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The Effect of Increased Bread Prices on Palestinian Refugees in Jordan



مركز العودة الفلسطيني
PALESTINIAN RETURN CENTRE

The Palestinian Return Centre is an organisation in Consultative Status with the UN Economic and Social Council since 2015. The organisation focuses on the historical, political and legal aspects of the Palestinian Refugees. The organisation offers expert advice to various actors and agencies on the question of Palestinian Refugees within the context of the Nakba - the catastrophe following the forced displacement of Palestinians in 1948 - and serves as an information repository on other related aspects of the Palestine question and the Palestinian-Israeli conflict. It specialises in the research, analysis, and monitoring of issues pertaining to the dispersed Palestinians and their internationally recognised legal right to return.

The Effect of Increased Bread Prices on Palestinian Refugees in Jordan

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Cover picture: Small pita bread sold at a bakery in the Gaza Camp, Jerash Jordan. Photograph: Palestinian Return Centre - 2018





Jerash Camp, Jordan, Photograph: Palestinian Return Centre - 2017

Introduction

Towards the end of 2017, news broke out that the Jordanian government was considering doubling the price of bread, and increasing the sales tax on hundreds of food products. As the information travelled across Jordan, a wave of helplessness submerged the people. In protest against the new hardships imposed, a young man self-immolated in Irbid,¹ another man set a car on fire,² and two others robbed different banks in broad daylight.^{3 4} Bread prices were to increase due to a decision to remove the government subsidy on the price of wheat sold to bakeries. The removal of the subsidy means an increase in the production costs for bakeries and hence a spike in the price of all wheat-related products, most importantly – bread. Despite the government's promise to mitigate the drawbacks of that removal by offering cash assistance to eligible citizens, defeat and discontent have permeated the people.

Past Jordanian experiences at bread subsidy removal in 1989 and 1996 were met with significant public discontent, and resulted in a number of protests and riots across the kingdom,⁵ which inevitably caused concessions to be provided. In 1996, Prime Minister Kabariti announced that:

1 "Young Man Burns Himself in Irbid" January 25, 2018. Accessed January 26, 2018. http://www.jordanzad.com/index.php?page=article&id=282674&utm_campaign=nabdapp.com&utm_medium=referral&utm_source=nabdapp.com&ocid=Nabd_App.

2 "Man who burned car did not own it." Alrai. February 03, 2018. Accessed February 04, 2018. [Al-Rai](#)

3 "Police catch young man who stole 98thousand from Etihad Bank" January 22, 2018. Accessed January 25, 2018. [Al-Ghad](#)

4 "Societe Generale Bank Wehdat Camp Branch Robbed" Alrai. January 24, 2018. Accessed January 25, 2018. [Al-Rai](#)

5 Alan Cowell, "5 Are Killed in South Jordan as Rioting Over Food Prices Spreads," The New York Times, April 20, 1989, , accessed December 4, 2017, <http://www.nytimes.com/1989/04/20/world/5-are-killed-in-south-jordan-as-rioting-over-food-prices-spreads.html>.

‘There will be no lifting of the bread subsidy without supporting the citizens in return for this decision... [the] government has no intention of excluding Palestinians in the various refugee camps in Jordan.’⁶

Previous attempts at subsidy removal were met with government compensation plans that were often regarded as insufficient. Moreover, while the 1996 compensation plan specifically outlined the aid it will provide to non-citizens such as the Gazan Palestinian refugees, no mention was made of them back in 1989. Similarly, in the early stages of drafting the current compensation plan, the government was silent about Gazan refugees and other non-Jordanian residents that might be severely affected by the decision to increase the price of bread. Nonetheless, later on the Gazans and other non-Jordanians were included in a compensation mechanism that is not without faults. This article aims to showcase the effects of an increase in the price of bread and other products on Gazan refugees, the halt in UNRWA maintenance to Palestinian refugees in Jordan, as well as the difficulties of attaining the newly announced governmental cash assistance for Gazan refugees.

