Opinion

There Is No Proof That Poverty Breeds Violence, but the West Bank Crisis Is Ours Too



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In the second quarter of 2026, about 53,000 Palestinians from the West Bank worked in Israel and the settlements. Before October 2023, about 172,000 did. In that quarter, a Palestinian worker earned an average of 263.4 shekels a day, nearly twice the average daily wage in the West Bank (134.3 shekels). Income losses on this scale hurt living standards, as well as the shop that sells to the family on credit, the factory that supplies it with goods and the authority responsible for providing basic services.

There are signs of a partial recovery in the West Bank. Between the first and second quarters of 2026, local employment rose from about 653,000 to about 680,000, and unemployment fell from 29.5% to 27.9%. Even after that improvement, about 284,000 people remained unemployed, and the unemployment rate was more than twice what it was in the third quarter of 2023. The recovery in local employment has not offset the loss of earnings from work in Israel and the settlements or the decline in output.

Job quality explains part of the gap. When young people spend years training and struggle to find work in their fields, hospitals, schools and businesses struggle to make use of the skills the economy needs. In a survey

by the research organization Arab Barometer in October 2025, 24% of West Bank respondents said they had considered emigrating. Of those, 71% cited economic reasons.

Meanwhile, the Palestinian Authority is increasingly struggling to pay its employees and suppliers. According to the World Bank, in 2025 the authority paid between 50% and 70% of the wages it owed its employees. The West Bank Health Ministry's arrears, which are included in the broader debt total, reached about $1.1 billion. About 65% was owed to private hospitals and hospitals run by nongovernmental organizations that treated referred patients. The rest was owed to suppliers of medicines and medical equipment. In June, the Palestinian Health Ministry reported that 180 of 520 essential medicines were out of stock and that more than 11,000 scheduled operations had been postponed since the start of the year. Delays in transferring the tax revenues that Israel collects on behalf of the Palestinian Authority thus ripple from the budget to the supplier and the patient.

Businesses are struggling to absorb the impact. In 2025, private-sector credit in the Palestinian banking system grew by just 2%, while credit to the public sector grew by 19%. Regular trade with the Gaza Strip was almost completely cut off after October 7, and West Bank manufacturers lost access to the market. The value of lost sales has not been quantified. Within the West Bank, the UN Office for the Coordination of Humanitarian Affairs counted 925 movement obstacles in a survey completed in December 2025. At least 459 blocked or hindered access from Palestinian communities to main roads. For a business trying to retain customers and employees, a long or unpredictable trip means higher costs and difficulty committing to a delivery date. For a Palestinian family whose income has fallen, it means extra expense getting to work, school or medical care.

Settler violence also hurts incomes. Between September 1 and November 2, 377 attacks related to the olive harvest were documented, more than in any previous harvest season. Farmers reported theft of produce and equipment and being denied access to their plots even after arranging it in advance. In areas that depend on agriculture, losing

a season's olive harvest can strain household finances for months to come.

The strain is also evident in food consumption in the West Bank. In September, the World Food Programme estimated that about 900,000 West Bank residents were experiencing food insecurity. Some 76% of households in its analysis reported a significant decline in income, and a third could not afford a nutritious diet. At the same time, a funding shortfall forced the programme to cut its food assistance from 400,000 to 200,000 people.

When families cut meals or sell assets to cover everyday expenses, they lose some of their ability to weather the next crisis. The reduction in class time in public schools, which reportedly operated about three days a week for the fourth year in a row, could prolong the damage beyond the current budget crisis.

For Israel, the practical question is who will provide services when the Palestinian Authority struggles to pay teachers, medical staff and suppliers. As the authority loses its ability to function, Israel is more likely to have to devote additional resources to civilian coordination, emergency response and security operations.

Restrictions on employment may also come at a cost to sectors of the Israeli economy that relied on Palestinian workers. The report does not quantify that cost, but it shows the scale of the change in employment. A review of the permit policy should therefore take into account the needs of Israeli employers and the cumulative impact of lost wages on stability in the West Bank.

The data do not prove that poverty breeds violence. In an October Arab Barometer survey, 56% of West Bank respondents supported a two-state solution, seven percentage points more than in 2023, even though 92%

described the economic situation as bad or very bad. In a survey conducted in August of this year, however, only 17% reported feeling safe, and 65% regarded the Palestinian Authority as a burden.

Weak institutions, lost livelihoods and declining personal safety leave communities and local authorities less able to cope with another crisis. If Israel wants to preserve stability over time, it must examine the cumulative impact of its decisions on employment, the transfer of clearance revenues, freedom of movement and protection from settler violence. The success of such a policy will also be measured by whether a worker can get to work, a farmer can harvest his olives and a hospital can provide medicine on time.

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