

International Labour Conference, 93rd Session, 2005

Report of the Director-General

Appendix

The situation of workers of the occupied Arab territories

International Labour Office Geneva

ISBN 92-2-115382-7
ISSN 0074-6681

First published 2005

Map credit: United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 2005.

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org

Visit our web site: www.ilo.org/publns

Preface

The Report was prepared, as in previous years, following high-level missions to Israel and the occupied Arab territories (the West Bank, including East Jerusalem, the Gaza Strip and the Syrian Golan) and to the Syrian Arab Republic. The missions enjoyed once more the full cooperation of the interlocutors, reaffirming the support for the ILO's efforts to contribute to building peace and security in the region through monitoring and assessing economic and social development in our fields of competence.

A new climate of dialogue prevails among Israelis and Palestinians, opening up new prospects. Conditions of life for workers and their families in the occupied Arab territories nevertheless continue to be extremely hard.

The intricate linkages between economic, social and political development on the one hand, and peace and security on the other, have to be at the forefront of our thinking in addressing the pervasive and continued problems of daily life faced by the people of the occupied Arab territories. This is the underlying premise behind ILO efforts in the region and elsewhere: economic and social security is a condition of lasting peace. As the United Nations Secretary-General puts it in his report entitled *In larger freedom*: "We will not enjoy development without security, we will not enjoy security without development, and we will not enjoy either without respect for human rights."¹

The rights of Palestinian workers and their families are a fundamental component of human rights and therefore constitute one of the building blocks on the path towards socio-economic development, security, peace and enhanced freedom in the occupied Arab territories. This is why the Governing Body of the International Labour Office and the International Labour Conference have ascribed a constructive role to the ILO in helping, through its programmes, to improve the lives of working men and women and their families in the region. In this respect, the enhanced programme of technical cooperation with our constituents in the occupied Arab territories enjoys the widespread support of all regions and groups in the Governing Body.

The ILO has always held that security was never only a military matter. The ILO Constitution's statements that "poverty anywhere constitutes a danger to prosperity everywhere" and that "lasting peace can be established only if it is based upon social justice" are extremely relevant in today's Middle East.

Human security is in deficit on both the Israeli and Palestinian sides of the unresolved conflict. The Government of Israel emphasizes physical security for its citizens. The Palestinian Authority stresses the economic and social insecurity as well as the physical security of Palestinians living under occupation. Security in all its aspects – physical, social and economic – in Israel on the one hand cannot be separated from security for the Palestinian people living in the occupied territories on the other. The comprehensive

¹ United Nations: *In larger freedom: Towards development, security and human rights for all*, Report of the Secretary-General of the United Nations for decision by Heads of State and Government, General Assembly, 59th Session, document A/59/2005, para. 17.

security of both peoples is inextricably intertwined. There is a shared responsibility to address the full range of issues jointly.

The mission this year has witnessed a new climate of confidence and dialogue between Israelis and Palestinians nurtured by the consolidation and democratization of Palestinian institutions, a new political base of the Israeli Government, a lower degree of violence, and renewed dialogue between the two sides at the political and operational levels. There has been a moderate decrease in the intensity of closures, and a major decision by Israel to withdraw settlements and military forces from inside the Gaza Strip and parts of the West Bank.

This willingness to engage in dialogue was also apparent among the social partners on both sides during the mission. One recent example is the meeting organized by the International Confederation of Free Trade Unions (ICFTU) in Brussels on 14 April 2005, which brought together Israeli and Palestinian trade unions. The organizations agreed to move forward quickly on finalizing a joint cooperation agreement, which would address some key issues such as access for Palestinian workers to employment in Israel, relief funds for Palestinian workers and their families, action to prevent and resolve cases of exploitation of Palestinian workers, implementation of a March 1995 Cooperation Framework, and prospects for future cooperation between the two organizations. This is indeed a welcome development.

A first round of local elections (with record participation of women both as candidates and as voters) was held in the occupied Arab territories in December 2004 and January 2005. This was to be followed by a second round in May 2005. The death of the President of the Palestinian Authority, H.E. Yasser Arafat, in November 2004 was a loss to the Palestinian people and a watershed in Palestinian affairs. In January 2005, presidential elections generally acknowledged as fair and orderly gave a clear and undisputed majority to H.E. Mahmoud Abbas (Abu Mazen). Elections to the Palestinian Legislative Council are expected to take place in July 2005. These have clearly been important contributions to Palestinian institution building and political reform in general, as well as to the establishment of conditions in which the social justice and rights dimensions which are at the centre of the ILO's concerns – beginning with freedom of association and non-discrimination – might be advanced.

Business associations are in the process of holding elections, which they have not done for 14 years, pending the adoption of the chamber of commerce law in the Palestinian Legislative Council. Local trade union elections have started taking place for the first time in nearly ten years. And they are heading for a national congress and national elections by the end of 2006. I wish that these congresses could take place in the Palestinian territories, bringing members from the West Bank and Gaza together with full freedom of movement.

A further positive step is the recent appointment by the Quartet (the European Union, the Russian Federation, the United Nations and the United States) of James D. Wolfensohn as Special Envoy for Gaza Disengagement. The Quartet mandated the Special Envoy to “work with the Palestinians on specific reforms and steps to promote economic recovery and growth, democracy, good governance and transparency, job creation and improved living standards”. I welcome Mr. Wolfensohn's appointment and his mandate, and pledge the ILO's support for his work.

The new configuration of the Israeli Government with supporting representation in the Knesset may also enhance the possibilities of wider backing for complex decisions that need to be taken.

While welcoming the atmosphere of cautious optimism, I have to draw attention to a number of worrying developments. Since last year's Report, the construction of the Separation Barrier has proceeded rapidly, and settlement construction in the West Bank has continued, along with closures, checkpoints, roadblocks, permits and other aspects of occupation, restricting movement of persons and goods in and around the territories and aggravating a situation of pervasive unemployment and poverty of workers and their families.

While the Israeli authorities insist that the Separation Barrier is to stop possible attacks by Palestinians entering Israel from the West Bank, much of construction is taking place inside the West Bank – encircling cities and villages, and curtailing movement of Palestinians, separating them from their places of work and from basic services (including education and health). The mission members often heard the word “prison” used to refer to the encircled West Bank cities and portions of territories.

Last year (2004), Palestinians in the West Bank and Gaza Strip were among the recipients of the highest amount of donor aid per capita in the world. While the Palestinian economy continues to need this support, it is the opinion of the mission that unless Israel takes concrete steps to lift the closures that block the flow of Palestinian people and goods, this massive assistance will not contribute to a sustainable economy and society. Without free movement of people within the territories, normal trade relations with the outside, and reasonable access to employment in Israel, it is difficult to expect that investments will materialize in the Gaza Strip even after the disengagement.

The reality is stark: despite positive growth in domestic output in 2004 following four years of negative growth in the Palestinian economy, the unemployment rate increased to close to 26 per cent, reaching a record 224,000 unemployed. Unemployment is not the only concern, however. The very low rates of labour force participation and employment have become an inherent characteristic of the labour markets in the occupied territories. Fewer than half of men of working age and 10 per cent of women of working age are in employment. Every employed person in the region supports six persons in the total population, and the majority of them are working poor struggling for survival.

Of particular concern is the situation of young people. The unemployment rate of the 15-24-year-old age group is 40 per cent – one-and-a-half times the aggregate rate. More disconcerting is the number of young people who are neither in employment nor studying. One in three young persons aged 15-24 years and over half of those aged 25-29 years are in forced idleness, testifying to the exceptional circumstances prevailing in the occupied territories. Idleness among young people faced with military occupation makes a fertile breeding ground for extremism and violence. This situation requires urgent attention in the form of significant assistance in vocational training, business development and employment orientation specifically directed at young women and men.

Against this background and not surprisingly, poverty remains widespread in the occupied territories. Approximately half of the population, 1.8 million persons, live below the national poverty threshold. Moreover, poverty is prevalent not only among the unemployed but also among the employed. Last year, an average of 57 per cent of all wage workers in the occupied territories received monthly wages that failed to lift a standard family of two adults and four children above the official poverty line. Moreover, labour productivity has been on a declining trend in recent years.

The outlook remains extremely fragile. The disengagement plan announced by Israel aiming to reduce the number of Palestinian workers in Israel to zero by 2008 could severely restrict income opportunities and the prospects for poverty alleviation. Even with strong economic growth and employment creation in the coming years, the full

absorption of 39,000 new yearly entrants into the labour market, plus a considerable reduction of existing unemployment, are a daunting task. Employment in Israel is essential until the Palestinian economy reaches a sustainable rate of growth that will generate domestic employment in proportion to the increase in the labour force. Furthermore, the mission heard from Israeli employers that Palestinian workers are needed and welcome, provided that security requirements are met. The time may be right for the negotiation of a new agreement between the two sides detailing the framework of employment opportunities for Palestinians in Israel which I believe is essential for future stability.

Decent and productive work for all emerges once again as the best route out of poverty and, in the present context, out of conflict. And dialogue at all levels is the way forward. The mission observed a prevailing feeling that the economic situation of Palestinians must rapidly improve in order for them to continue to support the policy of dialogue and negotiation with Israel. This calls for a rapid lifting of closures, better access to the Israeli labour market, and improved trade facilities, as well as putting an end to discrimination against Arab people in the occupied Syrian Golan.

As the United Nations Secretary-General also underscored in his speech at the London Conference in Support of the Palestinian Authority on 1 March 2005, three intertwined areas comprise the Palestinian reform agenda – governance, security and economic development: “A viable Palestinian economy is essential in its own right but it can also make a vital contribution to governance and security. Without real and discernible change on the ground – such as more job opportunities and the removal of checkpoints and roadblocks – the Palestinian economy will continue to struggle, with all the prolonged, pervasive despair among the Palestinian populace that that implies.”

This Report points to practical action the ILO and its constituents can take to promote better conditions of life in the occupied territories as signalled in the conclusions. The ILO must act within its limited resources. Yet I believe that the policy approaches agreed with our tripartite Palestinian interlocutors can also be taken up by the Palestinian authorities in their dealings with bilateral and multilateral funding sources. These measures could have a significant impact on the lives of workers and their families. The ILO would be happy to be associated with this endeavour. It is our contribution today to the establishment of the future Palestinian State.

Let me highlight the need for the Palestinian Fund for Employment and Social Protection – which the ILO helped to launch – to become a fully integrated tool in the economic and social policies of the Palestinian Authority. This is essential for it to receive the significant level of funding required for its potential for job creation to be fully realized.

As a member of the United Nations family and operating within its mandate, the ILO promotes good economic and social governance as well as decent work for the people of the occupied Arab territories, as it does globally. Our rights-based development approach is particularly relevant to supporting the emergence and consolidation of democratic institutions and the rule of law in the field of enterprise creation, employment and social inclusion, which is ultimately what makes peace and security sustainable. I hope this latest in our annual series of reports, described by the Palestinian Authority Governor of Gaza as a “genuine letter to the entire world”, serves that purpose.

May 2005.

Juan Somavia,
Director-General.

