Economics of Higher Education under Occupation: The Case of Palestine

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ABSTRACT

Through some extremely difficult experiences, education in general and Higher Education in particular has remained a constant focus of resources in Palestine. Due to the ongoing occupation of Palestine, Palestinian universities could not expect to contribute significantly to economic development in the same way as other institutions around the world. However, the establishment and development of universities in Palestine meant that Palestine was investing in Palestinians, and, for reasons discussed in this paper, the development represented a clear breakthrough to be celebrated throughout Palestinian society. Most of the previous studies on the Economics of Higher Education (HE) have not explicitly dealt with the Economics of Higher Education under occupation, especially in Palestine, neglecting much of the broader context and strategic impact of Palestinian Higher Education. This research investigates in depth Palestinian HE socio-economic outcomes for Palestinians, bringing to the light the meaning of HE under occupation that goes beyond mere economic impact to include its impact on Palestinians' human capital, dignity, and national identity reflecting the unique case of Palestine. This research reveals that from very early on it was clear that Palestinian Higher Education could not give the economy a boost, but that universities did give people a pride in Palestine, which, given the conditions of a brutal military occupation that increasingly separated one Palestinian from the next, amounted to quite a significant achievement. It demonstrated the central role Palestinian HE plays in the life of Palestinians as it is goes beyond means of economic

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growth to means of survival, building human capital, and maintaining people’s dignity and national identity.

**Keywords:** Higher education, national dignity and identity, socio-economic development, human capital.

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### 1.0 Introduction

A great deal of institutional life in Palestine has been shaped around trauma. The first came with the ethnic cleansing of three quarters of the population in 1948, and then came the military occupation of the West Bank and Gaza in 1967. The first uprising against the occupation occurred twenty years later, followed by the Oslo agreement of 1993 and the creation of the Palestinian National Authority. The second uprising began in the year 2000 and although it dissipated in 2007, tensions remain high and violence prevalent still today. Despite these extreme obstacles, the Palestinians have continued to make progress educationally and ultimately have made important contributions to themselves as a people and to the Arab world in general (Abu Lughod, 1973). Through some extremely difficult experiences, education in general and Higher Education (HE) in particular has remained a constant focus of resources. Palestinian universities were created as the pride and joy of the Palestinian people. The creation of universities in the West Bank and in Gaza meant that Palestinians no longer had to go abroad for degrees. Each new generation could improve their knowledge and skills beyond those of their parents to give a new sense of hope for the future, even though universities could not expect to contribute to economic development in the same way as other institutions around the world. Palestinian universities meant Palestine was investing in Palestinians, and for reasons discussed in this paper, the development represented a clear breakthrough to be celebrated throughout Palestinian society.

From very early on it was clear that Palestinian Higher Education could not give the economy a boost, but the universities did give people a pride in Palestine, which given the conditions of a brutal military occupation that increasingly separated one Palestinian from the next, amounted to quite a significant achievement. The occupation has created an enormous challenge in the functioning of the educational process as a result of the geographic disparity hampering ability to create tangible reform (Teacher Creativity Centre, 2010). Without denying the conditions of de-development of the Palestinian economy and society (Roy, 1999), the universities pushed for the formation of an educated Palestinian society, without which development would never be possible. In their day-to-day work, university faculty built the stock of knowledge in the younger generation. They built aspirations, hopes and ambitions. For these reasons alone, universities have found themselves regularly closed down by the occupying forces – see Baramki (2010). Thus, whilst universities have not been able to break the binds of de-development due to the ongoing occupation, they have contributed to Palestinian society to such an extent that it could develop and grow if there were to be an end to the occupation.

Again, Palestinian Higher Education has never been able to serve economic development as so many other institutions. However, in the Palestinian Territories, the Higher Education sector is not supported in that it does not play the role it should in promoting development (Baalousha et al., 2009; Robinson, 2010). Palestinian universities still sit on the edge of the global knowledge economy, following events but rarely participating. Palestinian universities celebrate learning; they contribute to a rich culture, conserved in studies that remind Palestine of its cherished traditions in learning. Often academics’ salaries were not able to be paid in such dire circumstances, yet the universities continued their work, indicating a strong commitment to the ideals of learning and knowledge in Palestinian society.

Through years of violence and war, the Palestinian people have remained steadfast and they have refused to be silenced. Young people coming out of the universities argue for peace and security that can only be based on justice. In this way, universities have benefited each new generation and
encouraged each and every one to raise their voice and demand an end to the Israeli occupation. It is interesting to note in both the first and second intifadas (uprisings) the occupying forces repeatedly targeted centers of learning. In fact, in the first intifada it was illegal under occupation regulations to convene for courses and universities were closed. However, learning continued and won the respect of academics throughout the international community as professors held secret lectures and students hosted study groups in their homes.

Further, the researcher would argue that the universities of the West Bank and Gaza have never given way to Israeli hegemony. Palestinian universities have encouraged young people to be Palestinians through endless cultural strategies. Palestinian medical schools now train Palestinian doctors in three centers. Trauma medicine is recognized in Palestine as the best in the world. Palestinians are the most educated population in the MENA With a high (91%) adult literacy rate (World Bank, 2006). Palestinian education has developed open access through Al Quds Open University with distance learning and ICT basic pedagogical skills being moved forward in Learning For All (Osally, 2013; Pacetti, 2008). Palestinian universities are at the forefront in regional engagement, locally, regionally and internationally. Rather than standing by and watching Palestinian communities be taken apart, Palestinian campuses encourage people of different religious dispositions and political affiliations to work together as Palestinians, sharing skills and capacities. Museums and services have been built on many campuses. None of these measures, of course, can defeat the policies of de-development due to the ongoing occupation, but not one of the Palestinian universities submits its missions to accepting the current situation. The researcher therefore asserts that Palestinian universities have an undeniable value.

Palestinian universities constantly work for change in line with freedom and justice that must come.

