

As war in Gaza enters seventh month, 1.74 million more Palestinians will be pushed into poverty across State of Palestine according to United Nations assessment

UNDP and ESCWA estimate more than two-decades reversal in human development— beyond earliest recorded levels of 2004

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The assessment warns of a sharp decline in the Human Development Index (HDI), UNDP's summary measure of wellbeing, as the setback in human development in the State of Palestine may exceed two decades—to earlier than 2004.

Amman & New York – As the war in Gaza approaches its seventh month, the poverty rate in the State of Palestine continues to escalate, reaching 58.4 percent, thrusting nearly 1.74 million additional people into poverty, as the Gross Domestic Product (GDP) sustains a staggering plunge by 26.9 percent—a loss of US\$7.1 billion from a 2023 no-war baseline—according to [new estimates](#) by the United Nations Development Programme (UNDP) and the Economic and Social Commission for Western Asia (ESCWA).

Today, both UNDP and ESCWA released an update of their joint initial rapid assessment titled 'The Gaza War: Expected Socio-Economic Impacts on the State of Palestine', which was released in November 2023 and estimated the impacts of the war on the State of Palestine and on Gaza, for the first three months. The new updated assessment estimates the impacts at six months, with projections for seven-, eight- and nine-months scenarios.

"Every additional day that this war continues is exacting huge and compounding costs to Gazans and all Palestinians, now and in the medium and long term. Compared to our preliminary assessment, these new figures warn that the suffering in Gaza will not end when the war does," said UNDP Administrator, Achim Steiner.

"Unprecedented levels of human losses, capital destruction, and the steep rise in poverty in such a short period of time will precipitate a serious development crisis that jeopardizes the future of generations to come."

According to projections, in a scenario where the war continues for nine months, poverty is estimated to more than double (increasing to 60.7 percent, 2.25 times of pre-war levels), raising the number of additional people pushed into poverty to more than 1.86 million, while the decrease of GDP would reach 29 percent with total losses of US\$7.6 billion. The assessment also warns of a sharp decline in the Human Development Index (HDI), UNDP's summary measure of wellbeing, as the setback in human development in the State of Palestine may exceed two decades—to earlier than 2004, when the HDI was first calculated for the State of Palestine.

"Unlike previous wars, the destruction in Gaza today is unprecedented in scope and scale and coupled with the loss of homes, livelihoods, natural resources, infrastructure as well as institutional capacities, may have deep and systemic impacts for decades to come," said ESCWA Executive Secretary Rola Dashti. "This assessment projects that Gaza will be rendered fully dependent on external assistance on a scale not seen since 1948, as it will be left without a functional economy, or any means of production, self-sustainment, employment, or capacity for trade."

The UNDP-ESCWA updated assessment complements results of the Joint Interim Damage Assessment recently

released by the World Bank and the United Nations, which indicated that direct damages inflicted on Gaza's built infrastructure as of January 2024, amount to approximately US\$18.5 billion, equivalent to 97 percent of the total GDP of the State of Palestine in 2022.

The updated assessment was presented at a meeting that brought together directors of key United Nations agencies in the Arab States region to discuss how different regional actors can best support efforts of the UN Country Team in the occupied Palestinian territory for recovery assessment and planning. UNDP, as lead agency on early recovery, has been working closely with UN agencies and national partners to plan and prepare for commencing early recovery in Gaza and the West Bank, including east Jerusalem, without delay as conditions allow.

NOTES TO EDITORS

GDP and Poverty Estimates

Updated estimations of the impacts of war – relative to pre-conflict projected GDP for 2023 baselines:

At six months

- Palestinian GDP will have declined by 25.8 percent or a US\$6.9 billion loss.
- Poverty* will have increased by 114.2 percent from 26.7 % to 57.2 % of the population.
pushing 1.67 million more people into poverty approx. from 1.46 million to 3.13 million individuals.

After seven months

- Palestinian GDP will decline by 26.9 percent or a US\$7.1 billion loss.
- Poverty will increase by 118.7 percent from 26.7% to 58.4% of the population.
pushing 1.74 million more people into poverty approx. from 1.46 million to 3.20 million individuals.

After eight months

- Palestinian GDP will decline by 27.9 percent or a US\$7.4 billion loss.
- Poverty will increase by 122.8 percent from 26.7% to 59.5% of the population.
pushing 1.80 million more people into poverty approx. from 1.46 million to 3.26 million individuals.

After nine months

- Palestinian GDP will decline by 29.0 percent or a US\$7.6 billion loss.
- Poverty will increase by 127.3 percent from 26.7% to 60.7% of the population.
pushing 1.86 million more people into poverty approx. from 1.46 million to 3.32 million individuals.

* Based on international poverty line calculations.

Unemployment Estimates

- The update estimates that the unemployment rate across the State of Palestine could increase by about an additional 0.5 point for each additional month of war, to reach: 46.1 percent (after six months); 46.7 percent (after seven months); 47.2 percent (after eight months); and 47.8 percent (after nine months);
- Before the war, unemployment in the State of Palestine was at 25.7 percent. Gaza was already grappling with "hyper-unemployment" rate at 45 percent, with youth unemployment at nearly 60 percent. The ILO estimates that as of 31 January 2024, 201,000 jobs are lost in Gaza.

Human Development Index Estimates

The assessment update calculates the HDI for the State of Palestine under 4 scenarios, based on assumptions of expected reduction in life expectancy, decrease in expected years of schooling, and decline in the gross national income.

For the State of Palestine

- At six months: the HDI for the State of Palestine will have seen a significant drop, reaching 0.677 compared to 0.716 in 2022—setting back Palestinian human development by 17 years (to 2007 levels).
- After seven months: the HDI will reduce to 0.667—a setback by 18 years (to 2006 levels).
- After eight months: the HDI will reduce to 0.657—a setback by 20 years (to levels of 2004, which is the earliest year an HDI was recorded for the SoP).
- After nine-month: the HDI could reach 0.647, setting back progress by more than 20 years. Assuming that the HDI was growing on average at the same rate observed during the 2004-2010 period, the assessment update estimates the setback at 23 years, equivalent to levels calculated for 2001.

* Simulated using subnational data, separate HDI values for Gaza and the West Bank (WB) show marked variance.

For the West Bank

- At six months: the HDI will have dropped to 0.702—compared to 0.720 in 2022—setting back human development by 12 years (2012 levels).
- After seven months: the HDI will reduce to 0.697—a setback by 13.5 years (lower than 2011 levels).
- After eight months: the HDI will reduce to 0.687—a setback by 14 years (2010 levels).
- After nine-month: the HDI could reach 0.677, setting back progress by 16 years (2008 levels).

For Gaza

- For Gaza, all the four scenarios would set back human development by more than 20 years—that is earlier than 2004 when the earliest HDI values for the SoP were recorded—and the decline will deepen with every

month of war.

- Assuming that the HDI was growing on average at the same rate observed during the 2004-2010 period, the assessment update estimates the following scenarios, only for comparison purposes:
- At six months: the HDI will have dropped to 0.598 —compared to 0.705 in 2022—setting back human development by 33 years (estimated for 1991).
- After seven months: the HDI will reduce to 0.582 —a setback by 37 years (estimated for 1987).
- After eight months: the HDI will reduce to 0.566 —a setback by 40 years (estimated for 1984).
- After nine-month: the HDI could reach 0.551, setting back progress by 44 years (estimated for 1980).

