

The Way Forward

A Strategic Critique of the Palestinian Tourism Sector



By George Khadder



There is wide-ranging international awareness and recognition that the areas under Palestinian Authority (PA) control constitute a significant tourism destination, mainly for its religious (Christian and Muslim)

heritage, especially as the birthplace of Jesus. But the destination is also home to a broad range of natural and cultural heritage assets, including three World Heritage Sites. Even though Palestine faces many challenges, including the Israeli (Zionist) settler colonial occupation, limited resources, lack of control over its borders, no development rights in Area C (>60 percent of the West Bank), it has an established tourism product and market with an associated value-chain around its core product, namely pilgrimage. The sector's resilience is evident in increased investments, growing numbers of visitors, and attempts at diversification that were observable before the global COVID-19 pandemic hit and the Palestinian tourism sector came to a screeching halt. But was that growth healthy, sustainable, equitable, or value-creating? This article critiques the Palestinian tourism sector in the areas under the PA, highlighting misconceptions and challenging the status quo to instigate honest discussions and strategic action towards sustainable positive change. A non-exhaustive list of some key areas follows.

■ The convent of Hortus Conclusus (The Sealed Gardens) at Artas village, near Bethlehem.



Accurate statistics are a prerequisite at the core of any tourism-related research, planning, development work, or management efforts. Table 1 indicates the number of inbound visitors to the PA in 2019, according to the Palestinian Ministry of Tourism and Antiquities (MoTA) and the Palestinian Central Bureau of Statistics (PCBS).

Table 1ⁱ

	MoTA	PCBS
No. of inbound visitors with an overnight stay		1,110,091
No. of inbound visitor without an overnight stay		3,122,377
Total inbound visitors	3,810,391	4,232,468

Israel, the occupying power and only authority in full control of the borders into Israel and Palestine, published official tourism statistics for 2019 which are listed in Table 2.

Table 2ⁱⁱ

No. of inbound visitors	4.90 million, including day visitors	4.55 million
Organization of travel	Free independent travelers, 74.6 percent	Organized groups, 25.4 percent
Regions visited	Jerusalem, 80.3 percent	PA areas, 26.2 percent (1.29 million visitors)

Because the discrepancy in numbers is startling, it has been concluded that the official Palestinian sources are inaccurate and highly inflated; they reflect inbound visits, not visitors. This specifically applies to inbound visitors without overnight stays and seems to stem from the rudimentary data collection techniques that rely mainly on counting the number of site visits. These inflated inbound tourist numbers have been misreported repeatedly by MoTA for at least ten years if not longer. This conclusion was reached after extensive research and numerous discussions with official and tourism value-chain bodies, including the PCBS, MoTA, Holy Land Incoming Tour Operators Association (HLITOA), and the tourism police. Most of the 3.12

million inbound day visits can be attributed not to international visitors but to frequent and repeat visits by 1948 Palestinians, who come to the northern West Bank mostly for shopping. Based on analysis, audit, triangulation, and data corroboration as well as discussions with official bodies and value-chain stakeholders, the actual inbound numbers for 2019 are estimated to range between 1.4 and 1.7 million visitors (individuals), of which 1.3 to 1.5 million were international visitors, whereas the remainder were 1948 Palestinians. This inaccuracy is just one example of inaccurate tourism statistics that have to be addressed so that they can serve as a useful basis for sector development, planning, and monitoring.

During the pre-COVID-19 period, the vast majority of inbound tourism to Palestine took place in the form of packaged tour groups, around a half of which were day visits, while only around 15 percent were free independent travelers (FIT). This is the inverse of the situation of most travel destinations globally, where the vast majority of inbound tourism is FIT. Based on the Israeli tourism statistics cited above, there is a captive yet so far untapped FIT market, the majority of which visit Jerusalem but not the PA areas that are only a few kilometers away. The reasons for this inability to capture a much larger percentage of the FIT market fall mostly under the uncompetitive nature of the Palestinian tourism supply that fails to cater to FIT: an underdeveloped product offering, including attractions, activities, and services; the lack of easily accessible, up-to-date information about tourism offerings, in particular, through digital means (apps and websites); the lack of transportation services and related information; and access restrictions. Most tourists,

for example, are overwhelmed after crossing Checkpoint 300 on foot into Bethlehem. In addition to the Israeli military checkpoint itself, they are negatively affected by the general lack of information and directions, which renders the area desolate and seemingly unsafe, not to mention the presence of unregulated taxis that tend to overcharge tourists.