This research focuses on the Economics of Higher Education under occupation in the occupied Palestinian territories (oPt). None of the previous studies on the Economics of Higher Education has explicitly dealt with the Economics of Higher Education under occupation, especially in the occupied Palestinian territories. Many related studies or publications deal with the topic superficially; with most of these constituting NGO reports or publications (cf. EACEA-Tempus, 2012; MAS, 2011; Teacher Creativity Centre, 2010; PECDAR, 2009; World Bank Group, 2006). Most prior research has focused on the role Higher Education in economic growth (cf. Bader 2012; Kyllonen, 2012; Card, 1999; Walshok, 1997) mainly at the aggregate national level, not at the individual one, and most researchers and writers have investigated the economics of HE in Palestine either from an economic perspective or briefly describing the status quo of the Palestinian HE system, limiting the analysis on the higher education system itself and neglecting much of the broader context and strategic impact of Palestinian higher education under occupation. This research investigates in depth Palestinian HE socio-economic outcomes for the Palestinians, bringing to the light an understanding of HE under occupation that goes beyond mere economic impact to include its impact on Palestinians’ human capital, dignity and national identity. This reflects the unique case of Palestine, as research is rare on the role of Palestinian Higher Education in fostering Palestinians’ dignity and national identity and is highly needed (Khatatba, 2010). Additionally, a lack of local research publications has hampered innovative and progressive means to advance the knowledge base for real educational development (Teacher Creativity Centre, 2010).

The researcher conceptually frames how Higher Education in oPt has served as a means of survival, preservation of Palestinians’ dignity and national identity, and human capital formation based on a desk study method of published Palestinian and international valid secondary information, and related documents with the scope and context of Palestinian private, public, and governmental universities.

The research recognizes that Higher Education in Palestine is a truly unique experience; it is a means of survival, peaceful resistance, steadfastness, and it maintains national identity and dignity, and human capital formation which wasn’t tapped explicitly and holistically in previous literature on a topic.

The research highlights the historical roots, structure and statistical indicators of the Palestinian Higher Education system in Palestine. Supported with a conceptual framework for the relationship of Higher Education to Palestinians’ socio-economic development, human capital formation, dignity, and national
identity, it reviews and analyzes evidence in the literature that support the existence of links between Higher Education and the previously mentioned constructs in three subsequent sections. Finally, the research concludes with the research findings and a number of policy implications.

2.0 Research Methodology

The researcher conceptually frames how education in the oPt has served as a means of survival, preservation of Palestinians’ dignity and national identity, and human capital formation based on a desk study method of published Palestinian and international valid secondary information, and related documents with the scope and context of Palestinian private, public, and governmental universities. The research focuses on publications, statistics, and reports pertinent to HE in the oPt, and considered data that suited the research purposes and data analysis to develop research findings and conclusions. In summary, a qualitative approach in data collection was used and has informed the narration and analysis of the secondary data.

3.0 Higher Education in Palestine

The historical roots of the Palestinian higher education system go back to the British Mandate period when authorities refused the request of Haj Amin Al-Husseini to establish the University of Al-Aqsa Mosque in the 1930's in response to the establishment of the Hebrew University in 1925. In the forties, the beginning of the value amongst Palestinians for Higher Education became clear as many students started to enroll in institutions of higher education abroad, since there were no such institutions within Palestine. The main thrust of the students at that time was to Egyptian universities, and American and British universities. Of course, the study costs were relatively high, and the admission procedures were costly and difficult, so HE was limited to members of affluent families with high social and political status.

Before 1967, there were still no universities in the occupied Palestinian territories, and all that was available was a community college for teacher training run by the United Nations Relief and Works Agency (UNRWA), some colleges created by the Jordanian government, and some other private colleges such as the College of Birzeit, the College of An-Najah in Nablus, and the Arab College in Jerusalem (Palestinian Centre for Human Rights, 2005).

Four months after the war in 1967, the Palestinian society awoke from its trauma and discovered that it was disconnected from the Arab world, especially the West Bank from the Jordanian East Bank, and the Gaza Strip from Egypt. Thus, Palestinians suffered, inter alia, from the inability of young people to attend Arab universities, which had been, during the previous twenty years, a popular endeavor for Palestinians, especially considering that these universities had welcomed students from Palestine for academic reasons (due to their high academic level), and for political reasons as a way to express support for the Palestinian people (Baramki, 2000:160).

Consequently, it is only since the 1970's that universities came into existence in Palestine. Created during the Israeli occupation, these institutions were part of a Palestinian collective effort to preserve their identity as well as to provide young Palestinians with the opportunity to pursue HE, after it became increasingly difficult for them to go abroad for such studies (EACEA-Tempus, 2012).

Given the importance of higher education in Palestine, and the attempts of marginalization of it by the Israeli occupation, it was decided in 1977 to establish the Higher Education Council, which included 40 prominent figures from the West Bank and the Gaza Strip, including the presidents of universities, representatives of trade unions, managers of educational institutions and associations, and individuals with experience in the education sector. The council statute was adopted and the executive committee was elected and developed an action plan.
This Council took a major role in the distribution of university funding, and formed the initial framework for participatory planning for Palestinian universities. This council continued until the year 1994 in which the Palestinian Authority came into existence. The Council took a new form of establishment in the Ministry of Education and Higher Education. This council is still working to this day as a supreme body which decides on policies concerning Palestinian Higher Education (PECDAR, 2009).

The following table presents a summary of the major Palestinian universities ordered according to year of establishment and creation of legal entity:

**Table 1: Palestinian universities in the beginnings**

<table>
<thead>
<tr>
<th>University</th>
<th>Year Founded as a university</th>
<th>The initial registered legal form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birzeit University</td>
<td>1972</td>
<td>Al-Ahlya Girls School 1924</td>
</tr>
<tr>
<td>Najah National University</td>
<td>1977</td>
<td>An-Sajah School 1918</td>
</tr>
<tr>
<td>Bethlehem University</td>
<td>1973</td>
<td>Alfred University 1973</td>
</tr>
<tr>
<td>Islamic University</td>
<td>1978</td>
<td>Palestine Institute of Religion-Azhar 1954</td>
</tr>
</tbody>
</table>

Currently, there are many other universities, institutes and colleges in Palestine distributed throughout the West Bank, the Gaza Strip, and Jerusalem who began establishing in the 1970's and thereafter. They have continued their efforts and developed their academic programs, administrative systems, and contributed to the preservation of the Palestinian identity, and the evolution of the Palestinian community in spite of the substandard of living caused by the occupation.