Contents

	<i>Page</i>
Preface.....	iii
Introduction	1
1. The political context: Renewed dialogue in a volatile setting.....	2
2. Continued restriction of movement	5
3. A suffocating economy	16
4. Strong economic growth in Israel with widening inequality.....	25
5. Social partners and their organizations.....	27
6. Conclusions.....	28
References.....	35
Annex I. List of interlocutors	37
Annex II. Map: West Bank Separation Barrier: Route projections	42

Introduction

1. In accordance with the resolution concerning the implications of Israeli settlements in Palestine and other occupied Arab territories in connection with the situation of Arab workers, adopted by the International Labour Conference at its 66th Session (1980), the Director-General again this year sent missions to Israel and the occupied Arab territories and to the Syrian Arab Republic in order to make as full an assessment as possible of the situation of workers of the territories (the West Bank, including East Jerusalem, the Gaza Strip and the Golan).² In the course of the mission to the occupied Arab territories, the Director-General's representatives held numerous discussions and meetings with both Israeli and Palestinian interlocutors. Despite strict security measures, they made many trips within Israel and in the occupied Arab territories of the West Bank (including East Jerusalem), the Gaza Strip and the Golan to meet with their interlocutors.³

2. In examining all the issues involved, both during the missions and in the preparation of this Report, the Director-General's representatives bore in mind, as they have always done, the relevant standards of international law, in particular, the Hague Convention of 1907 (respecting the laws and customs of war on land) and the Fourth Geneva Convention of 1949 (relative to the protection of civilian persons in time of war), of which Israel is a co-signatory.

3. The Director-General's representatives were guided by the principles and objectives laid down in the Constitution of the International Labour Organization, including the Declaration of Philadelphia, by the standards and resolutions adopted by the International Labour Conference, by the principles enunciated by the supervisory bodies of the ILO, and, more generally, by the issue of rights at work both in the territories and in Israel. As indicated in the 1980 resolution, the substantive matters at issue include equality of opportunity and treatment of workers of the occupied Arab territories, the trade union freedoms and rights of those workers, and the psychological, spiritual and material damage caused to Arab workers in Palestine and other occupied Arab territories by the Israeli settlement policy. This approach gives all due weight to principles and rights at work, which, together with employment, social protection and social dialogue, form the pillars of the Decent Work Agenda. The present Report thus

² As has been pointed out in previous reports, the Golan has been occupied by Israel since 1967 and was unilaterally annexed by Israel in 1981. The position of the Israeli Government regarding the Golan was stated in the following terms: "The ILO mission is meant to collect material for the Director-General's Report on the occupied Arab territories. It is the position of the Government of Israel that the Golan, to which Israeli law, jurisdiction and administration have been applied, is not now such an area. In view of this consideration, approval for a visit of the ILO mission to the Golan was given as a gesture of goodwill and without prejudice. The decision to facilitate such an informal visit shall not serve as a precedent and does not contravene the Israeli Government's position." On 17 December 1981, the United Nations Security Council adopted resolution 497 calling on Israel to rescind its decision to annex the Golan, which has never been recognized by the United Nations. The Israeli position is also disputed by the Government of the Syrian Arab Republic and the Arab people of the Golan, which consider the Golan as an occupied part of the Syrian Arab Republic.

³ A list of the missions' interlocutors is contained in Annex I to this Report.

takes account of relevant legislation and the information obtained concerning realities on the ground in respect of the situation of the workers of the occupied Arab territories.

4. The Director-General entrusted Mr. Friedrich Buttler, Regional Director for Europe and Central Asia, Mr. Philippe Egger, Senior Economist of the Bureau of Programming and Management, Ms. Simel Esim, Gender and Women Workers' Specialist at the ILO Regional Office for the Arab States in Beirut (RO-Beirut), Mr. Tariq Haq, Employment Development and Strategies Officer at RO-Beirut, and Mr. Steven Oates, Sector Coordinator in the Office of the Executive Director for Standards and Fundamental Principles and Rights at Work, with the mission to Israel and the occupied Arab territories in the West Bank, Gaza and the Golan, from 2 to 9 April 2005. Mr. Khaled Doudine, ILO Representative for the West Bank and Gaza, undertook all the preparations for the mission, of which he was a full member.

5. Mr. Friedrich Buttler, Mr. Taleb Rifai, Regional Director for the Arab States, and Mr. Lee Swepston, Senior Adviser on Human Rights, were entrusted with the mission to the Syrian Arab Republic from 9 to 10 April.

6. This Report – described by the Governor of Gaza as “a genuine letter to the entire world” – takes account of information obtained on the spot by the missions mentioned above, as well as the documentation submitted by the missions' interlocutors and other documentation publicly available. In examining the situation of Arab workers of the occupied territories, the mission conducted its work with impartiality and objectivity.

7. The Director-General is most grateful to all the parties involved, and wishes to acknowledge that his representatives enjoyed, as they have always done, the fullest cooperation of all the parties, both Arab and Israeli, including representatives of organizations of the United Nations system, such as the United Nations Development Programme (UNDP), in obtaining the factual information on which this Report is based. He recognizes also the full cooperation extended to his representatives by the authorities of the Syrian Arab Republic. The Director-General sees this cooperation as an indication of the continuing confidence placed by all the parties in the ILO and its efforts to contribute to promoting the economic and social development of the territories, which is an essential prerequisite for a satisfactory settlement of the present conflict.

1. The political context: Renewed dialogue in a volatile setting

8. At the time of writing, immediately following the mission (15 April 2005), the context, which without doubt remains uncertain – distressing – in so many respects, is nevertheless marked by a number of constants over the past 12 months, a number of mitigating factors, and, indeed, a number of reasons to look forward with hope. The Road Map, established on 30 April 2003, continues to define the international framework for developments in the situation of workers of the occupied Arab territories and continues to be the main point of reference for the Quartet which agreed on it. This in itself provides a minimum of stability, on which has been built a certain confidence between Israelis and Palestinians, a diminution of violence, and renewed dialogue at the political and operational levels. That stability now enjoys the international legal underpinning of the Advisory Opinion of the International Court of Justice on the Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory, dated 9 July 2004.

9. Notwithstanding, construction of the Separation Barrier⁴ has accelerated during the past year and has aggravated various issues as regards the situation of workers of the occupied territories and their families. Their material losses – both individually and as a people – have begun literally to be set in concrete, with the consequent psychological and spiritual damage that is all too likely to result in a feeling of despair which, were it allowed to persist, could, in turn, cause incalculable harm to the peace process outlined in the Road Map. The Palestinians have nevertheless, despite the limited room for manoeuvre allowed by the given framework, made noticeable progress in the last 12 months in terms of democratization. There is a risk that the Separation Barrier will further weaken economic and labour exchanges between the Gaza Strip and the West Bank, and thus erode the already fragile economic and social fabric in the occupied territories. Even as regards different parts of the West Bank, a pernicious tendency has arisen for the Israelis to consider only “transport contiguity” for the Palestinians, whilst emphasizing the importance of “territorial continuity” only as far as Israel and Israeli settlements are concerned. Greater economic and social insecurity risks leading back to extremism and renewed insecurity for both Israelis and Palestinians. The axiomatic danger of poverty and the link between lasting peace and social justice, on which the ILO is founded, are obvious. In this respect, therefore, it is particularly interesting that the Israeli High Court, in its ruling of 30 June 2004, declared that in the routing of the Separation Barrier there must be a balance between security needs and the needs of the local inhabitants; as the mission was informed by the Coordinator of Government Activities in the Territories (COGAT) of the Israeli Ministry of Defense, this duly led to a number of adjustments to the route of the Barrier, as illustrated in the map reproduced in Annex II to this Report.

10. A first round of multi-party local elections was held in December 2004 and January 2005 in the West Bank and Gaza Strip – in which Hamas achieved significant gains – to be followed by a second round in May 2005. These are the first such elections in 28 years. And there is record participation of women, both as candidates and as voters: as a result of legislation establishing quotas, there should be at least two women in each council, so long as there are at least two women candidates. And, although there is some debate around the issue of women’s candidatures, a number of Palestinian organizations, in addition to the Minister of Women’s Affairs, have espoused the idea. At the national level, the death of the President of the Palestinian Authority, H.E. Yasser Arafat, on 11 November 2004, was duly followed by a peaceful election process on 9 January – with a degree of relaxation of restrictions on the part of the occupying force, and in conditions generally recognized to have been fair and orderly – as a result of which H.E. Mahmoud Abbas (Abu Mazen) became President. Multi-party elections to the Palestinian Legislative Council are due to take place in July 2005. These have clearly been important contributions to Palestinian institution building and governance in general, as well as to the establishment of conditions in which the social justice and rights that are at the centre of the ILO’s concerns, beginning with freedom of association and non-discrimination, might be advanced. They have been accompanied, interestingly, by a parallel growth of democracy among workers’ organizations and representatives of business in Palestine. In relations with Israel, the elections have boosted the move towards a sort of détente, with the summit meeting and negotiations at Sharm el-Sheikh on 8 February 2005, where, in particular, the commitment to end violence has had a direct impact in terms of easing somewhat the movement of workers in and around some parts of the occupied territories. This was subsequently confirmed by the commitment to

⁴ The map in Annex II to this Report shows the projected route of the West Bank Separation Barrier as of 20 February 2005, in relation to the 1949 Armistice Line (the “Green Line”).

suspend violence that was agreed among various Palestinian political factions on 17 March 2005 in Cairo, and by President Abbas' decisions to reform the Palestinian security services.

11. The unilateral announcement by Israel on 6 June 2004 of its intention to evacuate settlements and all military forces in the Gaza Strip and four sites in the West Bank in July 2005 was supported by the Knesset and by majority Israeli public opinion. It was followed in December 2004 within Israel by a process which led to a new configuration of the political parties represented in the Government and what thus appears as a positive broadening of its popular base. Palestinians stress meanwhile that those withdrawals are dictated by Israel rather than part of a negotiated peace process. Further, the positive consequences of the agreement in Sharm el-Sheikh to hand over security responsibility for Jericho, Qalqiliya and Jenin to the Palestinians were evident at the time of the mission. But discussions were invariably coloured by the focus of attention on the routing and construction of the Separation Barrier and the measures being established by the occupying power for the subsequent restricted movement of persons and goods in and around the territories, by questions as to the periphery and freedom of access and economic activity around the Gaza Strip, and by the simultaneous withdrawal from four small West Bank sites and yet confirmation of larger settlements in the West Bank, in particular Ma'ale Adumim, with plans for construction of 3,600 new homes in a corridor of territory (known as "E1") between Ma'ale Adumim and occupied East Jerusalem. It should meanwhile not be forgotten that, while the Israeli authorities insist that the Separation Barrier is to stop possible attacks by Palestinians entering Israel from the West Bank, much of it is routed inside the West Bank, encircling cities and villages, curtailing movement of Palestinians and separating them from their places of work and from basic services such as education and health.

12. The mission was repeatedly reminded on both Israeli and Palestinian sides of the political and social context. As far as the Israelis are concerned, the language of security is pervasive. But human security is in deficit on both sides: while the Israelis emphasize physical security for their citizens as their utmost priority, the economic and social insecurity faced by Palestinians is an equally pressing issue for the Palestinian Authority. In this light, the perception of a commonality of interest for workers and employers in behaving in an economically rational way is worth underlining. It is also notable that United Nations Secretary-General Kofi Annan, in his address to the London Conference in Support of the Palestinian Authority (1 March 2005), identified three pillars of progress: governance, security and economic development providing more jobs.