The Doubling of Bread Prices

In January 2018, the new prices of bread were announced to be **double** what they were previously,⁷ but still relatively low in comparison to bread prices in neighbouring countries.⁸

Type of Bread	Price with Subsidy/ Kilo	Price without Subsidy/ Kilo
Large Pita	0.16 p	0.30 p
Small Pita	0.24 p	0.40 p
Taboun	0.18 p	0.35 p

Table 1: Old and New Prices of Bread per Kilo Before and After the Removal of the Subsidy

⁶ News conference by Jordanian Prime Minister Abd-al-Karim al-Kabariti, Amman Radio Jordan Network 1157 GMT, July 11, 1996, in the FBIS-NES-96-135. Obtained from: Curtis R. Ryan, *Jordan in transition: from Hussein to Abdullah* (Boulder: Lynne Rienner Publishers, 2002).p 55 - 56

⁷ Ahmed Bani Mustafa, “Government announces new price list for bread,” *Jordan Times*, January 8, 2018, , accessed January 20, 2018, <http://www.jordantimes.com/news/local/gov't-announces-new-price-list-bread>.

⁸ Suleiman Al-Khalidi, “Jordan ends bread subsidy, doubling some prices, to help state finance,” *Reuters*, January 26, 2018, , accessed January 27, 2018, <https://www.reuters.com/article/us-jordan-economy-subsidies-bread/jordan-ends-bread-subsidy-doubling-some-prices-to-help-state-finances-idUSKBN1FF2CP>.

A study cited by government officials, indicated that over 40% of the consumption of bread within Jordan is by non-Jordanians, and that over 25% of bread bought, is not consumed and actually goes to waste.⁹ Consequently, since much of the bread produced is supposedly going to waste, an increase in prices is expected to urge nationals and non-nationals to be more economic in their bread consumption and reduce the amount of bread which is thrown away, or later on becomes animal fodder. When speaking to Palestinian refugees in the Jersah camp, they expressed great surprise at hearing the percentages cited over bread waste. Jameeleh,¹⁰ a 46 year-old resident of the camp who is the sole breadwinner in her 6-people household said: *'That's impossible, there is no waste here, that might be in the capital, in the big cities, but here I sometimes sleep without bread, without dinner even.'*¹¹



A girl buys bread from a bakery in Jerash Camp – Jerash, Jordan. Photograph: Palestinian Return Centre - 2018

For Gazan refugees, bread is an essential part of their daily diet as it is eaten alongside various Gazan main dishes instead of rice or other grains. Firyal, a mother of five whose husband cannot work because he has cancer said that *'bread is indispensable, we can't give it up'*¹² despite its higher price. Nihal a mother of eight, relayed that even now, before the bread price hikes they can barely find a bite to eat; *'sometimes my children go out on the streets*

⁹ Ibid.

¹⁰ At the request of the interviewees real names have been omitted to protect their identity and security.

¹¹ Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

¹² Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

and try to collect scraps of metal they find, 1 piaster for each Kilo sold. With the money they buy the bread. Sometimes when there's no metal to be sold we go around the neighbourhoods, try to see if there is any bread waste thrown out that we can collect.'¹³ For Nihal's family and others in the camp, the increase in the price of bread will mean fasting, and spending days without bread. Similarly, for Anas, the sole breadwinner in a family of nine said that even before the increase in the price of bread he used to go to the baker to buy any leftover bread for a reduced price. He explained that: 'my sons who used to eat a whole loaf, will have to start eating only half now.'¹⁴

All the refugees interviewed expressed that the increase in the price of bread is catastrophic, and compounded by the increase in the sales tax on over 164 products in January 2018 including rice, oil, and medicine, the camp's residents predict a hard year ahead. Jameeleh exclaimed: 'the government thinks people have enough to eat and relax and they increase the prices to the sky! Before the increase there was a general sense of defeat and unhappiness in the camp, what will happen now? Maybe someone will self-immolate like that man did a few days ago somewhere in the Kingdom.'¹⁵

10% Sales Tax		
- Dairy Products (e.g cheese, yoghurt)	Various vegetables (e.g onion, garlic, potatoes)	- Canned foods (e.g hummus, fava beans)
- Cold cuts (e.g salami)	Various fruits (e.g apples)	- Beans (e.g white, green)
4% Sales Tax		
- Fresh and frozen fish	- Burghol	- School uniform
- Oil	- Freekeh	- Stationary

Table 2: Some of the products to Incur New Tax as of 19th January 2018

13 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

14 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

15 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

The camp's residents, who hoped to use substitutes for bread like *burghol* and *freekeh* in their meals, were even more disappointed to hear about the new sales tax, which increased the price of such grains. Muhanad, a father of three, is not only affected by the increase in the price of bread and other food products, for him, the expected hike in the costs of medicine will severely affect his monthly income. *'I used to spend 10JODs a month over medicine for my daughter, now I will have to pay over 30JODs each month.'*¹⁶