It is notable from the history of the development process of Palestinian higher education that there are prominent reasons for this development, which can be summarized as follows: the decades-old realization of the Palestinian people that the essence of their survival and continuity lies in preserving their cultural identity and civilization. This has reinforced their need to spend extensive efforts to develop and maintain educational institutions for their children at a time when they found themselves refugees in different countries.

According to Abu-Lughod (1993), the emergence of Palestinian universities was due to two essential factors: first, the firm desire of the Palestinian people and their constant insistence on tertiary education, which was achieved through universities in Arab world, and, secondly, that Palestinian national leadership understood the needs of the Palestinian people and their educational priorities and life circumstances under occupation, and thus created national institutions of higher education in Palestine.

Another factor that contributed to the emergence of Palestinian universities was the high level of demand for higher education in that it creates opportunities to get to a job and strengthen hope among individuals. Also, the difficulty of movement for Palestinian students in entry to and exit from Palestine, coupled with the fact that higher education in Palestine is most often less costly than higher education abroad has contributed to investment in Palestinian universities.

Despite the high value for higher education and the focus on development of the sector in Palestine, Palestinian universities have faced a number of problems. The intervention of Israeli occupation authorities has been the most prominent challenge throughout the past decades that has prevented Palestinian universities from complete development and expansion both in terms of infrastructure and academic disciplines. Oppression by closures and curfews that lasted for months and even years, Israeli military attacks on universities, and the arrest of teachers and students alike are all results of the Israeli occupation that have affected Palestinian universities. Other indications of attacks on Palestinian education are incursions and destruction of schools, and depriving universities of books that the occupation authorities consider forbidden (PECDAR, 2009). Palestinians universities and their students are in many ways far more vulnerable than students in other countries as they suffer both the indirect consequences of a decades-long military occupation as well targeted attack on their institutions, faculty, and student body (UNESCO Chair on Human Rights and Democracy, 2012). Israel is in the
process of making education in the oPt inaccessible through the imposition of severe movement restrictions, unavailable through destruction of infrastructure of educational institutions, and unacceptable by allowing the quality of education to dwindle as an indirect effect of the two other trends. Security concerns, which are the main reason Israel cites for its actions do not legalize these facts, especially in regards to education (Al-Haq, 2005).

Also, Palestinian higher education institutions are suffering from funding problems and chronic financial deficit in their budgets. 60-70% of the operating expenses of the universities are covered through tuition and fees, which are paid irregularly. However, $20 million was allocated for Palestinian universities in 2002 by the Palestinian Authority (PA) as appeared in its annual budget, and this amount was increased to $34 million in 2009, and to $40 million in 2010 to support universities (EACEA-Tempus, 2012). This gradual increase has continued in the past five years as well. Unfortunately, the PA disbursed only about 60% of these allocations because of the fiscal and monetary deficit that the PA is suffering from.

In addition to financial instability, the Palestinian higher education sector encounters great challenges in terms of conforming to new and rapid advances in information and communication technology, and in contributing to human capital development (Baalousha et al., 2009; Darwish, 2009). A study by Abu Hilal (1998:84-89) indicated that there are many causes that have cumulatively led to the weakness of the effectiveness of higher education institutions in terms of their contribution to the Palestinian economy in general, and the relationship with the local labour market in particular. The study concluded that the most prominent reasons for this were the high ratio of students to faculty members, overcrowding of students in the classroom, the weakness of teacher support services, and the modest level of the performance of faculty members.

There is also very little financial support for academic research in Palestine. The PA has currently no direct fund allocated for research and most research funding comes from international and external financing. Libraries also suffer from poor resources and limited access to electronic resources (Baalousha et al., 2009; Robinson, 2010; Teacher Creativity Centre, 2010).

Below we show the most important indicators related to Palestinian higher education. These indicators provide a deep and realistic insight about the reality of higher education in Palestine, and they give a clear picture of this organic system which could, despite the historical political challenges, adapt and achieve significant growth over the past years. In fact, the occupied Palestinian territory has made notable progress in educational quantitative indicators and is ahead of many countries in the region and internationally, especially in gender equality in terms of student enrolment rates in school and university education; female enrolment rates are higher than those of males at some stages (UNDP, 2012).

3.01  Summary of Statistics for Palestinian Higher Education for the Academic Year 2011/2012
(Ministry of Education & Higher Education, 2013)

1) **HE Institutions:** The number of accredited institutions is 53; 34 in West Bank and 18 in Gaza Strip distributed as follows: 14 traditional universities; 1 Open University; 18 university colleges; 20 community colleges.

2) **New-Enrolled Students:** New enrolled students for the year 2012-2013 was 62,006 (35,846 female & 26,160 male).

3) **Registered Students:** Registered students for the academic year 2012/2013 were 213,581 (126,138 female & 87,443 male) distributed as follows:
   - Traditional universities: 123,484 (8,138 graduate studies; 112,194 undergraduate studies; 2,209 diploma; 604 educational qualification certificate; 107 with no certificate; 232 vocational diploma).
   - University colleges: 16,232 (4,106 undergraduate studies; 12,030 diploma; 96 vocational diploma).
Community colleges: 12,273 (12,080 diplomas; 193 vocational diploma)
Open Education: 61,592 (57,866 undergraduate studies; 3,314 preparatory year; 412 educational qualification certificate).

4) Graduate Students: 35,491 (21,030 female & 14,461 male).
5) Employees: 15,601 employees.