13. For the Palestinians, the thirst for lasting peace and social justice needs to be satisfied more substantially in order to stave off the threat of a slide back into the cycle of violence and counter-violence. Both the Israeli Government and the Palestinian Authority face internal difficulties with radical elements in their societies. At the same time, nevertheless, there continues to be encouraging evidence of awareness of the role of law and the importance of legality: on the Israeli side especially in terms of the ruling of the High Court on 30 June 2004 on the routing of the Separation Barrier; and on the Palestinian side, respect of due process in successive elections, and in terms of the development of draft legislation – not least with the input of the Ministry of Women's Affairs – for submission to the Palestinian Legislative Council, for instance, in areas such as the civil service and administrative law. As the Israeli High Court said: "There is no security without law".

14. The concern of the Palestinians to improve the administration of justice and the implementation of laws, including in the economic and labour spheres, and promoting equality of treatment, was repeatedly expressed to the mission. There are welcome signs

of support also among the donor community. A major feature of this concern, and an area where the mission noted distinct progress in the past 12 months, is the mainstreaming of gender considerations and the further political, economic and social empowerment of Palestinian women. The Ministry of Women's Affairs, created only in early 2004, has established good working relations with other ministries, and is pursuing a strategy to bring gender issues in from the margins of each Ministry, by coordinating gender mainstreaming with the authority of the Minister responsible. One example is the current targeting of gender mainstreaming in the vital social security policy, on which the ILO provided advice in 2004. Another element in the strategy consists of increasing knowledge of good practices in order to develop a gender-responsive budgeting process.

15. Palestinians have further made significant progress in terms of both process and output in the Medium Term Development Plan 2005-2007, finalized just prior to the mission's meeting with the Minister of Planning. The plan highlights the goals of sustainable poverty reduction and accelerated institutional reform. The ensuing programmes to ensure social protection, invest in social, human and physical capital, invest in institutions of good governance, and create an environment for private sector growth seemed, to the mission, to fit well with the ILO's Decent Work Agenda.

16. The situation of the Arab people of the occupied Syrian Golan remains ill-defined, and their civil status within the Israeli State, which unilaterally annexed the territory in 1981, is unchanged. The absence of hostilities, also in the present difficult international conjuncture, does not, however, equate to a situation of peace, and it is also marked by unacceptable discrimination and pressures affecting the Arab people concerned, as indicated later in this Report.

2. Continued restriction of movement

2.1. Closure

17. Restriction of movement through closure has continued to play a defining role in the lives of most Palestinians in the West Bank and Gaza Strip. Closure means, within the territories, a network of checkpoints, roadblocks, road gates, earth mounds and walls, trenches, military posts and observation towers, and now, increasingly, the Separation Barrier that is being constructed, often east of the 1949 Armistice Line (the Green Line) and inside the West Bank – all of which arbitrarily limits the capacity of people and goods to move freely. External closure of the territories restricts the flow of Palestinian workers into Israel, and the volume of trade between the West Bank and Gaza and between those areas, Israel and the rest of the world. In effect, external closure has thrown some 100,000 Palestinian workers into unemployment since the onset of the second intifada in September 2000, and Palestinian gross domestic product (GDP) has consequently plummeted.

*“Israel is endangering its security by depriving
Palestinians of their livelihoods.”*

(Minister of Labour and Social Affairs, Palestinian Authority)

18. Internal and external closure, influenced by political and security motivations, has had a severe impact on the Palestinian economy. Restrictions on mobility constrain employment and trade options, which in turn reduce incomes; lower income leads to reduced consumption, which further impacts upon local businesses. A spiral of fewer jobs and lower income has ensued, forcing Palestinians to revert to coping mechanisms

that are unsustainable in the long term, such as decreasing consumption, depending more on credit and aid, and even selling assets.

19. The adverse effects of closure also pervade many social aspects of life. According to a recent Palestinian Central Bureau of Statistics (PCBS, 2005) survey, 52.5 per cent of households cited Israeli closure measures as obstacles to accessing health services and 53.6 per cent cited military checkpoints; the Separation Barrier was cited as an obstacle to accessing health services by 16 per cent of West Bank households. Some women have been forced to give birth at checkpoints, having been denied passage or while waiting to pass, which has led to maternal and infant deaths; others have not been able to reach medical facilities for pre- and post-natal care. Soldiers at checkpoints have prevented ambulances and individuals on their way to health-care facilities from reaching the nearest hospital. Medical personnel have been unable to reach their place of work regularly, and distribution of medical supplies to rural areas has often been difficult. According to the United Nations Children’s Fund (UNICEF), the number of home births increased from 8.2 to 14 per cent since 2002 (Amnesty International, 2005; United Nations Economic and Social Council, 2005a).

20. A home visit programme conducted by the Ministry of Health found that the nutritional health status of women and children was affected by internal closure measures. In particular, the closure policy impacted greatly on food security, which led to a decline in both the quantity and the quality of food of 73 per cent of the West Bank and Gaza Strip populations, with four out of ten households identified as chronically insecure by the Food and Agriculture Organization of the United Nations (FAO) (United Nations Economic and Social Council, 2005b).

21. Table 2.1 indicates the closure measures and estimated workforce affected, by governorate in November 2004 in the West Bank and the Gaza Strip. Since the election of President Mahmoud Abbas and the Sharm El-Sheikh meeting on 8 February 2005, confidence-building measures have included some easing of the suffocating closure regime. The mission was informed by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) that, by March 2005, closure measures in the West Bank had decreased by roughly 10-15 per cent compared with November 2004 levels. In addition, the extensive curfew imposed in 2003 by the Israeli military in individual towns and cities has not been applied recently in the West Bank.

Table 2.1. Closure measures and estimated workforce affected, by governorate

Governorate	West Bank							Gaza Strip
	Jenin and Tubas	Tulkarm and Qalqiliya	Nablus and Salfit	Ramallah and Al-Bireh	Jerusalem	Bethlehem and Jericho	Hebron	
Number of closure measures (Nov. 2004)	50	41	155	103	47	113	210	154
Labour force (2003)	71 768	59 940	91 994	61 984	84 585	48 172	122 385	254 552

Sources: United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 2005; PCBS, Labour Force Survey Annual Report 2003 and population data.

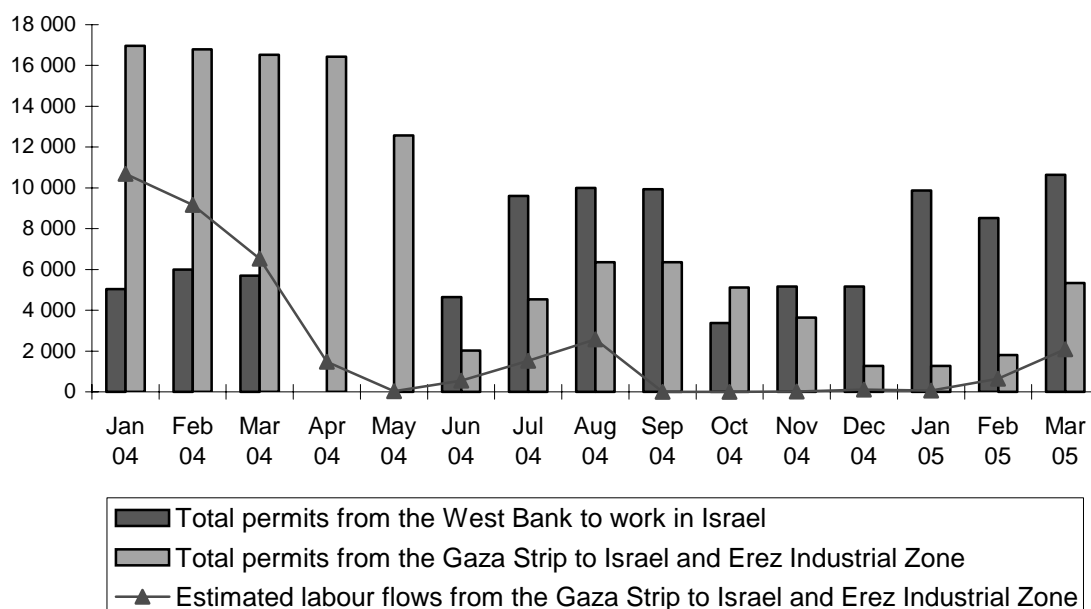
22. Despite the relative easing, the majority of barriers to free movement – and thus to any substantial improvement in underlying economic and social conditions – within the West Bank and Gaza remain in place. For example, the mission witnessed on two

occasions additional discriminatory restrictions on main roads outside the cities of Nablus and Jericho in the form of flying checkpoints that appeared to stop and queue only vehicles with Palestinian licence plates.

2.1.1. External mobility: Work permits, labour flows and truck movements

23. Developments in the external closure regime may be reflected in data on labour and truck movements. Figure 2.1 shows that labour flows from Gaza to Israel and the Erez Industrial Zone remained consistently lower than the number of work permits issued. The mission heard that various levels of extensive interrogation and often humiliating security checks reduced Palestinian willingness to seek or use a work permit. The underutilization of work permits is partly explained by the fact that checkpoints are arbitrarily opened and closed for security considerations.

Figure 2.1. Work permits issued and actual labour flows
(January 2004-March 2005)



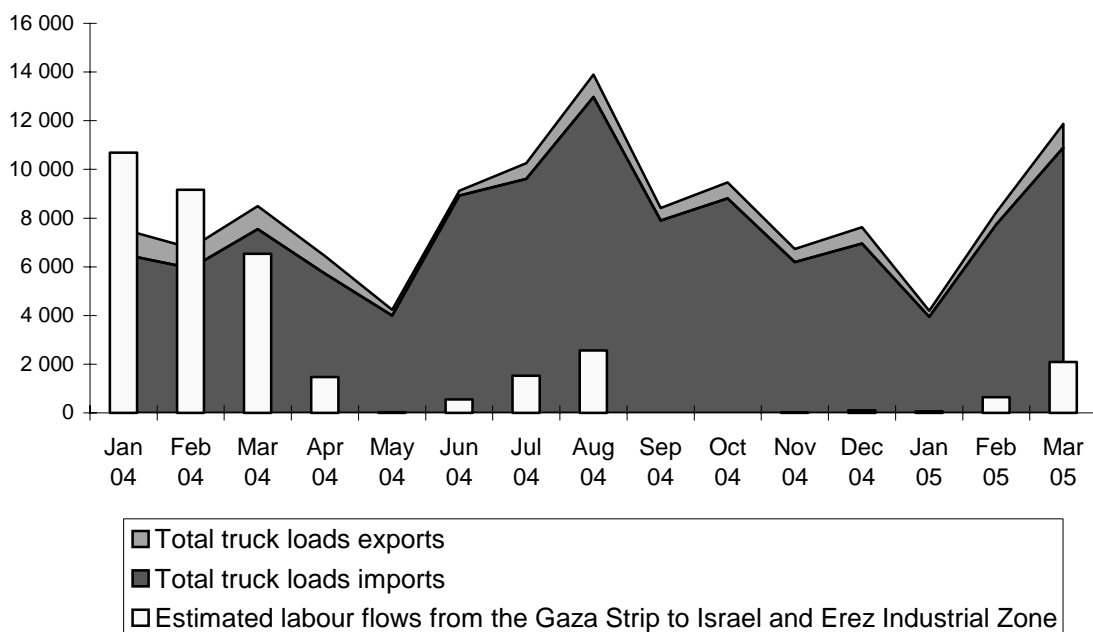
Source: Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO) database, 2005.

