domestic tourism is important to the Palestinian economy, and is affected by the Israeli occupation on two levels – restrictions on the tourism industry itself (which will be discussed below), as well as restrictions on the lives and income of Palestinian residents of the OPT who are interested in taking vacations inside the OPT. Living under occupation, Palestinians are less able, on average, of taking such vacations and typically spend less money on leisure. This double impact of the occupation transforms domestic tourism into a complex example of the damage inflicted on the Palestinian economy by Israeli authorities.





Restrictions on Tourism

Although the Palestinian government placed a high priority on developing the tourism sector, calling it a “strategic objective” in 2011, the government acknowledged that the tourism sector’s potential could not be fulfilled under conditions of underinvestment and isolation from international markets. Indeed, in 2010 the tourism industry contributed only 0.6% of the GDP, making it one of the smallest sectors of the Palestinian economy despite its great potential. In order to develop the tourism sectors potential, the Palestinian government pledged to invest US\$ 8.7 million in 2011, US\$ 17.6 million in 2012 and US\$ 22.9 million in 2013 (PNA, 2011: 46-52, 77).

These amounts are, however, small compared to tourism investment by the Israeli government. The Israeli Ministry of Tourism had a budget of US\$ 95 million in 2012 (Israeli Ministry of Finance, 2010), and an estimated budget of US\$ 60.38 million for 2013 (Israeli Ministry of Finance, 2013: 258).

Furthermore, the Palestinian government’s tourism budget addresses only one of two structural problems mentioned in the report: government investment can compensate for a lack of private investment, and therefore overcome the problem of underinvestment. However, government investment alone cannot solve the problem of isolation from international markets. This isolation is imposed by the Israeli occupation and remains the primary cause of low revenues from tourism; it therefore cannot be addressed merely through investment in the Palestinian tourism industry.

The isolation of the Palestinian tourism industry from

the rest of the world can be divided into four categories:

- (1) Channeling of tourists away from the OPT.
- (2) Restriction of tourist access to the OPT.
- (3) Restriction of the work of Palestinian tourism industry workers.
- (4) Restriction on tourism infrastructure development.

Each of these four key elements can be broken down further and traced to specific policies implemented by the Israeli government.

(1) Channeling of tourists away from the OPT

The language used by the Israeli Ministry of Tourism in promoting visits to Israel paints the OPT as a dangerous place. It refers to Area A as “outside of Israel’s responsibility”, thereby both denying the ongoing Israeli occupation in these areas and implying that visiting Palestinian communities is unsafe (Israeli Ministry of Tourism, 2013).

The Separation Wall, built by Israel in the West Bank since 2000, has had a direct impact on the Palestinian tourism industry that has not yet been fully quantified. One of the most affected areas is the city of Bethlehem, the most important tourist destination in the OPT, which is surrounded by the Separation Wall in a way that inhibits free movement to the city, prevents natural expansion of the city and creates a constant image of military presence and fear (McGreal, 2005).

Tours, and especially religious pilgrimages, are often organized as package deals which include air travel, hotel reservations, trips to local sites and transportation. A simple Google search (conducted on October 25th, 2013) of “pilgrimage package holy land” yields almost ten million results. Viewing the top ten results, the websites offered visits to Israel, using Israeli airlines and hotels. Notably, none of top-ten search results mention the world “Palestine” but did use the word “Israel” repeatedly, even though the search was for “the Holy Land.” Package tours included trips to sites predominantly inside Israel, with the occasional excursions into the OPT

(mainly to East Jerusalem and Bethlehem), falsely presented to potential customers as areas located inside Israel. When maps were shown, they were labeled with the word "Israel" but never "Palestine." These results demonstrate the success of the Israeli Ministry of Tourism in establishing a strong brand for tourism in Israel at the expense of tourism in the OPT (indeed, the second result was a website established by the ministry itself), and the ways in which tourists interested in sites in the OPT end up spending nights in Israeli hotels and spending most of their money in the Israeli economy.

(2) Restriction of tourist access to the OPT

Tourists who wish to visit the OPT are subject to various obstacles, implemented by the Israeli authorities, that discourage many from making the journey. Palestinian travel agencies are discriminated against by the Israeli Ministry of the Interior in the allocation of entry permits (visas) for tourists. Israeli travel agents can easily obtain entry permits for tourists, but Palestinian travel agents frequently have their requests denied, forcing tourists to apply for entry permits themselves, thereby lowering the chances of having their requests granted (ATG, 2013).