According to the Palestinian Central Bureau of Statistics (PCBS, 2009) census of 1997 and 2007, individuals (15 years and over) who had a bachelor degree or higher accounted for 5.3% of the population in the West Bank according to the general census of the population in 1997. While this figure rose to reach 8.4% according to the general census of the population in 2007. It is noted that there is a clear rise in the proportion of those individuals who hold a bachelor's degree or higher in the West Bank by the population censuses in 2007 and 1997. As for the Gaza Strip, the percentage of individuals who hold a bachelor's degree or higher is 5.9%.

In regards to literacy rates, according to the census of 1997 and 2007, the illiteracy rate has declined in the West Bank and Gaza Strip. There was a significant change in rates of literacy for individuals (15 years and above) by gender and region in Palestine.

The results indicate that individual literacy rates in the Gaza Strip for both genders, ranged from 86.3% in 1997 to 94.3% in 2007, and that there has been a gradual rise since 2007. There is also a general trend for both males and females. Similarly, in the West Bank, the general trend of the rates of literacy in individuals increased for both genders. Census results indicate that literacy rates of individuals of both genders ranged from 85.9% in 1997 to 93.7% in 2007, and that there has been a gradual rise since 2007. In the Palestinian territories as a whole, the results indicate that individuals’ rates of literacy for both genders ranged from 86.1% in 1997 to 93.9% in 2007.

These results would not have been possible without Palestinian higher education institutions that contributed to the education and training of teachers who greatly contributed in return to the evolution of the education system itself and its ability to achieve such high rates of learning among the population. Of course, the role of the other civil society organizations, the Palestinian National Authority, and international donor institutions have also played an important role in the development of Palestinian higher education. Again, this system had the evolutionary capacity that enabled it to perform its tasks creatively, despite the challenges mentioned above. Thus, Palestinian higher education, inter alia, was able to protect the Palestinian people from demolition, as happened with other countries torn apart by occupation, and cultural and sectarian conflict.

4.0 Mechanisms of Palestinian Higher Education

In the following section the researcher discusses the mechanism by which Palestinian Higher Education has contributed to the lives of the Palestinians under occupation. This will be done through three main dimensions, as follows:

4.01 HE in OPT has raised socio-economic expectations

Socio-economic Status (SES) usually refers to components of economic and social status that distinguish and characterize people (Morris et al., 2000). Indicators of SES are meant to reflect access to social and economic resources that may vary over time (Duncan et al., 2002). Frequent measures of SES in developing countries include proxies of wealth, income, expenditures, education and housing conditions (Morris et al., 2000). Few studies assess multiple components of SES unless at least one indicator is used as a control variable. No gold standard indicator exists (Doocy & Burnham, 2006). Education is among several dimensions that affect the capabilities of people which depend on the extent of their opportunity set and of their freedom to choose among this set, and the life they value (Sen, 1984).
Education is strongly associated with people’s life evaluation, even after controlling for their higher income. Further, better-educated people typically have better health status, lower unemployment, more social connections, and greater engagement in civic and political life. The consensus is that education brings a range of returns (monetary and non-monetary) that benefit both the person investing in education and the community in which they live (Stiglitz et al., 2009).

Recent evidence suggests, however, that higher education can produce both public and private benefits. The private benefits for individuals are well established, and include better employment prospects, higher salaries, and a greater ability to save and invest. These benefits may result in better health and improved quality of life. Public channels, though less well studied, also exist. One possible channel through which higher education can enhance economic development is through technological catch-up. In a knowledge economy, tertiary education can help economies gain ground on more technologically advanced societies, as graduates are likely to be more aware of and better able to use new technologies (Bloom et al., 2006a).

Education can play an instrumental role in two different ways: through economic production and through social change (Burchi, 2006). In contrast to the early view of education as a leading instrument for promoting economic growth, recent evidence suggests that higher education is a determinant as well as a result of income, and can produce public and private benefits (Bloom et al., 2006b).

In the Palestinian context, therefore, the numbers of graduates in Palestine are indicative of some of the aspects of socio-economic development, specifically, that education reflects socio-economic status in Palestine. This can be assumed based on the economic and logical association found between individuals’ higher education and higher income, and better health conditions at the personal as well as the family level. Hence, the statistics on higher education in Palestine support this conclusion and this can also logically explain the role of higher education in the survival of the Palestinians and reasons for their steadfastness.

Palestinians see education as a survival strategy. After losing their land, education was seen by Palestinians as their major source of wealth and economic base. Thus, demand for higher education reflected an economic and social concept for the Palestinians. It is a tool to make a living and get suitable jobs both within the Palestinian community and in the Arab world, especially in the Arab Gulf States in which oil has created extensive development in all fields (PECedar, 2009). Thus, it can be concluded that Palestinian higher education has had financial and social effects at the personal level for individuals more than at the national level as it did in many other countries which have invested in higher education. Although there is an absence of its strong effects at the national level, its effects were more significant at the personal level for individuals.

This conclusion is consistent with the analysis of the socio-economic returns on higher education in Palestine. The direct return on higher education as defined by Al-Holi (2009) is the relative increase in per capita income as a result of a person’s work in a competitive market against an increase in years of study of one year; that is, the amount of any increase in per capita income for each additional year of study obtained. According to the economic analysis done by MAS (2013), which used data of the Central Bureau of Statistics in 2012, the return on investment in higher education in Palestine can be analyzed by comparing the rates of monthly wages among employees in different professions according to their varied scientific qualifications, and years of work experience. It has been concluded from this analysis of the data that personnel with high education degrees have a comparative advantage in higher wages compared with those with the same years of experience with a lesser degree. This reflects the exceptional situation in the West Bank and the Gaza Strip since higher education cannot be considered a real investment compared with other countries, given the circumstances of the siege and closure. Where the available labour market for graduates of higher education is narrow, and because of the lack of available job opportunities, many are forced to accept low-wage jobs which do not cover various expenses and college loans. However, higher education represents not only a more attractive
investment in other countries, but also a less risky means of increasing the income of the poorest people (Caldwell, 1979).