24. After extensive Israeli military operations in April and May 2004 that blocked off nearly all movement of labour, followed by the effective closure of the Erez Industrial Zone since the fourth quarter of 2004, work permits and labour flows began to increase in the first three months of 2005. According to a report provided by COGAT, 5,600 work permits were issued for entry to Israel from Gaza by April 2005, with 1,500 permit holders being allowed to stay overnight. Similar trends were witnessed for work permits for Palestinians coming from the West Bank to Israel, with the number of permits issued rising to 17,000 in April 2005 (COGAT, 2005). A number of work permits for business people have also been issued, though utilization has been low. The Palestinians described the revealing photographic control of women and men workers at checkpoints using customized screening machines as an instance of indecent working conditions, a health hazard and a humiliation, whereas the Israelis characterized it as a security issue. This was a point of discussion between the Israeli Coordinator of Government Activities in the Territories and the Palestinian Minister of the Interior, and the mission was

informed that the screening machines were no longer functioning. Further analysis of employment of Palestinians in Israel, the settlements and industrial estates is provided in paragraphs 66-69.

25. The pattern of truck movements to and from Gaza (figure 2.2) closely follows the trend of labour flows, fluctuating in accordance with the intensity of the closure regime. Higher levels of truck movements are witnessed in the third quarter of 2004 (corresponding with an improvement in Palestinian GDP) and, in the first quarter of 2005, with the relative easing of restrictions.

Figure 2.2. Mobility in Gaza: Truck loads and labour flows to Israel and Erez Industrial Zone (January 2004-March 2005)



Source: UNSCO database, 2005.

26. It is important to note that perishable agricultural produce, such as strawberries and flowers, presently constitutes the majority of Gaza's exports. Extensive delays at checkpoints and crossings as a result of closures are therefore seriously detrimental to such produce and consequently to the prospects for sustained economic improvement.

“One kilo of Jericho tomatoes in Ramallah is more expensive than one kilo of tomatoes imported from Spain.”

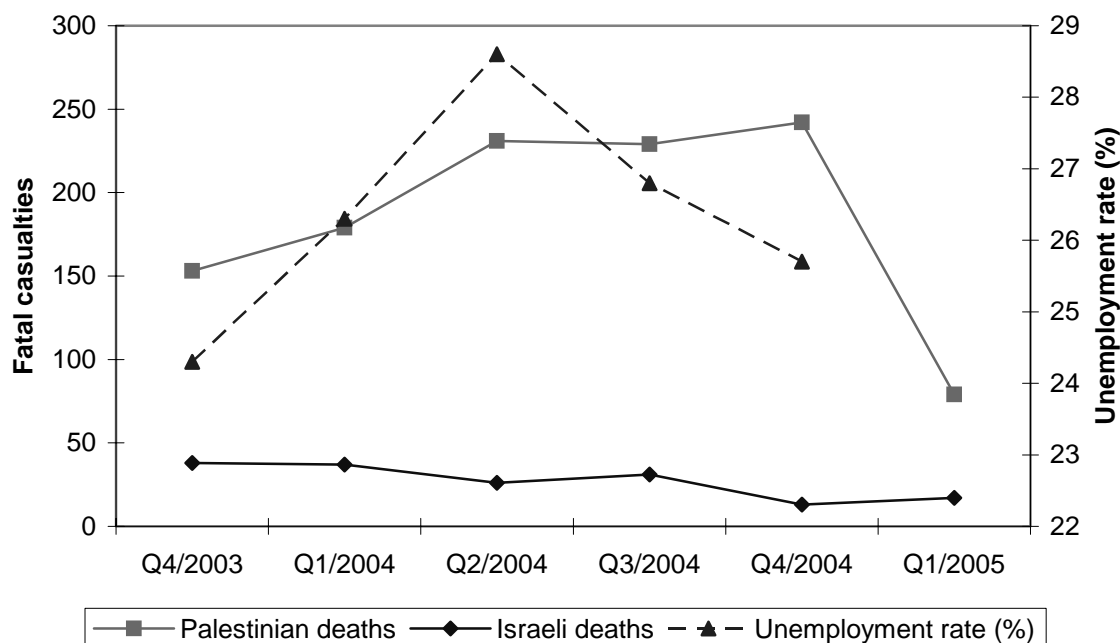
(Minister of Negotiation Affairs, Palestinian Authority)

2.1.2. Casualties resulting from the conflict

27. The ongoing military occupation and conflict in the West Bank and Gaza produce numerous injuries and fatalities on both sides. Figure 2.3 shows a downward trend in the number of Israeli civilian and military fatalities from the conflict, from 38 in the fourth quarter of 2003 to 13 in the fourth quarter of 2004. However, the same period shows a rise in the number of Palestinians killed by the Israel Defense Forces (IDF), from 153 to 242. Data from the Palestine Red Crescent Society (PRCS, 2005) show that the number of Palestinian injuries peaked at 1,268 in the second quarter of 2004. Moreover, between

September 2000 and September 2004, some 27,879 Palestinians were injured in the territories and 3,332 killed⁵ in conflict-related situations (United Nations Economic and Social Council, 2005a). The economic situation in the occupied territories is evidently closely linked to the conflict. Greater conflict, reflected in higher fatalities and injuries, adversely impacts on economic activity, which leads to higher unemployment. This linkage is borne out by the correlation of Palestinian unemployment and Palestinian deaths in figure 2.3.

Figure 2.3. Killings and Palestinian unemployment



Sources: PRCS, 2005; B'Tselem, 2005a.

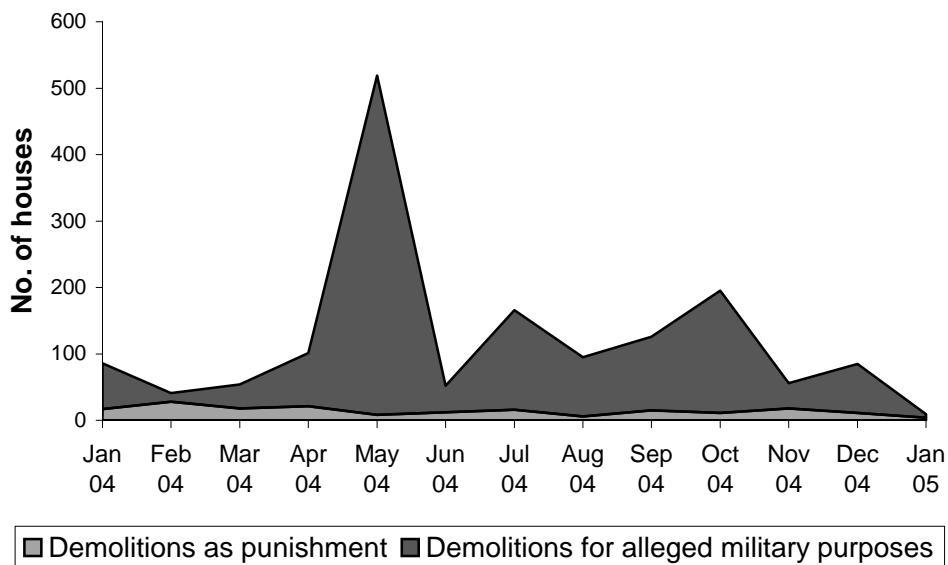
28. The ceasefire and improved political climate witnessed in the first quarter of 2005 have resulted in a sharp decline in the number of Palestinian fatalities and injuries, to 79 and 189, respectively (PRCS, 2005).

2.1.3. Destruction of homes and property

29. The Israeli policy launched in October 2001 of destroying the homes of Palestinians in the occupied territories as a means of punishment for Palestinian attacks on Israelis continued throughout 2004, as shown in figure 2.4. The Israeli Minister of Defense announced a cessation of such punitive house demolitions on 17 February 2005. However, by far the most significant Israeli destruction of Palestinian property has been the demolition of houses for alleged military purposes, including the construction of the West Bank Separation Barrier and the creation of a buffer zone in Gaza near the Rafah border with Egypt. According to figures from the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), Israel destroyed some 2,370 housing units in the Gaza Strip from the beginning of the intifada to September 2004, leaving approximately 22,800 people homeless (Israeli Information Center for Human Rights in the Occupied Territories (B'Tselem), 2005b).

⁵ Of the 3,332 deaths, 132 were women and 74 were girls.

Figure 2.4. House demolitions (January 2004-January 2005)



Source: B'Tselem, 2005b.

30. In addition, 253 Palestinian houses and structures built without permits in the West Bank and East Jerusalem were destroyed in 2004 (B'Tselem, 2005c). The feeling of “collective punishment” is particularly strong among the thousands of Palestinians left homeless, constituting a particularly vulnerable group to which targeted assistance and new opportunities for employment and income generation must urgently be channelled.

31. House demolitions and the destruction of natural resources by Israeli forces are increasing the economic and psychological burden on Palestinian women, who remain primarily responsible for running the house and caring for family members. Extra hours spent at checkpoints add further to the time burden women face in the care economy.

32. Furthermore, the increased poverty and social tensions that have resulted from occupation and the many adult males who have been killed and detained, have placed increased pressure on the care economy and contributed to a worrying increase in domestic violence against women, according to a recent Amnesty International report (Amnesty International, 2005). Existing legislation inadequately protects women against such abuse, and there is a strong call for international support to the Palestinian Authority in ensuring the necessary legal and social reforms.

2.2. The Separation Barrier

33. Construction of the Separation Barrier ⁶ in the West Bank has proceeded apace, in spite of the Advisory Opinion of the International Court of Justice delivered on 9 July 2004 and the subsequent United Nations General Assembly resolution A/RES/ES-10/15. The Court ruled, notably, that:

The construction of the wall being built by Israel, the occupying Power, in the Occupied Palestinian Territory, including in and around East Jerusalem, and its associated regime, are contrary to international law; ... Israel is under an obligation to terminate its

⁶ The Separation Barrier consists of some sections of “Wall” and others of “Fence”, and hence is often referred to alternately in those terms.

breaches of international law; it is under an obligation to cease forthwith the works of construction of the wall being built in the Occupied Palestinian Territory, including in and around East Jerusalem, to dismantle forthwith the structure therein situated, and to repeal or render ineffective forthwith all legislative and regulatory acts relating thereto ...; ... Israel is under an obligation to make reparation for all damage caused by the construction of the wall in the Occupied Palestinian Territory, including in and around East Jerusalem; ...

The Advisory Opinion was followed by the adoption by the United Nations General Assembly of resolution A/RES/ES-10/15 of 20 July 2004, calling in similar terms for compliance by Israel with its obligations. The United Nations has continued to provide opportunities for discussion of the legal situation, most recently at the United Nations International Meeting on the Question of Palestine that was held on 8-9 March 2005 under the auspices of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and, in the same month, at the 61st Session of the Commission on Human Rights, including in the report of the Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967.