Internationals who wish to enter the OPT must do so with the approval of the Israeli authorities, who often deny that right to internationals - particularly when Israeli police officers suspect the visitors wish to make a political statement or enter the OPT in order to learn about the occupation (Alsaafin, 2013).

The "Welcome to Palestine" campaign demonstrated a fact known to many visitors already. Tourists who enter through the Israeli-controlled borders and reveal during their questioning that they intend to visit the OPT are frequently denied entry or deported. When hundreds of tourists came within the context of this campaign and announced that they wished to visit friends in the OPT, they were deported en-mass (Palestine Spring, 2012; Rahman, 2012). Even when tourists express an interest in visiting sites inside Israel, they often receive a warning at the airport prompting them to contact the Israeli army before visiting the OPT (ATG, 2013). Tourists

are also sometimes required to sign a document in which they promise to ask permission before entering the OPT, although Israeli authorities do not explain how such permission can even be obtained (Hass, 2013). On rare occasions, tourists have even received a special entry-permit that restricts their access solely to the West Bank (Hass, 2009).

Tour groups which have been organized by Palestinian travel agencies or are led by a Palestinian tour guide also face discrimination at the Allenby Bridge border passage between Jordan and the OPT, often facing long delays in comparison to groups led by Israeli tour guides, which are expedited through the border (Ibid.).

Israel has additionally violated its agreement with the Palestinian Authority (PA) regarding border-crossing fees. The agreement stipulated that the exit tax would be US\$26 per traveler, which would be divided US\$ 12 to the Palestinian Authority and US\$ 14 for Israel (Israel collects the larger share in order to pay for the maintenance of the crossings). Israel has since increased the fees to US\$ 39, but continues to forward only US\$ 12 to the Palestinian Authority. The crossing fees affect many aspects of the Palestinian economy, but tourism is certainly one of the most impacted (Aman, 2013: 47).

An additional and vital aspect of the restrictions are the internal restrictions on access to land inside the OPT which has been cordoned from Palestinians. This land, especially in Area C and East Jerusalem, serves the Israeli illegal colonies, military bases and Separation Wall, but could have been used for tourist attractions (among other uses) by Palestinian tour guides had the land been accessible. The example of the northern shore of the Dead Sea in section (4) below demonstrates how restrictions on access to land can have a long-term detrimental impact on the tourism industry as a whole. These sorts of restrictions affect both international and domestic tourism.

(3) Restriction of the work of Palestinian tourism industry workers

In 2005, only 42 permits were granted to Palestinian tour guides allowing

them to enter Israel. It should be noted that because tourists often enter the OPT through Ben Gurion Airport inside Israel's territory - and because Palestinians are not allowed to establish their own airport in the OPT - a shortage of entry permits to Palestinian tour guides imposes severe restrictions on the access of Palestinian guides to their own groups. As of 2013, only 25 of the licensed Palestinian tour guides are still legally able to operate, and Israel has refused to issue replacement permits (Ibid.).

Additionally, Palestinian tour guides are not allowed to meet tourists at the gate in the airport, while Israeli tour guides are (Ibid.).

(4) Restriction on tourism infrastructure development

Under Israeli occupation, no hotels were built in Palestinian communities in the OPT between 1976 and 1994 (ATG, 2013), despite Israel's obligation under International Humanitarian Law (IHL) to take responsibility for the economic needs of the area under its occupation. As a result, hotels in Bethlehem became fully booked during the high tourist season, and tourists had to turn to hotels inside Israel as an alternative. It is estimated that only a quarter of tourists in 2007 were able to stay in Bethlehem during the Christmas period (The Associated Press, 2007).

The area of the Jordan Valley, Jericho's surroundings, and the shores of the Dead Sea are of key importance to the Palestinian tourism industry, although Israeli authorities prohibit the development of these areas by Palestinian businesses and the Palestinian government, meanwhile allowing the illegal Israeli colonies to establish tourist attractions in these very same areas (B'tselem, 2011: 36).

Israel imposes its own development policy in order to encourage tourists to visit sites that generate revenue for the Israeli economy. Even tourists who wish to visit sites inside Area A of the OPT (such as the Church of Nativity in Bethlehem) often find it more convenient to stay in a hotel inside Israel, or even in the colonies.