Regarding domestic tourism (the number of individual visitors), no accurate statistics exist. The existing offering, for the most part, does not encourage domestic travel, especially when it comes to overnight stays. For example, the average disposable income of the domestic market is low in comparison to that of inbound tourists, making some tourism services, such as hotels, inaccessible. Incidentally, the COVID-19 period witnessed growth in domestic rural, community, and nature tourism.

Because Palestine has a wealth of cultural heritage sites whose history spans millennia, many of the Palestinian tourism sector's

challenges can be addressed under the umbrella of "maximizing the value of a holistic, sustainable, and equitable tourism sector." But the Palestinian tourism offering has overemphasized religious tourism attractions, ignoring the rich Palestinian cultural and natural heritage. Groups tend to be led though sanitized religious tours that are devoid of any Palestinian cultural or political context. FIT offerings are lacking, and tourists in general have no to very limited interaction opportunities with the host communities. Part of the problem lies in the fact that international tour operators are not exposed to other interesting tourism offerings, including products and experiences that could be included in their programs to make Palestinian offerings more accessible and competitive. The lack of exposure stems partly from an underdevelopment of Palestinian tourism offerings and attractions beyond the traditional ones. At a recent tourism value chain workshop, offered as part of the project titled "Developing a Sustainable Tourism and Visitor Economy Development Plan (STDP) for Bethlehem Urban Area" and funded by the World Bank, one of the participants put it eloquently: "Tourists meet Jesus everywhere, but they don't meet Palestinians or Palestine."

The sector must develop holistic tourism product offerings (attractions, activities, and services), beyond the traditional religious offering, including but not limited to, ecological, rural, community-based, and natural tourism that involves hikes, biking, and outdoor activity to foster engagement with nature and the local community; justice and political tourism; gastronomic tourism that includes culinary experiences,

Most offerings tend to be part of a highly condensed program that caters to traditional pilgrims, while overall, the average tourism experience is rushed and not very enjoyable. An anecdotal statement by tourism stakeholders: "Tourists are running rather than walking in the footsteps of Jesus."

wine or spirits tasting, and visits to vineyards and olive groves; cultural, historical, experiential, and adventure tourism; entertainment and nighttime tourism; and, importantly, the proper product development, promotion, and incorporation of micro-destinations as distinct from the rigid, traditional, and religious destinations.

While some art and cultural festivals take place throughout the year, Palestine generally lacks entertainment and a nighttime economy that would include quality art shows, concerts and dance performances, folklore exhibitions, restaurants and bars – outside of Ramallah. Most tourists do not have anything to do past 5 pm, and what is available is generally inaccessible.

■ The Tomb of the Virgin Mary at the foot of Mount of Olives, in Jerusalem. Photo by Jiryes Mansour.





■ Ein Qelt in Wadi Qelt that descends from close to Jerusalem to Jericho. The spring of Ein Qelt has been a valuable source of water since ancient times. Photo by Firas Jarrar.

the open market. Tourists and visitors should be encouraged to walk around freely, interact with the host community to shop, eat, and drink at various places, and thus disperse tourism benefits to the larger host community. Moreover, souvenir stores are selling more and more cheap products purchased from China or jewelry manufactured in Netanya, Israel, while traditional Palestinians artisanal products are losing market share and the associated craftsman skills are being lost. However, as the artisanal products traditionally sold at souvenir shops are largely the same as they used to be one hundred years ago, there is significant room for innovation and productization for the tourism, local, and export markets.

Considering human resources and their development, it must be acknowledged that hospitality and tourism training institutions are limited in both quality and quantity, which results in skills gaps and shortages that are reflected in inadequate tourism customer services. In addition, the unjustifiably low wages in the sector are causing high levels of attrition, especially among the most qualified employees who are lost mainly to the Israeli market. According to the PCBS, Bethlehem Governorate recorded the highest unemployment rate in the West Bank in 2019 (23 percent), whereas the unemployment rate among labor force participants in the West Bank was 15 percent.ⁱⁱⁱ Considering that Bethlehem Governorate receives the highest percentage of inbound tourism

in the PA areas, this number reflects a labor imbalance in the form of underemployment in the tourism sector.

At the national and local levels, public entities lack financial, human-resource, and skill-based capacities. The laws governing the sector are outdated as they are based on Jordanian laws from 1965. There are no holistic tourism-sector development bodies – tourism board or Destination Management Organization (DMO) – at the local or national levels, with effective governance structures, that represent the whole value-chain stakeholders, public entities, and other relevant actors.