34. The planned trajectory of the Separation Barrier has been altered following several petitions to the Israeli High Court of Justice, which resulted in a ruling on 30 June 2004 in the Beit Sourik Village Council case that the rights, needs and interests of the local population must be considered in designing the route. A revised route, extending approximately 670 kilometres (compared to the 622 kilometres of the previous route as at 30 June 2004) from the northern Jordan River in Eastern Tubas to the southernmost tip of the West Bank in the Hebron Governorate,⁷ was approved by the Israeli Cabinet on 20 February 2005. Twenty per cent (134 kilometres) of this new route runs along the Green Line; however, 108 kilometres of the Barrier “subject to completion of further inter-ministerial examination” would incorporate the large Jewish settlements of Ari’el/Emmanuel (cutting another 22 kilometres into the West Bank) and Ma’ale Adumim on its west side. This would result in 170,123 Israeli settlers, or 76 per cent of the West Bank settler population, in addition to the estimated 184,600 Israeli settlers in East Jerusalem (see table 2.2) remaining between the Barrier and the Green Line. Approximately 220 kilometres of the Barrier had been completed at the time of the mission (OCHA, 2005).

35. While the construction of the Separation Barrier around East Jerusalem and Ma’ale Adumim will greatly inhibit the movement of the 230,000 Palestinians holding East Jerusalem residency permits – a quarter of whom presently live on the West Bank side of the Barrier route – the existence of the Barrier will have far-reaching implications for Palestinians along its entire course. There will be 49,400 West Bank Palestinians living in 38 villages and towns in the “seam zone” between the Barrier and the Green Line and more than 500,000 Palestinians living within 1 kilometre of the Barrier, many of whom would have family, land or jobs on the other side (OCHA, 2005).

36. Whereas 5 per cent of the Separation Barrier (roughly 30 kilometres, mainly in urban areas including East Jerusalem) is declared by the Israeli Coordinator of Government Activities in the Territories to be an 8.5-metre-high concrete wall, the rest consists of a usually 50-metre-wide zone of ditches, trenches, military roads, razor wire and electronic fence with various observation and sensor detection systems. The mission benefited from a tour by the IDF of the Tulkarm-Qalqiliya-Salfit fence section of the Barrier. Some alterations to the route of the already constructed Barrier were being made to reduce the number of Palestinians in the “seam zone”, but away from the border towns

⁷ This figure does not include an additional 10 km of “road protection structures” that close off the Bir Nabala (North Jerusalem) and Gush Etzion (West Bethlehem) areas. COGAT citations of the length of the Barrier vary from 660 to 690 km.

of Tulkarm and Qalqiliya the Barrier veered substantially from the Green Line to keep Israeli settlements to the west. The Israeli authorities indicated that emphasis was placed on the security of Israeli citizens, but the quality of life of the Palestinians was also taken into account. A total of 73 crossing points, including agricultural gates and checkpoints, will allow access by residents, landowners and workers to the “seam zone”. Access through these crossing points is generally limited to certain periods of the day (and often to certain seasons as well through the agricultural gates) and is dependent upon holding a valid permit. Such limited access could cause great difficulty to Palestinian farmers, who would be less able to follow a precise time schedule than an Israeli military commander, a problem acknowledged by the IDF to the mission. Furthermore, with few, if any, consistent policies on opening of access points along the trajectory of the Barrier in place, passage may quite unjustly be highly dependent upon the local commander in charge. Theoretically, in every 15-kilometre stretch of Barrier there is to be one checkpoint open 24 hours a day and two open from six to ten hours each day. Passage could thus be extremely arduous in the case of an emergency. Residency permits are only valid for one year through one specified access point, while policies for obtaining permits, and for opening of access points, appear to be ill-defined.

*“If you allow people to work, you have fewer problems with the Fence.
You have to allow people to be flexible.”*

(A Commander of the Israel Defense Forces)

37. In addition to these crossings, five terminals for goods/people are being constructed at intervals along the Separation Barrier. These terminals will be equipped with sophisticated biometric identification technology, which the mission was told would eventually obviate the need for face-to-face contact between people passing and terminal officials. The facts being established on the ground add weight to the assertion that the Barrier would create a de facto border between a greater Israel and a diminished West Bank, a claim that the Israeli authorities deny.

38. Construction of the Separation Barrier and its ad hoc regulatory procedures, which allow extended periods of closure, have adversely affected employment and local economic activity. The closure of small businesses near the concrete wall passing through Abu Dis, at the borders of the East Jerusalem district, is testament to this, as the mission saw last year. Although some contingency measures are being put in place by the Israeli authorities, access to basic education and health-care services has also suffered. The mission repeatedly heard from interlocutors that the Barrier was effectively creating an arrangement of “prisons” in the West Bank, with a network of underpasses and special access points which will eventually provide some transport – but not territorial – contiguity.

The Separation Barrier – Just an issue of security?

The argument of the Israeli authorities that the Barrier – declared illegal by the International Court of Justice – is necessary for the security of Israeli citizens fails to explain why it is not being built on the Green Line, or in Israeli territory. Moreover, the claim that it is already successfully keeping out “terrorists” is based on a tenuous assumption regarding who is really trying to cross to the other side in the first place. In an editorial from *The Jerusalem Post* (2005), entitled “The barrier comes of age”, a spokesperson for an Israeli pro-Barrier lobby group is quoted as follows: “I did not expect such a partial fence [barely a third has been built] to be such a success.” In the completed section from Beit She’an to Kafr Kasim he notes that: “There were 84 attempted infiltrations in the last year. In 83 cases, they were thwarted. All involved criminals or people looking for work; no terrorists. Nine were actually trying to go ‘the other way’ [from Israel into the West Bank].”

Perhaps inadvertently, the interviewee highlights the economic predicament the Barrier is creating for those West Bank communities immediately affected by it – people are attempting to cross a heavily guarded, high-security barrier imposed upon them to find work. The physical security of Israelis and Palestinians alike cannot be decoupled from economic and social security of one and all.

2.3. Continued settlement expansion

39. The Government of Israel has decided to withdraw all settlements (and military forces) from the Gaza Strip and from four small locations in the northern West Bank. The Israeli settler population in the Gaza Strip is estimated at over 8,000 persons, although the population actually residing in the Gaza settlements is deemed not to exceed 5,000 persons. The total settler population in the four locations in the northern West Bank is estimated at fewer than 500 persons.

40. This political decision to withdraw has met with majority public opinion approval within Israel (60 per cent according to a recent poll by Yaar and Hermann (*Haaretz*, 2005a)), in spite of strong opposition from some religious groups and parties. Nevertheless, settlement expansion has continued rapidly throughout the occupied Arab territories, particularly in the West Bank and to a much lesser extent in the occupied Syrian Golan. Official data suggest that the settler population has increased in the West Bank by 5.4 per cent annually between 2000 and 2004, or a rate three times that of the growth of the Israeli population (table 2.2). The number of settlers increased by 4.5 per cent in Gaza over the same period, by 3.1 per cent in East Jerusalem and by 1.5 per cent in the occupied Syrian Golan. Other sources put the settler population in the occupied Palestinian territories at 250,179 persons in 2004, an increase of 5.8 per cent compared to 2003 (*Haaretz*, 2005b). In mid-2004, the number of settlers in the West Bank (excluding East Jerusalem) represented 10.3 per cent of the Palestinian population in the West Bank and 3.5 per cent of the Israeli population.

Table 2.2. Settlement expansion

	At 31.12. 2000		At 31.12.2003	At 30.09.2004	2000-04 Average annual change in population (%)
	No. of settlements	Population (‘000)	No. of settlements	Population (‘000)	
East Jerusalem	n.a	173.0	32	184.6 ¹	3.1
Gaza ²	16	6.7	16	8.0	4.5
West Bank ²	122	187.6	124	231.8	5.4
Golan	32	15.1	32	15.8 ³	1.5
Total population					
Israel		6 369.3		6 831.1	1.8
Palestinians (in territories)		3 149.5		3 699.8	4.1

Notes: n.a.: not available. ¹ Data refer to 2002. ² Settlements are recorded as “Jewish localities” and “Israelis in Jewish localities” by the Israeli Central Bureau of Statistics (CBS). ³ Data refer to 2003.

Sources: ILO, 2004, table 6; Central Bureau of Statistics (CBS), 2004, table 2.7; Palestinian Central Bureau of Statistics (PCBS), 2004b; CBS, at www.cbs.gov.il; PCBS, at www.pcbs.gov.ps.

41. Official data (CBS, 2004, table 22.5) indicate that in Jewish localities within the occupied territories, some 2,125 new public and private buildings and dwellings were completed in 2003, construction began for 1,849 new buildings and construction was under way for 3,743 buildings. These data are corroborated by the mission’s own observations pointing to substantial construction activity within existing settlements. Furthermore, a recent report commissioned by the Government of Israel criticizes government support in establishing over 100 “illegal” settlement outposts comprising some 2,000 settlers in the West Bank. The report, by former Chief State Prosecutor Talia Sasson, published in March 2005, establishes widespread government responsibility in facilitating and funding settlement outposts, usually comprising trailers on hilltops, followed by construction. Other illegal seizures of Palestinian land have been criticized (*New York Times*, 2005).

42. The international community considers Israeli settlements within the occupied territories illegal and in breach of, inter alia, United Nations Security Council resolution 465 of 1 March 1980 calling on Israel “to dismantle the existing settlements and in particular to cease, on an urgent basis, the establishment, construction and planning of settlements in the Arab territories occupied since 1967, including Jerusalem”. The Road Map of 30 April 2003 called for the freezing of all settlement expansion (including natural growth of settlements), a position reiterated recently by President Bush during his talks with Prime Minister Sharon (*The Guardian*, 2005).

43. Settlements are built on occupied Arab land. Land is appropriated for dwellings and buildings, but also for roads, security fences, water and electricity and agricultural activity. Roads linking settlements, and from settlements into Israel, represent a major part of the road network built in the West Bank.

44. B’Tselem (2004) has estimated that 120 kilometres of roads in the West Bank are prohibited to Palestinians and are used only by settlers, 245 kilometres of roads are partially prohibited to Palestinians and subject to special permits, and 365 kilometres of roads are restricted, subject to frequent security checks and intersected by checkpoints. The Palestinian Minister of Negotiation Affairs, Saeb Erekat, pointed out to the mission

that: “Even under apartheid in South Africa, all roads were open to Blacks.” The extent of closures, prohibitions and restrictions on use of roads, many of which are defended by Israel on the grounds of protection of settlers, graphically illustrates the tight grip in which the economy and the daily life of Palestinians are held.

2.4. The situation in the occupied Syrian Golan

45. The Syrian authorities and constituents recalled the illegal occupation of this section of their country, a situation that the Israeli authorities deny (see Introduction). They spoke to the mission of a continuing situation of measures to suppress the Syrian identity of the occupied Syrian Golan, in the face of continuing resistance by the people in five Syrian villages in the Golan. There is continual pressure to force them to renounce their Syrian citizenship, which a large number of them have retained through the years of occupation, and to accept an Israeli identity they do not want.

46. Agriculture is the backbone of the economy in the occupied Syrian Golan. Consultations with members of the community in the village of Majdal Shams revealed that 2004 had been a testing year for the principal economic activity of apple farming as a result of depressed prices in Israel (the purchase price of 1 new Israeli shekel (NIS) per kg of produce was barely sufficient to cover production costs), the closure of West Bank and Gaza markets to Arab producers from the occupied Syrian Golan, and continued discrimination by the Israeli authorities in favour of settlers and against the Syrian Arab people in respect of treatment, access to resources and employment.