Tourists are steered by the locations of checkpoints and roads to certain paths which are preferred by Israel. This makes certain areas in the OPT

difficult for tourists to reach.

The development of tourist sites, particularly in Area C, is actively prevented by Israeli authorities.

While Israeli tour guides, tourist buses, etc. may enter the OPT with relative ease, Palestinian tour guides and buses are delayed at checkpoints, require permits which are difficult and expensive to obtain, and therefore enjoy restricted access. This encourages tourists to choose Israeli guides, who can meet them at the airport and follow them throughout their visit to Israel and the OPT.

Frequent Israeli attacks, arrests and violence by colonists in the OPT and Israel's use of OPT lands as training grounds for the Israeli army all contribute to an unsecure and tense environment which can deter tourists from choosing the OPT as a desirable destination. Because of the occupation, Palestine is portrayed in the international media with images of conflict. These images make potential tourists believe that Palestine is a dangerous place to visit.

The Israeli-imposed economic integration of Israel and the OPT forces Palestinians to use the Israeli currency. The various benefits that tourism generates through the inflow of foreign currency are controlled by the Israeli Central Bank in such a way that benefits (for example, from seigniorage) accumulation solely for the Israeli economy. Furthermore, the value of Israel's currency is affected by many factors outside the control of the Palestinian Authority, such as the discovery of natural gas and Central Bank policies. The result is that Israel's currency is traded at a comparatively high exchange rate, making a visit to the OPT more expensive for tourists holding foreign currency. A separate Palestinian economy would likely have a lower exchange rate, thereby attracting tourists with the lower prices found in the OPT.

Internal tourism is also severely restricted by the Israeli authorities. These restrictions include unpredictable limitations on movement inside the

West Bank; severe limitations on movement between the West Bank and the Gaza Strip; and the lack of investment in infrastructure and public transportation in the OPT. Although it may be possible for Palestinian families to overcome some of these limitations, the difficulties and risks involved could discourage them from taking a vacation inside the OPT, leading to a reduction in internal tourism.

In 2011, the Palestinian Authority and the Applied Research Institute-Jerusalem (ARIJ) compiled a report on the various forms of damage inflicted by the occupation on the Palestinian economy. This report was selective, rather than comprehensive, but offered in-depth calculations of the economic costs of Israel's occupation on the Palestinian economy. The research only surveyed one aspect of the industry: tourism to the Dead Sea area. The report found that the Palestinian economy loses US\$ 144 million annually in added value because it is prohibited from utilizing the Dead Sea area to generate income through tourism. Currently, the Dead Sea is utilized solely by Israeli companies and communities for purposes of tourism and industry (PNA & ARIJ, 2011: 30).

Restrictions on the development of infrastructure for the Palestinian tourism industry therefore affect both international and domestic tourism.

Comparative Analysis





The Palestinian Tourism Industry

An important component of the tourism industry is individual tourists and families who visit friends and relatives residing in the OPT. In 2006, the Palestinian Central Bureau of Statistics published the Inbound Tourism Survey 2005. The survey gives a picture of tourism to the OPT in 2005. According to the survey, 11% of Palestinian households received visitors from outside the OPT (88.9% of who were visiting relatives). Most of these visitors came from Jordan (51.6%), followed by European countries (10.4%), Saudi Arabia (9.7%), Egypt (8.8%) and Israel (4.5%). It is interesting to note that only 10% of these tourists entered through airports, a strong indication of the obstacles imposed by Israeli authorities on tourists who wish to enter via an airport before continuing to the OPT. Tourists spent on average US\$ 1,273.5 during their visit (PCBS, 2006). The report was based on a sample of tourists who answered a questionnaire, and could not estimate how many international tourists visited the OPT in 2005. These numbers refer to international tourists, who comprise about half the total number of tourists in the OPT. The other half was comprised of domestic tourists (Silver, 2010).

In 2010, tourists spent a total of 1,283,178 nights in Palestinian hotels. In 2011, the number decreased to 1,245,509 and in 2012, it increased to 1,336,860 (PCBS, 2013a). Nevertheless, the total number of tourist entries into the OPT is unknown, because there is no effective border between the OPT and Israel to quantify the numbers, and tourists travelling from Israel to the OPT are not normally checked (and their trips are usually unregistered).