In this regard, there is no incentive for graduates because of the deteriorating situation in the labor market of the occupied Palestinian territories. When compared with other countries, we see that there is a decline in the proportion of personal economic gain after obtaining a degree, while; on the contrary, social gains are enhanced at the same time. Hence, it can be concluded that the impact of higher education on individuals at the personal level, including living and social aspects in particular, is greater than the impact on financial aspects. In sum, the impact of higher education was more on the personal (monetary and non-monetary) level than on the macro-economic national level. In fact, this is more needed for Palestinians who are suffering under occupation that makes them characterized by anxiety, confusion and fear for their fate and their future. Thus, Palestinian Higher Education has a crucial role that overrides direct physical economic returns.

Palestinian universities have also independently explored ways to serve their surrounding communities and create synergies between Palestinian universities and other local institutions. These relationships contributed to the social and economic health of Palestinians (Bruhn, 2006).

Palestinian universities did not stop striving to achieve community and economic development, and improve the living conditions of the Palestinians. They exerted great and remarkable efforts in community service, either directly or through their students. In regards to the relationship with the labor market and meeting the needs of national institutions in general, the majority of universities have developed dozens of academic programs for undergraduate and post-graduate degrees. An-Najah National University, for instance, is the largest Palestinian university in terms of the number of academic programs. The University currently hosts 22,000 students, offers 75 Bachelor’s programmes and 45 Master’s programmes, as well as a doctorate programme in Physics and Chemistry. The university also has An-Najah National University Hospital, which provides practical training for students of the Faculty of Medicine at the university and serves the Palestinian community; this hospital is comparable to the advanced modern European hospitals in terms of personnel working in it, equipment, fixtures, systems and procedures.

In spite of the disappointing factors of economic development in Palestine and higher education, still there are great efforts being exerted and many successes have been achieved in keeping up with advanced international universities, and providing national and regional labor markets with qualified human resources. For example, the College of Engineering and Information Technology at An-Najah University in Nablus includes 13 diversified academic engineering programs. Engineering education in Palestinian universities enjoys a pivotal role in fulfilling the demand for skilled personnel who are cornerstones in the present state-building endeavor. Palestinian universities burgeoned fast with whatever adversities that have accompanied uncontrolled growth (Abdel-Karim & Helou, 2013).

The universities have established scientific centers dedicated to scientific research and field studies that provide a variety of services to students, staff and the community. For example, An-Najah National University has a number of highly specialized scientific centres and sub-units which have been established to meet the needs of the students and researchers and to provide the Palestinian community with a wide range of services to ensure long-term development and prosperity. These centres offer numerous kinds of services to the public, including: specialized research; survey administration; consultations; social, medical, political, and educational training; and media services. An-Najah also hosts other offices and centres whose work contributes to the international and national activities organized by the university. These include: the British Council Office, UNIMED Regional Office (Mediterranean Universities Union), American Studies Resources Center, the UNESCO Chair on Human Rights and Democracy, and the American Corner. The University has a great number of sub centers, whose aim is to elevate higher education in Palestine and to create a pioneering society that is able to cope with continuously changing technology and information. Through such offices and centers, Palestinian universities ensure a maximum exchange of ideas and experience between local and
international individuals and institutions, which in turn enhances the development of the university and the local society. On the other hand, at the political and national level, Palestinian universities have been seen as contributing to state formation during the period that followed the signing of the Oslo accord and the advent of PA. Thus, the services Palestinian universities provided have focused on institution building and have demonstrated their ability to contribute to state formation (Bruhn, 2006).

4.02 HE in OPT has contributed to dignity and national identity

Collective cultural identity refers not to a uniformity of elements over generations, but to a sense of continuity on the part of successive generations of a given cultural unit of population to shared memories of earlier events and periods in the history of that unit and to notions entertained by each generation about the collective destiny of that unit and its culture (Smith 1991: 25). Smith adds: "There is a felt affiliation, as well as a cultural affinity, with a remote past in which a community was formed, a community that despite all the changes it has undergone, is still in some sense recognized as the "same" community" (Smith 1991: 33).

Members of a nation share a common national identity based on their perceived possession of these characteristics. This shared national identity involves a strong sense of collective belonging characterized by a sense of relatedness and mutual and exclusive sentiments of solidarity and sympathy (Wilcox, 2004). Moreover, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR) both state that all human rights derive from the inherent dignity of the human person (Seibert-Fohr, 2001). A basic minimum content of the meaning of human dignity can be discerned: that each human being possesses an intrinsic worth that should be respected, that some forms of conduct are inconsistent with respect for this intrinsic worth, and that the state exists for the individual, not vice versa (McCrudden, 2008).

The mechanism through which Palestinian higher education institutions work to maintain national identity and dignity is through its diverse activities that enhance the loyalty of the Palestinian students, which leads to preservation of the national identity and maintenance of their dignity because it has created a constant sense of home and the right to life on their land, despite the presence of occupation. This has reinforced Palestinians feelings of affiliation to their homeland. Loyalty is linked to identity, and loyalty has become among the necessary values to maintain and reinforce the identity of the community (Royce, 1995). Thus, education can effectively contribute to acquire and reinforce a national identity (Niemi & Junn, 1998).

Furthermore, the formation and fostering of national identity is also linked to the different stages of education which people advance and pass through. Crystallization of this concept at the personal level needs mental and individual readiness, and then a social atmosphere which reinforces and crystallizes this concept in a geographic area representing the nation for this person where this nation has its own culture, social values, and history which distinguishes it from other nations. Hence, the process of identity formation cannot start from a vacuum; it is always built on a pre-existing set of symbolic materials that form the cornerstone of identity (Thompson, 1995:186).

