

Rawabi: An Economic Growth Strategy for the West Bank

A bold initiative for improving economic opportunities and the quality of life for Palestinians is sprouting in the West Bank. Rawabi, or “the hills” in English, is the first Palestinian planned community and it will take root 9 kilometers outside Ramallah.

The idea behind Rawabi is to create an affordable and environmentally sustainable residential community and hub for a knowledge-based economy that will generate jobs for well-educated but underemployed Palestinians. To this end, the future development will support a business district and housing and amenities for a population of 40,000.

Palestinian holding company Massar International and Qatari Diar Real Estate Investment Company anchored investment in Rawabi through the joint venture Bayti Real Estate Investment Company. Planners, architects, and engineers from the international firm AECOM prepared the Rawabi Master Plan in consultation with local experts from Birzeit and An Najah Universities and the Palestinian Authority (PA).

Now RTI International is partnering with Bayti to create and implement an economic growth strategy that will set the new community on a path to helping revitalize and stabilize the West Bank.

Local Assets for a Knowledge Economy

Between July and September 2008, RTI engaged with prominent Palestinian leaders of industry, education, and government; collected data; interviewed business stakeholders; mapped the assets of the region; and analyzed several industry sectors in which Palestine has a comparative advantage. At the end of this process, RTI produced a comprehensive economic growth strategy for Rawabi based on emerging realities in Palestine and the global economy.

The strategy centers on a two-pronged approach fully integrated with the Rawabi Master Plan. In the short term it identifies immediate economic development gains, or “quick wins,” that can be realized before the community is completed. In the medium to long term, it seeks to build

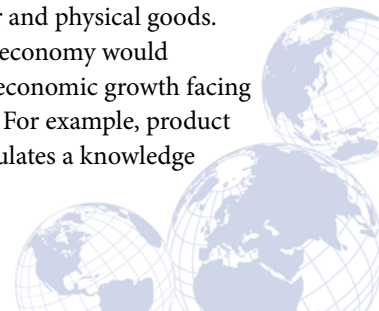


a knowledge economy and its enabling environment that will have ripple effects throughout Palestine by expanding current economic activities, introducing new technologies in building and trade, and engaging more broadly with the global economy.

Emerge to Compete

Private sector growth and job creation happen locally, where entrepreneurs and investors develop ideas, business plans, and companies. Under its *Emerge to Compete (EtoC)* initiative, RTI is assisting leaders in business, education, and government to focus jointly on creating a shared vision, strategy, and practical action steps for leveraging their region’s comparative advantage to support key industries that will create jobs and raise the standard of living for their citizens.

In today’s world, the flow of data and information is as important as the movement of labor and physical goods. Tapping into this global knowledge economy would circumvent many of the barriers to economic growth facing the occupied Palestinian territories. For example, product transmission by Internet greatly insulates a knowledge



economy from politically motivated market disruptions. An information and communication technology (ICT) cluster in Rawabi would mitigate the negative effects of locating in the West Bank and take advantage of Palestine's greatest economic asset: highly educated and underemployed young Palestinians.

At the outset, the building of Rawabi will reduce unemployment in the Palestinian construction sector, which has experienced a slowdown since 2001. Bayti estimates that the construction will employ 8,000 to 10,000 workers. However, building the town will also have spin-off effects for other industries. For example, the project will draw on many of the young Palestinian engineers who tend to emigrate to the Gulf States for work. Based on RTI's economic growth strategy, Rawabi will leverage this homegrown resource and build it into a Palestinian engineering outsourcing industry that supplies the globe, in addition to local demand.

RTI's strategy also recommends that Rawabi create an ICT-enabled commercial center to link the town and outlying communities to the global knowledge economy. The ICT business core will build initially on the West Bank's current presence in service areas such as software development and quality assurance, as well as business process outsourcing. Quality city management and services in Rawabi will attract investors and Palestine's rapidly growing class of young professionals. Over time, Rawabi can branch into other activities in the knowledge economy value chain, including research and development in pharmaceuticals, health care, and "green" industries. The Rawabi economic growth strategy aims to create 3,000 to 5,000 new jobs.



An-Nadjah National University in Nablus is just one of 11 universities in the region that produce a class of young Palestinians qualified in engineering, ICT, and health professions. [Photo: Sara Lawrence]



Qatari Diar CEO Ghanim Bin Saad Al Saad (left) and Masar International CEO Bashar Masri (second from right) sign the Bayti joint venture partnership at the Palestine Investment Conference in May 2008 in the presence of Palestinian Prime Minister Dr. Salam Fayyad (second from left) and Palestinian Investment Conference CEO Dr. Hassan Abu Libdeh (right). [Photo courtesy of Bayti]

Partnerships Now and for the Future

Rawabi will be the nexus for partnership between education and industry. The region is endowed with 11 internationally accredited universities that already train a specialized, but underutilized workforce in engineering, ICT, and health professions. If this strong education base is combined with the involvement of innovative entrepreneurs and foreign investors, then the makings of a knowledge economy in the region will be well underway.

A unique private-public partnership between Bayti and the PA, signed in April 2008, commits the PA to streamline the bureaucratic process and financially support Rawabi's off-site infrastructure and public services, in accordance with the objectives of the Palestinian Reform and Development Plan. Infrastructure and public facilities for the town include roads, electricity, water supply, wastewater disposal, schools, and a hospital. Meanwhile, international commitment to the success of Rawabi is growing.

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