In recent years, there has been increasing awareness of the importance of alternative tourism, adventure

tourism and hiking in the Palestinian tourism industry. This type of tourism represents a growing global industry, and has the potential to create many jobs to boost the Palestinian economy without severely impacting the natural environment and historical sites of the area (Abukumail, 2013).

In 2010, a conference was held in Birzeit University concerning the “Sustainable Rural Tourism Initiative” of the Palestinian Authority. The conference focused on the advantages and disadvantages of this initiative, which aims to develop tourism in the OPT’s rural areas. In addition to the direct economic advantages, the initiative would allow tourists to meet Palestinians in an unmediated fashion and to form better connections and relations with Palestinian individuals, culture and society. The initiative was, however, severely criticized for its acceptance of the conditions imposed by the occupation. Rather than representing a sustainable tourism initiative, a project that focuses only on areas where the Israeli authorities allow (limited) access threatens to become a project for sustaining the occupation itself. The different opinions presented in the conference showcased the dilemma of whether tourism development (or any other kind of economic development) should be pursued despite the occupation, in niches that remain relatively less impacted by the occupation, or should be directed specifically to areas that defy the occupation and challenge it. An additional dilemma arises in regards to donor involvement. The PA’s reliance on donor funding restricts its independence in outlining tourist projects, especially when it comes to political tourism and decisions that confront policies of the Israeli authorities (Silver, 2010).

The Jordanian Tourism Industry

The close proximity of Jordan, and its similar climate and culture, serves as a useful benchmark for comparison with the potential of Palestinian tourism. Although Jordan suffered economic damage as a result of the conflict with Israel until 1994, it has not been occupied and its 1994 peace treaty with Israel removed the only external military threat to the kingdom. Indeed, in wake of the peace treaty, Jordan’s tourism industry has experienced rapid growth, and has become a major element of the country’s economy.

Not only has Jordan begun to host Israeli tourists, but the number of tourists coming to Jordan from everywhere in the world increased dramatically following conclusion of the peace treaty. Yet this growth in tourism began to slow in 1997, leading to economic friction, an over-investment in hotel construction and the over-supply of tour buses, etc. The lesson from this was that the potential of the industry should not be overestimated, and that tourism development should be spread out over time, in order to allow for the organic growth of touristic infrastructure along with the number of tourists. An additional criticism of the way that tourism developed in Jordan, and one that is very relevant to the case of Palestine, is the over-reliance on private companies, the majority of which are foreign owned. Rather than promoting small, local businesses that would increase national employment and keep the profits from the tourism industry localized, international corporations were invited to invest in hotels and other tourism-related business, allowing these corporations to make their own strategic decisions in how to market Jordan as a tourist destination, and to draw the profits away to their tax havens. Many of these international corporations also own hotels in Israel, where prices are higher.

It is therefore more lucrative for the corporations to divert tourists to hotels in Israel, while visiting Jordan only on day trips (Habun, 2001).

The Israeli Tourism Industry

The Second Intifada had a profound and lasting impact on Israel's tourism industry. It was only in 2008 that the number of tourists and the income generated from tourism matched Israel's levels in 1999. Since this (partial) recovery, Israel has overtaken tourism to Cyprus in 2009 for the first time since the Second Intifada (Hayun, 2011). This "lost decade" in tourism is rarely mentioned in Israel, because acknowledging its existence demonstrates that there is an economic cost to be paid for Israel's occupation policies. The image of Israel as a "safe, democratic and western" country was eroded by Palestinian resistance to the occupation during the Second Intifada and beyond. The Israeli state-owned bank, Bank Leumi, estimated that Israel's "Operation Pillar of Defence" attack on Gaza in November 2012 cost Israel a 5% decrease in tourist entries for a period of at least six months (Priampolsky, 2013). For the purpose of the comparisons we conduct here,

it is important to take into account that tourism to Israel has been affected by both the occupation and by resistance to the occupation.