There is no factor that better develops the concept of national identity than education; education goes beyond educational work to a first class political act, so it is not surprising that the educational policy in any society is a reflection of its political system, including philosophies, ideologies, and special values. Education thus becomes a serious social force used by the community or the state to achieve the goals of increasing the sense of belonging and loyalty and reinforcing the concept of national identity in the members of the community (Attia, 2009).

Thus, education contributes to identity formation and establishing roots in the community. Educational classes on the country’s history and geography, and the courses of nationalism and national celebrations, historical and national anthems, and other educational practices all lead to strengthening the sense of belonging and identity among students (Khatatba, 2010).
Palestinians are exposed to savage practices by the Israeli occupation aimed at expelling them from their homeland through a variety of campaigns, including campaigns of blackout and marginalization, trying to mislead the world to believe that Palestinians do not deserve to live. This has been evident in the many actions and measures the Israeli occupation authority has done along with the decades of occupation; examples include destroying schools, arresting students and teachers, and restrictions on movement. Thus, education has played a crucial role for the Palestinians in this regard; it has enabled Palestinians to maintain their national identity, and adhere to a national ideology, to retain their history and their heritage, and strengthen their loyalty to their country. It enabled them to communicate with the world, and helped them to appear in a civilized manner. This is a source of pride for Palestinian people considering the challenges that have been imposed on them by the catastrophe (Nakba) of 1948 that led to the demand of the Palestinian people on higher education as a mean of survival to prove their existence (Osman, 2000).

Higher Education in Palestine takes another dimension, and occupies a more important position as it represents a form to withstand the challenge and maintain the national identity for the Palestinians (Dweikat, 2009). Palestinian universities have had a profound impact on Palestinian national identity and the persistence of Palestine as a nation (Bruhn, 2006). It is worth noting that discussion of national dignity and identity in Palestine goes beyond nationalism versus diversity, racism against tolerance, ethnicity versus multiculturalism; it is about preserving national identity and dignity from the occupation practices that try to erase Palestinian culture, history and people. Palestinian people are tolerant people, but occupation can never be tolerated.

A recent study shows that Palestinian higher education with all of its dimensions (university curricula, faculty, student movements, and university administration) is playing an important role in promoting the development of national identity and development of political participation (Khatatba, 2010). Thus, Palestinian universities enabled Palestinians to address the Israeli challenge to their identity by collectively developing a national consciousness rooted in traditional Palestinian culture (Bruhn, 2006). Palestinian higher education institutions offer numerous activities and work tasks which strengthen and maintain national identity and dignity of the Palestinians, including exhibitions of national heritage and history, organizing trips around the country to educate students on the geography of their homeland and keep them connected to it, and political seminars which increase students' awareness of contemporary issues they are experiencing. Also, universities keep the active role of student councils by creating the appropriate climate for the exercise of political and cultural activities within the universities, thus promoting political participation among students and contributing to the upbringing of a healthy democracy based on the acceptance of political pluralism within the student body. Student councils are annually elected democratically within universities and university administrations play a vital role in ensuring the proper functioning and integrity of those elections. It is worth mentioning here that the student councils were exercising their right to election and voting throughout the years of occupation at the time when this was not allowed for Palestinians before the advent of the Palestinian National Authority in 1994.

Palestinian universities also are nurturing their students' societal values and promoting its customs and traditions through the organization of events related to academic and national issues, including the establishment of cultural evenings for national and international poets and intellectuals, and the organization of Palestinian folk dance (Dabka) and music. The curricula of the universities have a vital role in maintaining national identity and dignity of the Palestinians through mandatory courses that are adopted at the university level including, for instance, courses on the Palestinian cause, Arabic language, and courses related to community service involving direct interaction between students and their community to ensure their awareness about, integration in and commitment to their community issues.

Other activities that Palestinian universities are carrying out to encourage students’ community participation and increase their political awareness include, campaigns of olive harvest in the
countryside of Palestine (the olive tree is especially valuable to the Palestinians, it refers to the history and persistence at home, while being uprooted by the Israeli occupation for settlement expansion), voluntary tree planting, visiting the elderly and providing them with help, donating blood to hospitals, communicating with children with special needs, and cleaning parks, historical sites, and graveyards.

Thus, Palestinian universities provided a safe haven where Palestinians could have access to higher learning and at the same time reflect on what it means to be Palestinian. The shared understanding that emerged was not something new, but rather the articulation of what Palestinians deeply believed. The public articulation of Palestinian identity gave rise to a national narrative that resonated within Palestinians everywhere because it told their story and expressed their aspirations to live freely with dignity in Palestine (Bruhn, 2006).

4.03 HE in oPt contributed to human capital

The Organisation for Economic Co-operation and Development (OECD, 1998) report defines human capital (HC) as "the knowledge, skill, competencies and attributes embodied in individuals that are relevant to economic activity" (p. 9). HC is a complex, multifaceted phenomenon with various intangible dimensions that are not directly observable and cannot be measured with precision by a single attribute, a set of attributes, or their combined sum on individuals or households (Folloni & Vittadini, 2010).

Traditional Economic theories developed since the 1960s and most of the empirical studies within the endogenous growth theory promoted the concept of human capital, according to which education is considered as a means to ensure economic growth (Burchi, 2006).

Many theoretical models of economic growth, such as those of Nelson & Phelps (1966); Lucas (1988); Becker et al., (1990); and Rebelo (1991) have emphasized the role of human capital in the form of educational attainment. Economic theory suggests that human capital would be an important determinant of growth, and empirical evidence for a broad group of countries confirms this linkage (Barro, 2001).

In empirical studies, there is general agreement that returns to education are positive and high at individual level (Bloom et al., 2006a). Harmon et al. (2003) found a wide cross-country variation of returns but concluded that "evidence on private returns to the individual is therefore compelling" (p. 150).

Developed human capital has a positive effect on economic growth, political stability and social environment. Education is the most important variable in HC development. A number of empirical studies have shown that the pace of economic growth of developed countries could not have been achieved without their stock of human capital; empirical results show that economic growth of any economy not only depends on physical capital but also on human capital (Javed et al., 2008).