47. The issue of market access was of primary concern to the Arab people. Some welcome respite was found in an unprecedented arrangement between the Syrian and Israeli authorities, brokered with the assistance of the International Committee of the Red Cross (ICRC), to allow the Arab apple producers access to Syrian markets. Under a system of back-to-back trucking, using ICRC vehicles, approximately 200 tonnes of apples were being shipped across the border each day, up to a total of 5,000 tonnes of an estimated annual production of 35,000-50,000 tonnes. Importantly, the higher prices paid by the Syrians are expected to help supplement the otherwise endangered incomes and livelihoods of the community. Continuation and expansion of this initiative are strongly encouraged.

*“Apple production is our economy.
We need access to markets; without markets we have no livelihoods.”*

(An Arab apple producer in the occupied Syrian Golan)

48. Discrimination against Arab people in favour of Israeli settlers in the occupied Syrian Golan remains a daily fact of life and continued pressure is reported to force Syrian Arab farmers off their lands so that they have to migrate to Israel in search of work. Settlers receive heavy subsidies for land and water; Arab ownership of land is continually challenged by the Israeli authorities, “insufficient” proof of ownership results in uprooting and reclaiming of the land by the government authorities, and high barriers to investment – that do not apply to Israeli settlers – including regular denial of building permits, impede competitiveness of existing Arab economic activity as well as diversification into other areas such as food processing. The Syrian authorities have also reported continuing destruction of fruit trees belonging to Syrian Arab farmers, as well as dumping of toxic waste on Syrian Arab lands.

49. Workers who identify themselves as Syrian receive no social security or other social protection for themselves and their families. Measures are also taken against Arab

professionals, who are denied licences to exercise their professions and have to take menial jobs to support themselves, thus forcing skills to die out.

50. The result of these policies is a continuous battle by the Syrian Arab people in the occupied Syrian Golan to maintain their income, standards of living and identity. Growing unemployment, including among the highly educated, is increasingly forcing them to seek jobs in Israel.

Battling for resources in the occupied Syrian Golan

In 2004, after 20 years of legal battles, the Israeli courts finally returned 400 dunams (40 hectares) of confiscated land that had been converted into a kibbutz to the indigenous Arab people in the occupied Syrian Golan. However, the eventual judgement did not prove to be a victory against discrimination. Although the land was returned, the requisite water resources and infrastructure for cultivating it were not. As a kibbutz, the land benefited from 90,000 cubic metres of water, but only 30,000 cubic metres was granted to the Arab farmers for production of the same quantity of apples. Moreover, the ruling forbade the Arab owners to use the water pipes of the existing kibbutz. They were forced to replace them at a cost of NIS200,000 and no liability was accepted by the IDF in the event of damage. The discrimination in quantity of water granted was further compounded by discrimination in price, as Israeli settlers benefit from substantial subsidies that are unavailable to the Arabs.

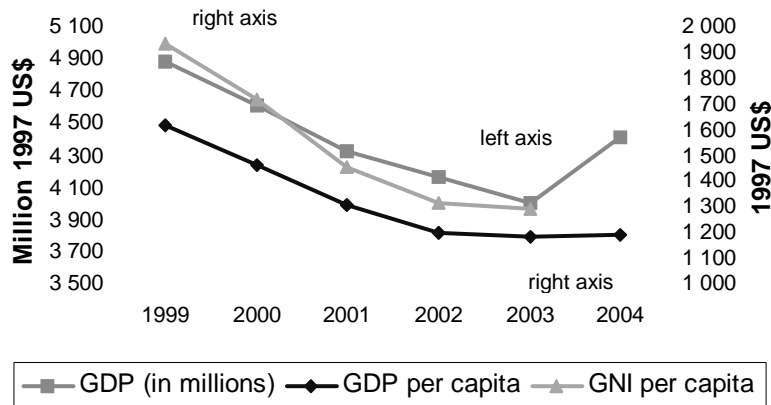
Source: Discussions held by the ILO mission with members of the Syrian Arab community of the occupied Syrian Golan.

3. A suffocating economy

51. Following four years of negative growth, the Palestinian economy registered positive growth in domestic output in 2004. Preliminary estimates of the PCBS indicate that GDP grew by 10 per cent in 2004 (figure 3.1). Economic growth was particularly strong in the first quarter of 2004 and weakened during the remainder of the year. The rebound of the economy can largely be attributed to a measurable improvement in the circulation of goods and persons in 2004, which immediately translated into higher levels of activity in a number of sectors. Less violence, fewer curfews and modest improvements in the intensity of closures explain the economic rebound. Among the sectors that registered a strong increase in output are agriculture, manufacturing, trade, transport and hotels and restaurant. Preliminary data point to a substantial increase in exports (26.9 per cent) and in imports (22.9 per cent) in 2004 (PCBS, National accounts). Data on truck movements in Gaza presented in figure 2.2 corroborate this trend.

52. This slight improvement illustrates again how important closures are in stifling economic activity. Further improvements in reducing the intensity and coverage of closures, as observed in early 2005, can only lead to higher economic activity and income. The Palestinian Minister of National Economy, Mazen Sinokrot, expressed his conviction to the ILO mission that: "Removal of all checkpoints would enable the economy to pick up within a few weeks by 20-25 per cent."

Figure 3.1. GDP, GDP per capita and gross national income (GNI) per capita



Sources: PCBS, National accounts, 1999-2004.

53. The positive rebound of 2004 should be placed in its proper context. Between 2000 and 2003, GDP declined cumulatively by 17.9 per cent. The positive growth seen in 2004 brings this decline to 9.6 per cent. Should the pace of growth be sustained over the next two years, this would bring the real GDP level back to where it was in 1999.

54. Real GDP per capita increased by a modest 0.7 per cent in 2004 to US\$1,193 (in 1997 dollars). Compared to 1999, GDP per capita in 2004 was 26.2 per cent lower. A decline of this magnitude reflects the acute economic crisis that prevails in the occupied territories.

55. The grip of closures on the Palestinian economy determines its rate of growth, hinders the development of enterprises and skews the composition of output. Small establishments dominate the Palestinian non-farm economy, with an average of 2.8 workers per establishment in 2003, down from 2.9 in 1999 (PCBS, 2003). Value added per worker amounted to US\$7,176 in 2003, a decline of 14.5 per cent from its 1999 level. Industrial activities accounted for 35.8 per cent of total value added, followed by services (15.9 per cent) and transport and communications (13.2 per cent) (ibid.).

56. The Gaza Strip accounts for approximately 31 per cent of total value added in the occupied territories and 32 per cent of total labour force, but only 12.3 per cent of total exports. The share of services is higher in Gaza (82.8 per cent of total value added in 2003) than in the West Bank (71.7 per cent). This high share is not the sign of a mature economy, but rather that of an economy constrained in its development (PCBS, National accounts).

57. In the opinion of the World Bank, “if the political and economic status quo persist, the medium-term outlook for the West Bank and Gaza is bleak” (World Bank, 2004, page 7). The ILO mission fully shares this point of view. Economic recovery in the occupied territories is a human, political and security imperative. Massive donor assistance since 2002 in response to the unfolding crisis in the occupied territories, amounting to approximately US\$900 million per year, illustrates how dependent Palestinians have become on foreign aid, but also how limited a role such aid can play in an economy that remains in the grip of closures and manifold restrictions on circulation, investment and exchanges. The gains to be achieved in reducing poverty and generating employment by lifting closures and restrictions far outweigh the benefits of the social safety net financed by donor assistance, however necessary such assistance is.

3.1. Disengagement plan for Gaza

58. The disengagement plan published by the Israeli Government on 6 June 2004 states that: “In general, the economic arrangements currently in operation between the State of Israel and the Palestinians shall remain in force.” This implies that the existing commercial and security arrangements constraining the movement of goods into and out of Gaza, concentrated in a few passages such as Karni and Sufa, will remain in force.

59. It is the opinion of a number of observers that the movement of goods can be significantly improved without jeopardizing security controls, particularly as regards efficiency in commercial transactions and in the physical movement of goods. Israel is planning to upgrade the facilities at the main passage points, including in the West Bank, where new platforms are under construction. Only a vast improvement in the movement of goods out of Gaza to the West Bank and Israel and other countries would enhance export volumes and sustain a genuine economic recovery. A more precise quantification of the benefits to be expected from a more efficient and open trade system would be desirable.

60. The question of the future trade regime between Gaza and Israel has been posed (World Bank, 2004). Improving on the current customs union between the occupied territories and Israel by sharing the customs facilities and trade regime appears to be the best option for the time being. In parallel, massive investments would be required to restore the transport infrastructure in Gaza, including the seaport, airport and roads destroyed since 2001.

3.2. Moderate growth in employment, but lower incomes

61. Employment was on a declining trend between the fourth quarter of 2003 and the second quarter of 2004, but picked up strongly in the third and fourth quarters of 2004. Some 24,000 jobs were lost by the second quarter of 2004 with respect to the last quarter of 2003, but 53,000 jobs were gained by the fourth quarter of 2004 (table 3.1). Employment grew by 4.7 per cent between the fourth quarter of 2003 and the fourth quarter of 2004. Employment growth led to rising labour force participation rates throughout 2004, particularly in the West Bank. Labour force participation stood at 41.1 per cent at end of 2004.

62. There is a strong contrast in the trends between the West Bank and the Gaza Strip. Employment grew by 7.3 per cent in the West Bank between the fourth quarter of 2003 and the fourth quarter of 2004. In contrast, it declined in the Gaza Strip by 1.1 per cent over the same period.

63. The working patterns of women and men are highly differentiated in the occupied territories. Over 87 per cent of Palestinian women aged 15 years and over are classified as inactive and tied to “home duties” or studying. Interestingly, more women are studying than men. Only one woman in ten of working age is employed.

Table 3.1. Labour market indicators

	2003	2004				2004/2003
	Q4	Q1	Q2	Q3	Q4	% change
Occupied territories						
Population aged 15+ ('000)	2 006	2 034	2 060	2 089	2 118	5.6
Labour force ('000)	815	816	831	845	870	6.7
Employment ('000)	617	601	593	619	646	4.7
of which in Israel and settlements ('000)	58	56	48	58	–	
Unemployment ('000)	198	215	238	226	224	13.1
Labour force participation rate (%)	40.6	40.1	40.4	40.5	41.1	1.2
Employment rate (%)	30.8	29.5	28.8	29.6	30.5	–1.0
Unemployment rate (%)	24.3	26.3	28.6	26.8	25.7	5.8
West Bank						
Population aged 15+ ('000)	1 313	1 330	1 346	1 364	1 382	5.3
Labour force ('000)	555	555	572	583	600	8.1
Employment ('000)	440	418	437	453	472	7.3
of which in Israel and settlements ('000)	54	50	48	57	–	
Unemployment ('000)	115	137	135	130	128	11.3
Labour force participation rate (%)	42.3	41.7	42.5	42.7	43.4	2.6
Employment rate (%)	33.5	31.4	32.5	33.2	34.1	1.8
Unemployment rate (%)	20.7	24.6	23.6	22.3	21.4	3.4
Gaza Strip						
Population aged 15+ ('000)	693	704	714	725	736	6.2
Labour force ('000)	260	261	259	262	270	3.8
Employment ('000)	177	183	156	166	175	–1.1
of which in Israel and settlements ('000)	4	6	0	1	–	
Unemployment ('000)	83	78	103	96	95	14.5
Labour force participation rate (%)	37.5	37.1	36.3	36.2	36.7	–2.1
Employment rate (%)	25.5	26.0	21.8	22.9	23.8	–6.7
Unemployment rate (%)	31.9	29.8	39.7	36.8	35.2	10.3

Source: PCBS, quarterly labour force surveys (data exclude East Jerusalem).