In 2010, global tourism increased by 7%, but tourism to Israel increased by 26%. In 2011, however, global tourism increased by 5%, and tourism to Israel fell by 2% (Stopek, 2012). Of the visitors to Israel in 2010, 67% entered through airports, rising to 73% in 2011 (Hayun, 2011; Stopek, 2012). Tourists predominantly came from the U.S (19%), followed by Russia (16%), France (9%), the UK (6%) and Germany (6%, Hayun, 2011). In 2011 the distribution was similar, except that Russia accounted for 15% of the tourists, and the UK for 7% (Stopek, 2012). As opposed to the Palestinian Central Bureau of Statistics, which considers visitors from Israel as tourists, the Israeli authorities do not count Palestinians from the OPT as tourists.

Income to the Israeli economy from inbound tourism in 2010 reached US\$ 4.4 billion, compared with US\$ 3.3 in 2009, and in 2011 increased US\$ 4.5 billion, which accounts for 5% of the total export of Israel in 2010-2011. Each tourist therefore spent an average of US\$ 1,569.7 during their trip in 2010, and US\$ 1,595.6 in 2011 (Hayun, 2011; Stopek, 2012). Adjusting for the change in the US\$-NIS conversion rate and for the consumer price index in Israel, the real increase in income from tourism in 2011 was 5.87%.

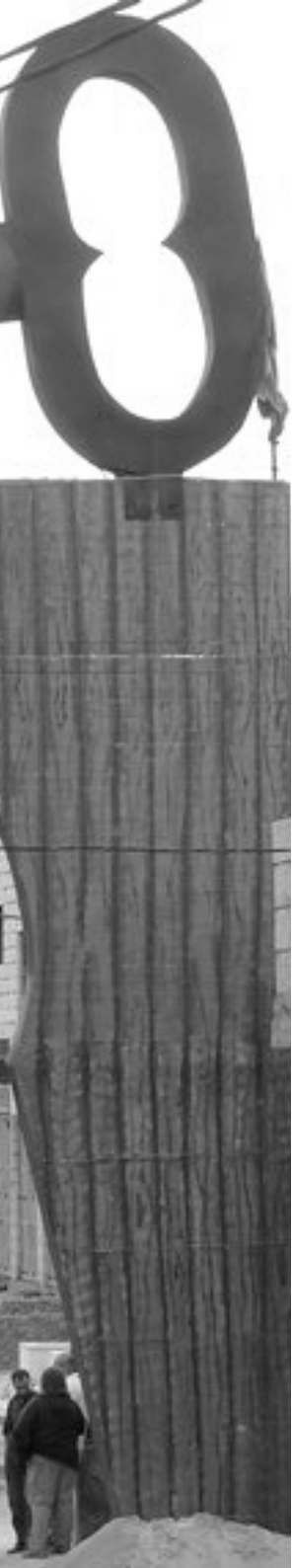
According to a survey conducted by the Israeli Ministry of Tourism in 2010, 30% of tourists came as pilgrims and in 2011, pilgrims accounted for 22% of tourists. These figures are especially important because the sites of religious importance are distributed both in Israel and in the OPT (Ibid.). Arguably the most important religious sight is the Old City of Jerusalem, which is in the OPT. Jerusalem (both east and west) also had the highest number of hotel nights spent by tourists. Hotel revenue from tourists in Jerusalem was US\$ 307.1 million, and accounted for 28.75% of all hotel revenue from tourism in Israel (Stopek, 2012; ICBS, 2012). Therefore, the high number of pilgrims entering Israel as tourists is an indication of the religious tourism potential of the OPT. Some religious attractions, such as Abraham's Path, have not yet been fully developed and could potentially draw in a much larger number of tourists (Abukumail, 2013).

Because of Israel's hostile relations with most countries possessing large Muslim populations, and Israeli authorities' openly expressed hostility towards Muslims entering Israel's border-controls, the potential of pilgrimage

to the Al Aqsa Mosque in the Old City is far from being realized. Currently, the vast majority of worshippers are local, despite the limits imposed on the right of Palestinians to visit the Al Aqsa Mosque by Israeli authorities.

In 2010, tourists slept a total of 9,933,000 nights in Israeli hotels. In 2011, this number increased to 9,949,000 (Hayun, 2011; Stopek, 2012). A study conducted by Daniel Freeman (Freeman, 2010) shows that in 2007, tourism contributed almost US\$ 31 billion to Israel's GDP (4.5% of Israel's GDP for that year) and created jobs for 168,564 employees (5.8% of the Israeli workforce). In that year, there were 2,267,900 tourist entries registered in Israel (ICBS, 2008). Therefore, each tourist netted an average contribution of US\$ 13,669 to Israel's GDP in 2007. In 2012 (based on the CPI of the US\$), each tourist netted US\$ 15,136. This calculation takes into account the costs of inputs into the tourism industry, in addition to the indirect impact of tourism income on the economy (such as increased employment).