Growth theorists have emphasized interactions amongst agents that may cause the social returns to human capital to exceed the private ones. Persons with greater skill may raise the productivity of others with whom they interact, so accumulation of human capital may increase total factor productivity in an economy (Lange & Topel, 2006).

However, According to the Human Development Approach (HDA), proposed by Sen, (2003); Nussbaum (2003); and Streeten (2003), economic resources are important only if people are finally able to convert them into something valuable by itself. “People value commodities...not in their own right but for their characteristics and for the needs they meet” (Streeten, 2003:76). These authors criticize the vision of traditional development for being purely economic, and readdress it as a process of enlarging people’s choice to live a life they value (UNDP, 1990, 10), through an increase of valuable human freedoms (Sen, 2003).
In this context, income and other economic resources are an “intermediate goal” (Sen, 2003:3) and important instruments to promote development, but they are neither necessary nor sufficient to enlarge people’s freedoms. Therefore, new ends of development should be identified: among others, the supporters of the HDA focus on having a long and healthy life, being adequately nourished, and being educated.

Accordingly, in the Palestinian context, the role of HE is evident in building human capital. Although Palestinian HE did not directly contribute to economic development, it indirectly did as both HE and HC can be linked with each another in that HE is contributing to HC. This means that Higher Education for the Palestinians has contributed to the formation of their human capital, and human capital is a prerequisite for socio-economic development for individuals, and for the nation at large. At the same time, higher education is one of the most important requirements for the formation of human capital in the community. This makes the relationship between socio-economic development, human capital and higher education clear. Education does not raise productivity, but it is associated with higher earnings because it signals positive individual characteristics like ambition or innate abilities (Spence, 1976). Thus, higher education in Palestine contributes significantly to the development of Palestinian human resources due to its manpower and technical and academic cadres. These trained and qualified human resources are able to bring change and push the wheel of development further, in addition to protecting Palestinian cultural heritage and civilization at the time in which Palestinian history and culture are being exposed to looting and forgery (Dweikat, 2009). However, the challenges remain, as the occupation de-development process not only distorts the development process, but also undermines it entirely, according to Roy (1999). Education, through its influence on HC, allows society and national economy to return to the right track for potential development. It assists the society to posses one of the important prerequisites for development. In this way, HE did not stop the de-development process, but it maintained Palestinian society from being thoroughly de-developed. It contributes to more self reliance, the building of national capabilities, and knowledge accumulation.

There are many measures for human capital; some are based on income and others on educational attainment. Despite the fact that there is no single measure of human capital without drawbacks, here the researcher uses indicators of higher education and illiteracy rates as statistical indicators of human capital in Palestine.

Based on what has been presented above, we show data that has been obtained from the PCBS which is compatible with the measure of human capital and which can be attributed to Palestinian higher education. Without higher education, human capital formation would not have been possible in Palestine. This institution (HE) was able to supply all educational institutions at all levels and stages with education, knowledge, and qualified HR, which has reduced the rates of illiteracy and thus improved many other relevant education statistical indicators accordingly, which will be presented as follows:

4.3.1 The most important indicators about the reality of education in Palestine (Palestinian Central Bureau of Statistics, 2013)

**Education:** According to data in 2012, the percentage of individuals 15 years and over in Palestine who have completed university education of a Bachelor’s degree or higher has reached 17%. The proportion of individuals who have not completed any educational stage reached 10%.

**Literacy:** Data in 2012 show that the rate of illiteracy among the individuals of aged 15 years and over in Palestine is 4.1%; this percentage varies significantly between males and females, males reaching 1.8%, while the illiteracy rate is 6.4% among females. The data also showed a variation in the rate of illiteracy among the West Bank and the Gaza Strip, where 4.4% in the West Bank are illiterate, while in Gaza Strip 3.6% are. The data indicate that the illiteracy rate among males in the West Bank and the Gaza Strip are 1.9% and 1.7%, respectively. The illiteracy rate among females 15 years and older have is slightly higher in the West Bank compared to Gaza, at 6.9% and 5.5%, respectively. The reason for this disparity might be
attributed to the high proportion of the refugee population in the Gaza Strip, and the establishment of UNRWA schools for Palestinian refugees directly after the Nakba in 1948 at a time when schools were not available or accessible in many rural areas in the West Bank, which had a sizable rural population.

**Schools:** The results of the survey of education for the academic year 2012-2013 were that there are 2,753 schools in Palestine with 37,525 divisions, and the number of students in these schools is 1,136,739 students.

**Higher Education:** The results of the survey of education for the academic year 2010-2011 were that there are 14 universities and 15 university colleges that offer programs leading to a bachelor’s degree in Palestine; enrolled are 201,389 students, and the number of junior colleges in Palestine reached 20 colleges with 12,584 students enrolled.

### 4.3.2 Other statistics on cultural activities and information society

**Access to newspapers and reading:** The data show that in 2009, 32.1% of Palestinian households got daily newspapers, 35.1% in the West Bank and 26.2% in Gaza Strip. According to data available, 31.5% of persons 10 years and older in the Palestinian community read newspapers, 34.9% for males and 28.0% for females. According to data from the year 2009, 55.9% of households listen to radio stations, 51.7% in the West Bank and 64.1% in Gaza Strip.

The data show in 2009 that 61.0% of individuals (10 years and older) **read books;** that is, out of every 10 individuals 10 years and over in Palestine, 6 read books (62.7% in the West Bank and 58.0% in Gaza Strip).

**Affiliation of public institutions:** With regard to affiliation to public institutions, the data showed in 2009 that 6.9% of individuals (10 years and over) were affiliated to a sports club, 4.3% of individuals were affiliated to charities, and 4.6% of individuals were affiliated to a federation or union. Data also indicated that 3.3% of individuals were affiliated to a public library, and 3.5% of individuals were affiliated to a political party, while 3.0% of individuals were affiliated to cultural clubs.