The Invisibility of UNRWA Assistance

Moreover, the refugees interviewed expressed that UNRWA has an important part to play in mitigating the financial struggles they are experiencing following the price hikes. Nihal expressed that: *'it is UNRWA's sole responsibility,'* and yet Nihal declared that UNRWA had stopped the ration card and cash assistance indefinitely in January 2018.¹⁷ Refugees such as Nihal, and the others interviewed explained that they have an UNRWA e-ration card, which entitles them to 10JODs per person every three months for food and other household items. In addition to the ration card, the refugees receive a stipend of 10JODs per person every three months. For Jameeleh, only two members of her family can receive this aid, the four nieces and nephews which she supports cannot access this aid as they do not hold the right documentation. The refugees interviewed were expecting a payment on the 5th of January 2018, which would cover the costs for the months of January, February and March. However, the payment was not received and UNRWA announced to the refugees that the e-ration cards and the cash assistance would be halted indefinitely until further notice. For some of the refugees, this is only the beginning of the drastic effects Trump's withholding of funds from UNRWA will have on its beneficiaries.

In addition to this, UNRWA let go of the ten street cleaners it employs in the camp. They were the only individuals handling garbage collection services and waste disposal within the camp. These redundancies were part of a large-scale UNRWA effort in Jordan which included letting go of a 100 employees on Thursday 18th of January.¹⁸ While these redundancies were broadcasted, no announcement was made over the fact that it intends to halt the e-ration card and the cash assistance to eligible refugees indefinitely. Both newsagents and UNRWA itself were and still have been extremely quiet about the matter.

¹⁶ Interview by author. January 12, 2018. Gaza Camp, Jerash - Jordan

¹⁷ Nihal. "Effect of Increases in Prices on Food Products and Bread." Interview by author. January 12, 2018. Gaza Camp, Jerash - Jordan

¹⁸ "Following US aid cut: 100 UNRWA employees made redundant," Following US aid cut: 100 UNRWA employees made, January 16, 2018, accessed January 20, 2018, <http://en.royanews.tv/news/13216/2018-01-16>.

Jordanian Cash Assistance

	Before Subsidy Removal	
	Family 1	Family 2
Daily	0.5 JOD	1 JOD
Weekly	3.5 JOD	7 JOD
Monthly	15 JOD	30 JOD
Yearly	182.5 JOD	365 JOD

1 Jordanian Dinar (JOD) = 1.41044 US Dollar

	After Subsidy Removal	
	Family 1	Family 1
Daily	1 JOD	2 JOD
Weekly	7 JOD	14 JOD
Monthly	30 JOD	60 JOD
Yearly	365 JOD	730 JOD

Table 3: Estimated Cost of Bread for Families Before and After Removal of Bread Subsidy

After much deliberation over the proper compensation mechanism and its associated eligibility criteria, the Jordanian government announced the inclusion of non-Jordanians such as Gazan refugees as well as non-Jordanian Children of Jordanian mothers into the new compensation mechanism to mitigate the effects of the removal of the bread subsidy. The announcement indicated that while the higher prices of bread will only become effective on the first of February 2018, the new compensation plan, which includes cash assistance to eligible individuals, would start distribution in January.

Almost all of the refugees interviewed indicated that they spend between 0.5 – 1 JOD per day on bread depending on the size of the family. This means that for most of them the weekly cost of bread is either 3.5 or 7 JODs. Consequently, this makes the total monthly cost of bread either 15 or 30 JODs, and the total annual cost of bread either 182.5 or 365 JODs. For families like Nawal's, who currently spend 0.5JODs on bread per day¹⁹ will later spend 1JOD per day to purchase the same amount of bread they used previously. As a result, Nawal's yearly bread expenses will rise from 182.5 to 364 JODs assuming they continue to purchase bread daily.

The compensation mechanism will provide an annual 27 JODs to each eligible individual, the eligibility criteria specifies that only Jordanian families whose total household annual

¹⁹ January 12, 2018. Gaza Camp, Jerash – Jordan.

income does not exceed 12,000 JODs, and individuals whose annual income does not exceed 6,000 JODs, are entitled. Additionally, Gazan refugees and non-Jordanian children of Jordanian mothers are also eligible for the compensation mechanism.²⁰ All the refugees interviewed, relayed that they will not sign up for the cash assistance mechanism and critiqued it for being insufficient. Amneh also said: *‘They think I will save this for the bread, I’ll spend it on my other expenses.’*²¹