Hypothetical Scenario: Unhindered Tourism

Having established the importance of the tourism industry, the potential it holds for the Palestinian economy and the numerous ways in which the Israeli occupation restricts development of Palestinian tourism, the next step is to calculate what the income generated by the Palestinian tourism industry would be if there was no occupation. This question is important to, firstly, accurately assess the damage caused by the Israeli occupation forces and secondly, as a basis for future demands for compensation.

The difficulty in making such a calculation, however, lies in the lack of a suitable baseline for comparison. The Jordanian tourism industry could serve as a base for calculation, but it does not have an equivalent to the important Christian, Jewish and Muslim sites that exist in Palestine. The Israeli tourism industry seems more appropriate as a baseline for comparison, but Israel's own tourism industry has been adversely affected by the occupation and by Palestinian resistance to the occupation, which have given Israel an unsafe image (Swirski, 2012).

By using Israel as a model for an un-hindered tourism industry for the Palestinian economy, we would be incorporating the adverse effects of Israel's policies on the Palestinian economy, precisely what this calculation is intended to avoid. However, lacking a better estimate of the number of incoming tourists to the OPT, the calculation below will indeed use Israel as a benchmark (taking

into account the difference in population size and surface area), despite the inherent flaws.

In order to arrive at an estimate, the calculation will be divided into two parts. First, a comparison will be generated for the number of tourist entries that would have been expected for the OPT if there was no occupation, compared with the number of entries in practice. Second, the expected income per tourist will be calculated, compared with the existing income. The result will constitute an estimate of the money lost to the OPT as a result of the damage done to its tourism industry.

The Adva Center (Ibid.) compiled a comparison of the number of tourist entries into nine Middle East countries in the years 2010-2011. The OPT will be presented here as a tenth country. However, the Palestinian government has no means of measuring how many tourists have entered the OPT as this information is controlled by Israel, with tourists entering the West Bank through Israeli border controls, not Palestinian ones. Therefore, an estimate will be used based upon the number of hotel nights spent by tourists. In 2010, the number of tourist hotel nights in the OPT was 12.92% of the number in Israel. In 2011, the number dropped to 12.52%. Therefore, the estimated number of tourist entries will be based on these numbers. It should be noted that because Israel encourages tourists to spend the night in Israeli hotels even when they visit Palestinian cities, using the hotel nights as a base for the estimate probably creates a distortion that will lead to an underestimation of the number of tourists who enter the Palestinian territories.

Tourist Entry Overview in the Middle East

Country	Tourist Entries 2010 (millions)	Tourist Entries 2011 (millions)	Population (2011)	Land Area (sq. km)
Algeria	1.8	1.9	37,762,962	2,381,740
Egypt	14.1	9.8	79,392,466	1,001,450
Jordan	4.6	4.0	6,181,000	89,320
Lebanon	1.8	2.2	4,382,790	10,450
Morocco	8.3	9.3	32,059,424	446,550
Saudi Arabia	10.9	10.9	27,761,728	2,149,690
Tunisia	6.9	3.1	10,673,800	163,610
Turkey	25.5	27.0	73,058,638	783,560
Israel	2.8	2.8	7,765,900	22,070
OPT	0.4	0.4	3,927,051	6,020

Source: World Bank (2013a); World Bank (2013b).

The expected number of tourist entries into Middle East countries (except the OPT) is 0.36 per person, or 51.99 per square kilometer. However, tourist entries into the OPT are only 0.1 per person (less than a third), and 66.45 per square kilometer (above average). We may assume that tourists are attracted to sights pertaining to culture, economy, history (and therefore depend on the number of people), and attractions based on natural phenomenon, archeological digs, etc. (and therefore depend on the size of the country). A rough average of the expected number of tourist entries for Middle East countries would yield an expected number of 856,155 tourist entries annually - more than double the current estimate, if the OPT was not under a military occupation.