Palestine's general infrastructure and resources are not conducive to the creation of added value for tourism. Since the signing of the Oslo Accords, buildings have sprung up unabated without proper urban planning or a sustainable infrastructure. Cities are overcrowded, not pedestrian friendly, the quality of public space and infrastructure is low, traffic is unmanageable, and resources such as water, electricity, and waste management are near their limit, especially during times of seasonal tourism inflow that puts public infrastructure and resources at and beyond their maximum carrying capacities. Palestinian cities are not walkable cities where locals and tourists can enjoy public spaces and greenery rather than concrete jungles.

MOVING FORWARD | The solutions that can drive the sector forward should be anchored in a strategic development framework that includes a situation analysis, a shared vision among stakeholders, an innovative strategy, and proper governance and monitoring.

There is a lack of proper, innovative, and effective destination marketing by MoTA that is at least on par with Israel and Jordan.

First and foremost, a tourism board or DMO must be established, with representative governance structures and development bodies. Separate DMOs should be established at both the local/regional and national levels and include representatives of all tourism stakeholders, especially the primary tourism value-chain, the private sector, the host community, civil society, sector experts, and the public sector. The DMOs must represent their diverse interests, roles, and perspectives while promoting the best interests of the tourism sector and host communities as a whole, rather than narrow self-interests.

To this end, engagement on a long-term basis at the local/regional level is crucial, but must not neglect the need to also work at the national level. Efforts must be informed by lessons that have been learned from local tourism revitalization and reform projects; development and adjustments should follow an agile approach; and the national tourism sector must be reformed. The tourism sector is not an isolated island but interconnected with many other sectors, the economy as a whole, and urban resources and infrastructure – and should be developed in sync with them.

As tourism emerges from COVID-19, tourists are attaching significant importance to responsible and regenerative tourism. This provides the sector with the opportunity to develop in a responsive manner while it must assert itself in an environment of fierce global competition. Agility, competitiveness, and sustainability will be the name of the game; complacency is no longer an option.

The commitment to excellence over mediocre business-as-usual is the only way to prevent the further demise of this important sector. A healthy enabling environment with a good working relationship between the private and public sectors and civil society organizations, efficient urban and resource infrastructure development, and policies that remove obstacles, encourage real entrepreneurship and innovation, and double or triple bottom-line investment structures in an atmosphere of healthy private sector competition are all prerequisites for innovation, excellence, and sustainable revitalization across the tourism value-chain and the associated tourism product offering. The sector must build on the successful innovation and excellence exceptions that have been created by local entrepreneurs despite the existing unhealthy ecosystem, such as Philokalia, Singer Cafe, and Al-Jisser Bar to name just a few examples in the Bethlehem governorate.

Jerusalem High-Tech Foundry (JHF) is developing and co-organizing the first Palestinian Tourism Innovation Summit (PTIS), including a hackathon, planned for March, 2022, to help address some of these challenges through ideation, prototyping, validation, and the creation of new start-ups.

George Khadder is a management consultant who currently provides consulting services to develop the "Sustainable Tourism and Visitor Economy Development Plan for Bethlehem Urban Area," a project funded by the World Bank. A seasoned entrepreneur and business executive with over 20 years of combined experience, more than 13 of which were in the Silicon Valley tech and start-up community, he is a board director at the Jerusalem Hi-Tech Foundry. George holds a BS and an MS in aeronautical and astronautical engineering from Purdue University and has completed master's level coursework in business, marketing, and e-commerce at the University of California at Berkeley.



ⁱ Planning Unit, Ministry of Tourism and Antiquities, "Statistical report: Annual for the year 2019 compared to the years 2008–2018" (in Arabic), Palestinian National Authority; and Palestinian Central Bureau of Statistics, "Selected indicators for the tourism sector in Palestine, 2018- 2019", State of Palestine, available at bit.ly/p-tourism2019.

ⁱⁱ "International Visitors in Israel from 2016 to 2020," Statista, available at bit.ly/isl-tourism2019; and "Inbound Tourism Survey Annual Report 2019," August 2020, Israel Ministry of Tourism, available at bit.ly/isl-tour-surv2019.

ⁱⁱⁱ Palestinian Central Bureau of Statistics, "The Labor Force Survey Results 2019," State of Palestine, available at bit.ly/p-labor2019.



Photo Courtesy of InterTech by Marwan Hamad.