The means to obtain the compensation mechanism is by filling out a form on the governmental website ‘www.da3mak.jo’ which requires individuals to write down their national ID numbers. Gazan refugees with no national ID, have a separate link, where they are required to fill out the number indicated on their specific ID or their passport. Most refugees interviewed expressed doubt that they will receive the cash assistance, explaining that in order to access the aid, their passports and other documents such as IDs and family booklets have to be valid and not expired. Nihal’s passport for example, has been expired since 2011, she said ‘its only for two years, it expires faster than a can of meat, they think I can spend the money I earn to renew it?’ In February 2017, a new law passed increasing the prices of passport renewal for Jordanians and non-citizen holders of Jordanian passports. While the renewal cost of the Jordanian passport increased from 20 to 50JODs, for Gazans who hold a temporary two-year passport with no national ID, the cost increased from 25 to 200 JODs.²²

Consequently, for Gazan refugees to access the cash assistance mechanism and receive 27JOD annually in compensation for the increase in price of bread, they will have to first spend 200 JODs to renew one individual’s passport. To renew the passport of other members of the family, they will have to pay the same amount. This means that for a family of five to receive 135JODs in cash assistance, they will first have to pay 1000JODs. Nawal and others in the camp expressed the same sentiment, *‘we don’t want those 27JODs if they mean spending 200JODs in the first place.’*²³ Amneh also stated: *‘I don’t think we get 50 a month, let alone a 100JODs, but we still thank God.’*²⁴

Thus, despite the Jordanian government’s efforts at mitigating the negative effects of the removal of the bread subsidy for its most vulnerable communities, many regard the

20 Ibrahim Al-Mubaydeen, “Assistance requests applied through Da’mak increase 34% in five days,” Al-Ghad (Amman), January 18, 2018, accessed January 20, 2018, <http://alghad.com/articles/205183-٢٠١٨-٠١-١٨>

21 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

22 Dana Elemam, “Gazans bemoan ‘unfair’ hike in passport fees,” Jordan Times (Amman), February 20, 2017, February 20, 2017, accessed January 20, 2017, <http://www.jordantimes.com/news/local/gazans-bemoan-unfair-hike-passport-fees>.

23 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

24 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

compensatory cash assistance as insufficient, with 27JODs as barely covering the new costs incurred by families with the increased prices of bread. Moreover, the condition of having a valid passport makes it difficult for many Gazan refugees to access the aid due to the exorbitant cost of renewal.

*'The situation is tragic, from a political, economic and social perspective. We are the tortured of the earth,'*²⁵ Nihal exclaimed. For many in the camp, the living situation has become too hard to bear. The lack of economic opportunities, compounded with the difficulties associated with obtaining a work permit; result in an imposed state of unemployment, dissatisfaction, and helplessness. *'Is it okay that a young man like me lives off of aid and assistance from organisations because no one would employ me? This jacket is not even mine, this warmth I feel is from someone else,'*²⁶ Anas lamented. The recent surges in the prices of 164 essential goods as well as bread, the most basic food product, have only exacerbated the already bleak atmosphere in the camp. It is of utmost importance that UNRWA announces the reasons for the sudden halt, indicates its duration, and re-establishes its e-ration cards and cash assistance distribution to Palestinian refugees in Jordan, especially those without national ID numbers, as 2018 will be a year of grievance and hardship. *'Only God knows how we will eat.'*²⁷

25 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

26 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

27 Interview by author. January 12, 2018. Gaza Camp, Jerash – Jordan.

FACTS & FIGURES²⁸

According to UNRWA there are more than 2 million registered Palestine refugees living in Jordan.

Most Palestine refugees in Jordan, but not all, have full citizenship. There are ten recognized Palestine refugee camps throughout the country, which accommodate nearly 370,000 Palestine refugees, or 18 per cent of the country total. Jordan hosts the largest number of Palestine refugees of all of the UNWRA fields.

Nearly ten thousand Palestine refugees from Syria (PRS) have sought assistance from UNRWA in Jordan. The majority of them are believed to suffer from abject poverty and live in a precarious legal status. UNRWA is working to accommodate PRS children in its schools and to provide relief and health care to those in need.