**Information Society:** The percentage of households having a computer in the occupied Palestinian territories reached 49.2%, in 2009 compared with 26.4% in 2004. With regard to internet connectivity, 28.5% of households in the occupied Palestinian territories had Internet connection in 2009 compared with 9.2% in 2004. The percentage of households that own a TV dish in the occupied Palestinian territories was 92.0% in 2009 compared with 74.4% in 2004. The data also indicated that 92.4% of the Palestinian households (at least one member) possess a mobile phone in 2009 compared with 72.8% in 2004 (Palestinian Central Bureau of Statistics, 2010).

These indicators clearly show the contributions of Palestinian higher education in the formation of human capital of the Palestinians. It provides a vital factor to HC development, which is education for all and lifelong learning in its various forms. Palestinian HE offers a diverse educational experience in terms of disciplines, levels and fields, and it also provides vocational training, which aims to enable professional personnel to build skills necessary for success in their careers and jobs. This is evident in university continuing education centers, technical education, and diversity of disciplines; statistics mentioned above are dramatically indicative to this.

As indicated by the UNDP (2012), education is a sector of special significance in the Palestinian case. The national policy agenda focuses on the need to allocate substantial investment to education at various levels since improvements in human capital will lead the development process and build the economy in an independent Palestinian state. Since their founding, Palestinian universities have struggled to realize the right to education for their students, educators and communities as a whole (UNESCO Chair on Human Rights and Democracy, 2012).

### 5.0 Conclusion
Economics of higher education under occupation ... 

It is evident that Palestinian HE plays a central role in Palestinians life; it is not only a means of economic growth, but also a means of survival, and maintaining people's dignity and national identity. It keeps Palestinians steadfast under occupation through contribution to individuals' economic status, and HC. Palestinian higher education has had financial and social effects at the personal level for individuals more than at the national level, as has been the case in many other countries which have invested in higher education. This does not mean that there is an absence of its effects at the national level, but its effects were more significant at the personal level of individuals.

Palestinian higher education institutions offer numerous activities and work tasks which strengthen and maintain national identity and dignity of the Palestinians. The role of HE is evident in building human capital. Although Palestinian HE did not directly contribute to economic development, it indirectly did as both HE and HC can be linked with each another in that HE is contributing to HC. This means that Higher Education for the Palestinians has contributed to the formation of their human capital, and human capital is a pre-requisite for socio-economic development for individuals, and for the nation at large. At the same time, higher education is one of the most important requirements for the formation of human capital in the community. This makes the relationship between socio-economic development, human capital and higher education clear. Thus, without higher education, human capital formation would not have been possible in Palestine.

However, HE did not stop the de-development process, but it did keep Palestinian society from being thoroughly de-developed. It has contributed to more self-reliance, to building national capabilities, and to knowledge accumulation. However, the driving forces behind the emergence and development of Palestinian higher education which have been discussed above should not make the higher education system myopic; it should ensure to keep up with the global developments taking place in higher education which will be discussed further in the following section of this research.

6.0 Policy implications

The Palestinian government as well as local and international institutions are calling for continued support to Palestinian HE institutions.

Practically put, the current government, as it is working on education system reform, should consider the role that Palestinian higher education plays in the lives of Palestinians, and should view education as a system, considering all of its constituencies simultaneously. The system should be scrutinized vertically, from preschool education to university stages; and horizontally, considering all of its stakeholders and other external environmental forces impinging on Palestinian education, as education in Palestine is a truly unique experience, serving as a means of survival, peaceful resistance, steadfastness, and maintaining national identity and dignity. High scores on accredited international quality rankings systems cannot necessarily be achieved in the short or midterm term in Palestine, as Palestinians, unfortunately, will not be allowed to achieve these rankings scores. It is noticeable that the Palestinian HE sector pursues a different approach to excellence; it is the story of a nation's success under occupation.

However, at the policy making level, Palestinian HE should continue its endeavors of internationalization and attainment of high global quality rakings. This, of course, should not be neglected, while this process does not work on out-in basis, it is relatively works on the in-out basis. That is, Palestinian HE development policies should rethink the quality of HE curriculum and teaching methods to meet the Palestinian local market needs as well as society development requirements as is the analysis of the World Bank Group (2006), which found a weak link between programmes and the needs of the labour market. This is presently a central issue in all national development programmes and projects. The high percentage of students studying social sciences (75 %) is a major contributor to unemployment among graduates. The education system should be developed around the Palestinian
economy, which is characterized by a wide spread of small businesses, retail trade, and traditional and cultural industries. That is, Palestinians need vocational, entrepreneurial, and innovative education, as they lack natural resources and restrictions on movement. This will assist in closing the gap that the analysis in this paper proved to exist in the contribution of Palestinian HE to economic growth, which will accordingly enhance human capital. As far as Technical and Vocational Education and Training (TVET) is concerned, increasing enrolment remains the major challenge. Enrolment in secondary vocational education is still low, standing at just 5.06% of the total number of students in the secondary cycle in 2007/2008. Another major challenge is to better link TVET and its outputs, quantitatively and qualitatively, to the widely diversified needs of the labour market (World Bank, 2006). Another policy making issue is that related to the internationalization of Palestinian higher education. In this regard, the need to improve the electronic linking and networking of local universities with Arab and international university resources and research networks is a major issue (World Bank, 2006). It is true that Palestinians require education in the context of the needs and aspirations of their own society, yet the socializing function of the Arab educational systems is clearly carried out in the light of the needs of the particular countries involved; it is obvious that the needs of a stable or developing society differ considerably from the needs of a community in exile committed to a goal of national liberation (Abu Lughod, 1973). But preservation of national identity with a unique higher education system and experience should not overwhelm the policy makers and result in isolating the national higher education system; this system should adopt more open polices, continue the adaptation and cooperation processes with international higher education and academic institutions, promote principles of cooperation, mutual interests, and foster tolerance at the staff, student, curriculum and research levels. Of course, it also must continue its endeavors to overcome problems of freedom of movement and funding difficulties that are still major challenges.

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