64. The share of wage employment in total employment increased by one percentage point in 2004 compared with 2003, whereas the share of self-employment has declined by 1.3 percentage point (table 3.2). Comparing 2004 with the situation prevailing in 2000, some 35,000 jobs in wage employment were lost, but some 46,000 self-employed persons have appeared.

Table 3.2. Status in employment and percentage distribution

	2000	2003	2004 (to Q3 only)
Employers	4.6	3.5	4.1
Self-employed	19.6	27.8	26.5
Wage employees	66.1	57.3	58.3
Unpaid family members	9.7	11.4	11.1
Total	100	100	100
Total ('000)	595.8	589.8	604.3

Source: PCBS quarterly labour force surveys (data exclude East Jerusalem).

3.3. Child labour

65. The PCBS carried out a survey on child labour in 2004 with the assistance of the ILO and other donors. The number of children and young persons working in the occupied Palestinian territories is estimated at 40,139 (table 3.3), or 3.1 per cent of all children aged 5-17 years. The number of children performing child labour as defined in international labour Conventions Nos. 138 and 182⁸ is estimated at 22,570, or 1.7 per cent of all children aged 5-17 years. The sex distribution is heavily tilted towards boys (over 88 per cent of the total working). Work is performed mainly in agriculture (46 per cent of total working children and young persons), in shops and offices (20.7 per cent) and in workshops and factories (19.1 per cent). Over 70 per cent of children work for economic reasons in order to contribute to family income. The widespread incidence of poverty and the increasing severity of poverty may be seen as factors contributing to child labour.

Table 3.3. Working children and child labour

	5-9 years	10-14 years	15-17 years	Total
Working children (% of total population)	1.2	4.5	7.2	40 139
Child labour (% of total population)	1.2	3.1	0.7	22 570

Source: PCBS, 2004a.

3.4. Employment of Palestinians in Israel, Israeli settlements and industrial estates

66. Employment in Israel and the settlements accounted for 8.9 per cent of total Palestinian employment in 2004. In the Gaza Strip, such employment declined sharply from 5,000-6,000 workers in 2003 and the first quarter of 2004 to a negligible number at the end of 2004. Approximately 52,000 Palestinian workers from the West Bank have been employed in Israel.

67. The average number of Palestinians working in Israel and the settlements in 2004 was 54,000 – 5.3 per cent lower than the average for 2003. This comprises some 29,000 workers with Palestinian identity cards and 25,000 Palestinian workers with Israeli

⁸ The Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182).

identity cards, mostly from East Jerusalem. It is estimated that approximately 20,000 Palestinian workers work in Israel without a work permit. As the General Federation of Labour in Israel (Histadrut) observed, these workers are more frequently exposed to violations of labour legislation.

68. The completion of the Separation Barrier between Israel and the occupied territories will, in the near future, drastically curtail opportunities for Palestinians without permits to work in Israel. It is estimated that the loss of 20,000 jobs in wage employment amounts, on an annual basis, to approximately US\$134 million (based on 240 workdays per year and US\$27.5 per day reported at the end of 2004). In addition, as part of its disengagement plan, Israel has announced its intention to end all Palestinian work in Israel by 2008. In its discussion with the Israeli authorities, the mission subsequently learned that this plan might be reassessed in the future. The expected evacuation of settlements in the Gaza Strip as of July 2005 will further add to Palestinian unemployment.

69. It is the view of the mission that employment in Israel is essential to the Palestinian economy until it reaches a rate of growth that will generate employment in proportion to the increase in the labour force. However, such a situation is unlikely to occur in the next few years. The time may, therefore, be right for the negotiation of a new agreement between the two sides detailing the conditions of Palestinian employment in Israel.

3.5. Unemployment remains high

70. The rate of unemployment increased in the last quarter of 2004, reaching 25.7 per cent, compared with 24.3 per cent in the last quarter of 2003. This represented 224,000 unemployed, an increase of 13.1 per cent over the last quarter of 2003. On average, unemployment reached 35.4 per cent in the Gaza Strip and 23 per cent in the West Bank, equivalent to 93,000 and 133,000 unemployed, respectively. In the third quarter of 2004, the published unemployment rate was 27.4 per cent for men and 23.1 per cent for women (PCBS, quarterly labour force surveys).

71. The PCBS publishes a relaxed unemployment rate (not sex-disaggregated), which includes discouraged workers not actively seeking employment (excluded in the ILO definition). The relaxed unemployment rate reached 32.6 per cent on average in 2004. The difference between the standard unemployment rate (26.8 per cent in the third quarter of 2004) and the relaxed unemployment rate (32.6 per cent) amounted to 73,000 persons. These men and women were not working and were available for work but not actively seeking work because they were discouraged.

3.6. Employment rates are exceptionally low

72. In addition to very high unemployment, labour markets in the occupied territories are characterized by very low rates of labour force participation and employment to working-age population rates for both men and women (table 3.4). The employment to working-age population rate in the occupied territories is lower for both men (49 per cent) and women (10 per cent) than in any of the neighbouring countries included in table 3.5. In other words, every employed person in the occupied territories supports six persons in the total population.

Table 3.4. Male and female working patterns in the occupied territories
(third quarter of 2004)

	Male	Female
Population 15 years and above	100	100
Employment	49.0	10.0
Unemployment	18.5	3.0
Studying	17.8	21.0
Home duties	0.2	59.0
Other	14.5	7.1

Source: PCBS, quarterly labour force survey.

Table 3.5. Labour force participation and employment to working-age population rate, various countries and areas

		Egypt	Israel	Jordan	Syrian Arab Republic	West Bank/Gaza
		2001	2003, 2001	2000	2002	2004
Labour force participation rate	Male	68.6	60.1	63.6	81.6	67.7
	Female	20.2	49.1	11.6	23.5	12.9
Employment rate	Male	65.5	55.3	59.0	78.6	49.0
	Female	15.3	43.7	10.7	17.3	10.0

Note: Data refer to population 15 years and above.
Sources: ILO: Database on labour statistics (LABORSTA), Key Indicators of the Labour Market (KILM) (for Jordan); PCBS, quarterly labour force survey for West Bank/Gaza data.

73. Only the special situation of an economy in the grip of occupation can explain such low employment-to-population rates. In turn, these low rates are a major factor in low average incomes and high rates of poverty.

3.7. Palestinian prisoners in Israel

74. The number of Palestinian prisoners held by Israeli police and defence forces (including administrative detention) was estimated at some 7,000 persons in early April 2005 (B'Tselem, 2005d). Some 318 minors (up to 18 years) are included in this figure. Discussions on release of prisoners have been and are taking place. It would be important for those persons who have been and who are to be released by Israel to be provided with appropriate training opportunities, particularly for youth. A special effort is amply justified, in which the ILO could help, in order to facilitate the return of ex-detainees to civil life.

3.8. Youth employment

75. The situation of youth is particularly dramatic in the occupied territories for two main reasons. First, the youth population is sizeable and growing rapidly. Over 46 per

cent of the total population is 14 years of age or less. The population aged 15-64 is projected to grow at 4 per cent per year between 2005 and 2010. Some 39,000 young persons will enter the labour market annually during that period. Young men and women also face numerous constraints in mobility within the territories and in accessing employment in Israel or in the industrial estates. The rate of unemployment for the 15-24-year-old population is 40 per cent in the last quarter of 2004, or one-and-a-half times the aggregate rate.

76. More worrying is the number of young people who are not in employment (or unemployed) and not studying. This situation of forced idleness tantamount to unemployment affects 31.1 per cent of the 15-24-year-old population and 55.9 per cent of the 25-29-year-old population (table 3.6). In other words, almost one-third of 15-24-year-olds and over half of 25-29-year-olds are neither employed nor studying. These are quite exceptional figures, testifying to the exceptional circumstances prevailing in the occupied territories.

Table 3.6. The labour market situation of young people
(fourth quarter of 2004)

In % of respective population	15-24 years	25-29 years
In employment	15.6	40.6
Unemployed	10.4	14.8
Studying	53.3	3.1
Not working/not studying	20.7	41.4
Total	100	100
Total ('000)	711	271

Source: PCBS, unpublished data.

77. Given that idle youth faced with military occupation makes fertile ground for extremism and violence, this situation requires urgent attention in the form of massive assistance in vocational training, business development and employment guidance specifically directed at youth.

3.9. Real wages fall in the West Bank, but rise in Gaza

78. The data presented in table 3.7 indicate that real hourly median wages have fallen by 6.3 per cent in the West Bank between the fourth quarter of 2003 and the same period in 2004, and by 16.6 per cent for Palestinian workers in Israel, but have increased in Gaza by 8.4 per cent. In the West Bank, the declining real hourly wage facilitated the strong growth in employment in a labour market characterized by excess supply relative to weak demand. The significant drop in the real hourly wage of Palestinian workers in Israel possibly results from an increase in transportation costs, as the routes into Israel have become considerably longer as a result of the Separation Barrier. The real wage increase in Gaza is only significant in the last quarter of 2004 and may result from higher labour demand in a context marked by considerable uncertainty.

Table 3.7. Hourly median wages

Hourly median net wage (in current NIS)	2003		2004		
	Q4	Q1	Q2	Q3	Q4
West Bank	8.26	8.19	8.56	7.75	7.98
Gaza	6.64	5.99	7.00	6.44	7.39
Israel and settlements	15.10	15.27	15.21	13.76	13.17
Real hourly median wage index (Q4/2003 = 100)	Q4	Q1	Q2	Q3	Q4
West Bank	100	97.57	101.56	92.23	93.71
Gaza	100	88.00	103.02	95.41	108.41
Israel and settlements	100	99.79	98.77	88.95	83.39

Source: PCBS labour force surveys; ILO calculations.

79. The average hourly wage in the occupied territories is NIS7.7 or approximately US\$1.7. This corresponds to the range of labour costs observed in middle-income countries such as in Eastern Europe. However, output per employed person is relatively low (approximately US\$5,400 in 2004 compared with US\$45,400 in Israel, but US\$5,000 in Egypt). The main challenge facing the Palestinian labour market is to raise the level of productivity. This requires a combination of investment and enterprise development, training and social dialogue.

80. Wage rates are differentiated by sex. Table 3.8 details median hourly wages by sex, according to economic activity. The hourly pay of women is above that of men in agriculture and in services, but below that of men in manufacturing and in commerce, hotels and restaurants. However, the very low share of employed women needs to be borne in mind, as well as the high proportion of women working as unpaid family labour in agricultural and domestic activities.

Table 3.8. Median hourly wage (in nominal NIS) by sex, 2003

	Male	Female	Female as % of male
Agriculture	4.35	7.05	162.2
Manufacturing, quarrying	6.40	3.60	56.4
Construction	10.02		
Commerce, hotels and restaurants	6.58	5.18	78.7
Transport and communication	6.73		
Services	8.27	8.88	107.4

Source: PCBS, annual labour force survey 2003; ILO calculations.