2,175,491 registered Palestine refugees

Ten official camps

171 schools, with 121,368 students

25 primary health centres

One Faculty of Science and Educational Arts

Ten community-based rehabilitation centres

Two vocational and technical training centres

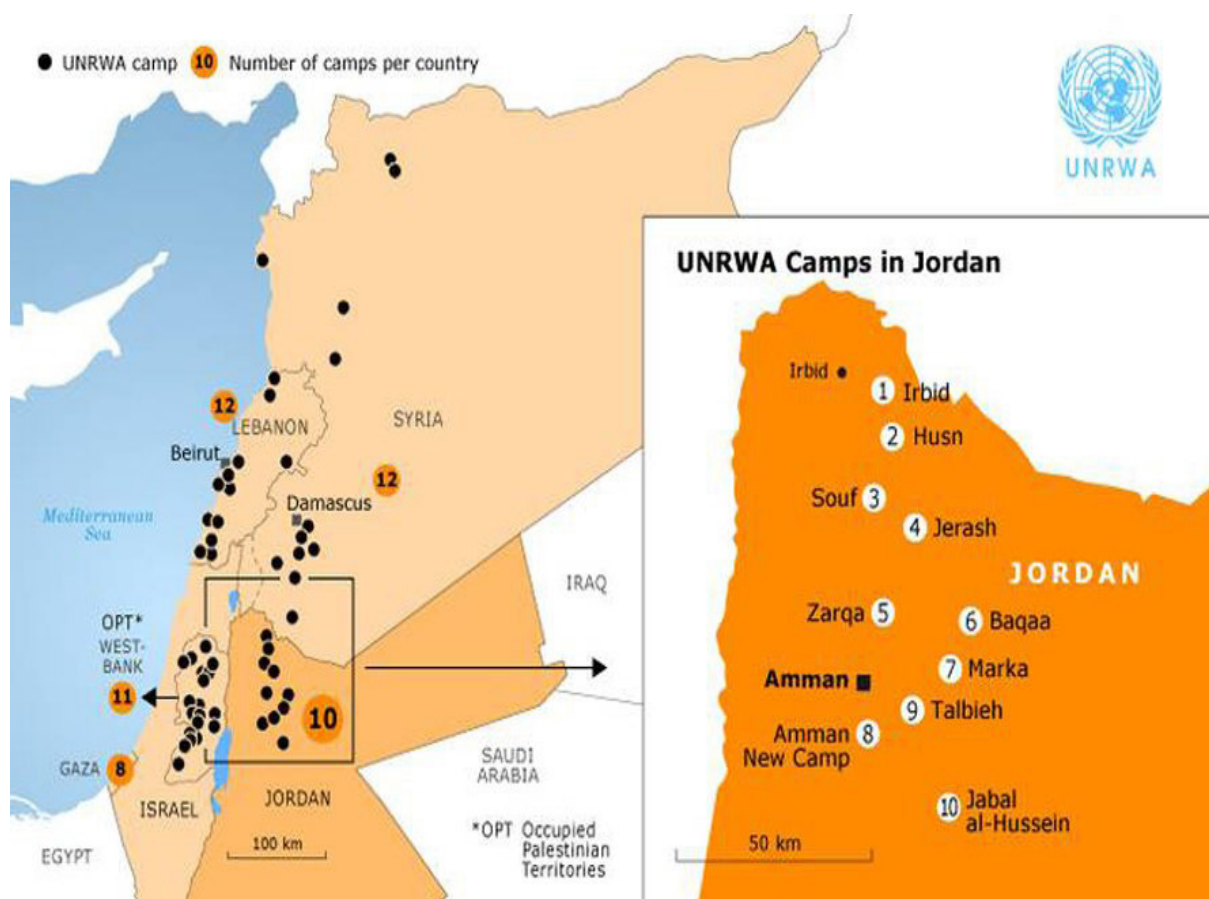
14 women's programme centres

²⁸ Figures as of 1 December 2016 <https://www.unrwa.org/where-we-work/jordan>

REFUGEE CAMPS IN JORDAN

UNRWA provide services in 10 Palestine refugee camps in Jordan. UNRWA does not administer or police the camps, as this is the responsibility of the host authorities.

- | | |
|-----------------------------------|-----------------------|
| 1- Amman New Camp (Wihdat) (1955) | 6- Husn Camp (1968) |
| 2- Baqa'a Camp (1968) | 7- Irbid Camp (1968) |
| 3- Jabal el-Hussein Camp (1952) | 8- Jerash Camp (1968) |
| 4- Marka Camp (1968) | 9- Souf Camp (1967) |
| 5- Talbieh Camp (1968) | 10- Zarqa Camp (1949) |



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Response	Percentage
Yes	~75%
No	~25%

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