Other than the occupation, there is no reason that tourists in the OPT would not spend as much money, and contribute in the same way to the Palestinian economy, as tourists do in Israel. Because the purpose of this calculation is to estimate the possible tourism income for a fully-recovered and liberated Palestinian economy, the tourism income from Israel will serve as the benchmark. Recalling the estimate, according to which the average tourist contributes US\$ 15,136 to the Israeli economy (in 2012 prices, see above), we can estimate that the total expected GDP generated from tourism to the Palestinian economy would be almost US\$ 13 billion annually.

This number may seem very large indeed (especially compared to current revenues from the tourism industry), but it should be noted that the calculation is based on a comprehensive and well-functioning tourism industry, which would include a Palestinian airline, an independent Palestinian currency, a public transportation system, more hotel rooms, restaurants and other services. Through tourism strategies that increase the independence of the Palestinian tourism industry, tourists will be encouraged to spend a larger proportion of their vacation time and budget in the Palestinian economy, and will not depend on Israeli services. Most importantly, however, is the multiplier effect: through the multiplier effect, tourism income will generate employment which would, in turn, help to fund advances in the education system and other public services, thereby creating wide-ranging benefits across the Palestinian economy.

According to the Palestinian Central Bureau of Statistics, businesses operating in the tourism sector have contributed a total of US\$ 215.6 million to GDP in 2011 (PCBS, 2013b). This number also includes revenue generated from internal tourism. However, even if the entire amount was generated from international tourists, the Palestinian tourism industry under occupation is utilizing only about 1.66% of its potential. It should be noted that this calculation refers only to international tourism, and the unused potential of domestic tourism would add further to the overall damage inflicted on the Palestinian tourism industry by the Israeli occupation.





Conclusions

The tourism sector is one of the most important economic sectors of the Palestinian economy - and would certainly play an important role in its recovery process following the end of the Israeli occupation— and there is no indication that tourism would cease being a defining feature of the Palestinian economy in the future. In fact, economic indicators show that the importance of tourism to the Palestinian economy is growing even under military occupation, and has the potential to grow faster should restrictions imposed by the occupation be lifted. Indeed, the importance of the tourism industry is not restricted to future scenarios. Already today, tourism is a powerful tool through which Palestinians are able to convey important information to the rest of the world. Tourists who visit Palestine and see the reality on the ground as it truly is, have their misguided stereotypes quickly dispelled (such as the notion that all Palestinians are terrorists), learning what a military occupation looks like and how it affects every aspect of Palestinian life. Tourists who take this message back to their home countries help to inform the world about the reality in Israel/Palestine, particularly in light of the fact that Palestinians do not have access to the same massive budgets invested by the Israeli Ministry of Foreign Affairs in promoting the Israeli narrative and justifying Israel's policies (Bronsky, 2010).

Even though Israeli institutions have imposed mechanisms that allow the Israeli economy to appropriate some of the income generated by the tourism sector in the OPT, the tourism industry

remains a vital part of the Palestinian economy, and the importance of the tourism industry to the Palestinian economy is higher than the benefits of the expropriated value from that industry to the Israeli economy. The Palestinian Minister of Tourism and Antiquities, Rula Ma'ay'a, said that visiting Palestine is an act of solidarity with the Palestinians. Fully aware that tourists visiting Palestine have no choice but to spend money in Israel and pay taxes to Israeli authorities, Ma'ay'a said that: "Visiting Palestine is not a form of normalization with the jailer, but an empathy with the prisoner" (Wafa, 2013). Tourists visiting Palestine then have the opportunity to relay what they saw with their own eyes back in their home countries, thereby helping the Palestinians to educate the world about the reality of occupation. Of further importance is a forward-looking approach, which sees the current tourism sector in the OPT as a training ground for a much larger and more lucrative sector which will emerge after the end of the occupation.

The conclusion to the premise that the occupation is restricting one (among many) of Palestine's most important economic sectors, and keeping it at about 1.7% of its potential, is that Palestinians have a strong and legitimate case to demand compensation from the Israeli government for the decades of fiscal losses in the tourism sector. Israel is obligated to repay the Palestinians for the loss of revenue from a tourism industry that was never allowed to develop, and to pay the costs required for the Palestinian tourism sector to fulfill its potential. The compensation is measured in the tens of billions of dollars and serves two purposes: the hope of recovery of the Palestinian economy, and a warning sign to Israeli society that its illegal occupation of the OPT carries with it a high economic price.



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