3.10. Poverty remains high, even among the employed

81. Approximately half of the population, or 1.8 million persons, live below the national poverty threshold. In 2004, the incidence of poverty was 48 per cent (World Bank, 2004). Subsistence poverty or the inability to afford basic survival is estimated at 16 per cent. Poverty is much more prevalent in the Gaza Strip (65 per cent) than in the

West Bank (38 per cent). Lack of employment is a major explanation of the incidence of poverty. These data are corroborated by another PCBS survey indicating that 55.3 per cent of all households had, in October-December 2004, lost more than half of their usual income during the past six months (PCBS, 2005).

82. A special survey of Palestinian public perceptions indicates that in February 2004 the incidence of extreme poverty was 7 per cent among the full-time employed, but 31 per cent among those working only a few hours per day and 44 per cent among the unemployed (IUED, 2004). Likewise, the PCBS reports that in 2004 an average of 57 per cent of all wage workers in the occupied territories received monthly wages below the reference poverty line (NIS1,800 or US\$401.60 per month) determined for a family of six (two adults and four children) (PCBS, quarterly labour force surveys). The poverty line is set at US\$3.30 per adult equivalent per day.

83. Clearly, poverty is mainly attributable to the grip of closures on the Palestinian economy restricting employment generation. In recent years the share of low-quality employment (temporary and part-time employment, employment subject to restrictions on movement, self-employment) has increased, and so therefore has the number of persons working with an income below the poverty line. The very low employment to working-age population rates also testify to the precarious employment situation and the high number of dependants per income earner.

84. Approximately one-third of total donor assistance (US\$250-260 million) is expended on humanitarian assistance directed at the extreme poor (World Bank, 2004). A similar amount is planned for 2005. While such assistance is essential to mitigate the worst incidence of poverty, it is only a complement to the high and sustained economic growth that is needed to generate employment for a rapidly growing labour force.

4. Strong economic growth in Israel with widening inequality

85. Israel witnessed strong economic growth in 2004, led by exports of electronics and private consumption. Real GDP growth was estimated at 4.2 per cent in 2004 on a sustained path upheld by strong world demand for Israel's exports, private consumption and supportive fiscal and monetary policies. Exports of goods and services jumped by 14 per cent in 2004 and private consumption by 5.3 per cent. Tourism picked up strongly in 2004 with an increase of 41.2 per cent in arrivals following several years of very low activity due to the security situation. Manufacturing production increased by 7.2 per cent, in particular, in information and communication technology (Bank of Israel Research Department, 2004).

86. The improved security situation played a major role in the economic recovery, alongside other factors. Both the Bank of Israel and the International Monetary Fund (IMF) mention security as an important underlying factor in recovery.

87. The fiscal deficit was reduced significantly in 2004, giving credence to the commitment to maintain future deficits below 3 per cent of GDP. Substantial expenditure in connection with the Gaza disengagement plan may add to the fiscal pressure. The above data do not reflect the substantial financial assistance and loan guarantees extended by the United States Government. Accordingly, monetary policy was accommodating, with a gradual reduction in the key lending rate to 3.5 per cent in February 2005. Consumer prices increased by 1.2 per cent in 2004, only marginally above the inflation target of price stability. The appreciation of the new Israeli shekel

against the United States dollar further dampened inflationary pressures, particularly in the housing sector where prices tend to be pegged to the dollar.

88. Strong economic performance had a positive, but so far limited, impact on the labour market. Employment increased by 2.7 per cent in the second half of the year compared to the same period in 2003, mainly as a result of higher labour force participation. The unemployment rate declined steadily in 2004, but only marginally to 10.2 per cent in the third quarter. Expanded employment opportunities mainly came in the form of part-time work (less than 35 hours per week) reaching 29 per cent of total employment in 2004. The proportion of women in part-time work is significantly higher than that of men: 40 per cent against 17 per cent. This may be a factor in the very moderate real wage increases registered in 2004. It may also explain why 27 per cent of workers earn less than the average wage and less than the minimum wage.

89. A related worrying trend is the increase in the incidence of poverty. The National Insurance Institute of Israel (NII) puts the incidence of poverty at 20 per cent in 2002, after transfer payments and direct taxes (Achdut, 2004). Related research suggests that poverty is much higher among the Arab population in Israel than among the Jewish population. Data for 2001 on poverty in families estimate a poverty rate of 17.4 per cent, but 41.5 per cent for Arab-headed families and 14 per cent for Jewish-headed families (Flug and Kasir, 2003). The high incidence of poverty among the Arab population in Israel remains when controlling for education, family size and number of wage earners. Flug and Kasir conclude that this points to discrimination in labour markets and the inferior quality of education.

90. The Acting Governor of the Bank of Israel, in a recent statement, warned about the “dangers of growing social gaps” (*Haaretz*, 2005c). He called for social policies complementing economic growth. In this regard, the IMF, in its recent report on the Israeli economy, called for “improved consultation and cooperation among all interested parties” to facilitate the implementation of structural policies (IMF, 2004).

91. The number of foreign workers (male or female) reached 227,000 in the third quarter of 2004, with an estimated decline of 8.4 per cent in the second half of the year. The share of foreign workers in the civilian labour force reached 8.4 per cent. The government policy has been to reduce the number of foreign workers other than Palestinians. The number of Palestinian workers is estimated to have reached 43,000 in the third quarter of 2004. This is equivalent to 18.9 per cent of all foreign workers and 1.6 per cent of the total labour force (Bank of Israel Research Department, 2004).

92. The Manufacturers’ Association of Israel shared economic data with the ILO and reiterated the readiness of employers to contract commuting Palestinian workers, provided security concerns could be adequately addressed. It is to be noted that no security incidents have occurred over recent months involving any of the tens of thousands of Palestinians working within Israel (excluding industrial estates). The Israeli economy can absorb an increase in the number of Palestinian workers in positions that do not appeal to Israeli workers. This appears to be a shared interest of both Palestinians workers and Israeli enterprises. Lastly, it should be recalled that the gap between government expenditure and revenue would be significantly higher in the absence of support from the United States, both in the form of direct budgetary assistance and through bank loan guarantees.

5. Social partners and their organizations

93. It has been a basic tenet of successive missions to the occupied Arab territories that, in order both to obtain a balanced view of the workers' situation and to be able to suggest ways forward, it is necessary to consult representative organizations of workers and employers, in Israel as well as in the occupied territories. Certainly, the ILO has a strong desire to promote the protection of the right to organize and the development of organizations in full freedom from interference, including the organizations' rights to defend their members' interests and to act and bargain collectively. The relevant principles and rights are contained in the ILO Declaration on Fundamental Principles and Rights at Work, adopted by the International Labour Conference in 1998, and in the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98).

94. Discussions with members of the Manufacturers' Association of Israel confirmed the preoccupation with the consequences of security measures, in the sense that restrictions on the movement of Palestinian workers very often prevent them – through no fault of their own – from commuting to work in due time: this, of course, introduces an element of uncertainty which makes management of enterprises almost impossible. Israeli employers tend to prefer Palestinian workers over migrant labour from other countries, which gives rise to new categories of problems. Representatives of the Histadrut also indicated a climate of fear of terrorism in which labour rights might not be respected; but there was unwillingness on the part of non-Israeli workers even to argue for their rights, since they fear immediate dismissal and expulsion in retaliation. This is, perhaps, an area where the ILO could increase its present assistance efforts. The Histadrut leadership signalled its desire to meet and hold discussions with the Palestine General Federation of Trade Unions (PGFTU), perhaps facilitated by the ILO or the international trade unions. The mission was very interested to hear that the planned meeting took place on 14 April at the headquarters of the International Confederation of Free Trade Unions (ICFTU) in Brussels.

95. The mission held separate meetings with PGFTU representatives in Nablus and Gaza City. It has remained one of the defining characteristics of this organization that its leaders, situated in the West Bank and the Gaza Strip respectively, are unable to meet owing to Israeli travel restrictions imposed on them, and communicate only with difficulty. They are thus prevented by the Israeli occupation from exercising their fundamental right as workers to freedom of association. In these conditions, it is important to mention that they nevertheless held a videoconferenced national congress in May 2004; and that six of their affiliates have completed or are engaged in the election of their executives. These elections have produced the first women delegates, most notably the president of the health sector union, in which the majority of elected representatives are women, and in the banking sector: the target of 20 per cent female representation in decision-making bodies of the PGFTU reflects the fact that women account for only 12 per cent of the membership, given the low percentage of women employed in the formal economy. The current PGFTU leadership considers that, on completion of the sectoral election process by the end of 2006, a national conference should be able to elect a federation executive. In order for that to happen, much greater freedom of movement and activity for union members needs to be assured. This is seen as another instance of Palestinian willingness to build an essential institution for the better governance of a prospective Palestinian State. Progress in this direction depends on easing current restrictions so that the democratic process may advance. The mission

was also informed of recent developments in the formation of what are known as independent workers' committees in both the West Bank and the Gaza Strip.

96. A revised draft law on workers' organizations is currently before the Palestinian Legislative Council, following consultation by the Palestinian Authority of the PGFTU. The ILO stands ready to review the draft law, particularly with regard to its consistency with relevant ILO Conventions. The mission also comments in the conclusions below on the aim of encouraging better contacts and dialogue among the social partners.

97. As regards the Palestinian employers, the mission visited the offices of the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA). It noted that, having been forced out of the premises occupied in East Jerusalem until 2004, and despite its president having been sentenced to 12 months' imprisonment for his activity, the FPCCIA had now relocated to the West Bank side of the wall currently under construction. The mission learned of elections in the Chambers, including at the national (Gaza and West Bank) level. A Coordination Council for the Private Sector had also recently been formed, comprising some ten business associations, with a view to speaking with one voice to government authorities. Further indications of discrimination against Palestinian enterprises as compared with Israeli ones were given in Gaza: the withholding of permits, and constant delays (with consequent added expense) and harassment in the import and export of goods, including perishables, in and out of the Gaza Strip.

98. A different legal and factual situation prevails concerning organization in the occupied Syrian Golan. Arab workers are allowed to join the Histadrut only if they renounce Syrian citizenship. Meanwhile, with activity here being concentrated on apple production among small or, at most, medium-sized undertakings, the rather loose kinds of occupational associations that have evolved among the Arab producers are in the nature of cooperatives which focus on shared cooling-house facilities. In the light of the material and discriminatory difficulties they face, they feel it will take time for them to organize better. The mission noted the relevance of the principle of freedom of association as a means of defending and promoting the interests of working people; and it recalls the provisions of the Promotion of Cooperatives Recommendation, 2002 (No. 193).

6. Conclusions

6.1. Common responsibilities

99. The ambivalent situation and the fragile process analysed in this Report require every effort of the Palestinian Authority, the Israeli Government and the international community to achieve decent work for women and men in the occupied Arab territories.

100. The messages given in the Constitution of the International Labour Organisation, "lasting peace can be established only if it is based upon social justice", and in the Declaration of Philadelphia, "poverty anywhere constitutes a danger to prosperity everywhere", hold true in the present context. Security in Israel cannot be separated from security for the Arab people living in the occupied territories. The two parties must assume shared responsibility if there is to be a positive outcome.

101. "The best way of fighting terror is to revive hope", Saeb Erekat, Palestinian Minister of Negotiation Affairs, told the mission. In the opinion of Major-General

Yossef Mishlev, Coordinator of Government Activities in the Territories of the Israeli Ministry of Defense, “The challenge is to balance civil demands and security.”

102. To promote decent work in the occupied Arab territories, the removal of barriers to mobility for persons, goods and services within and between the Gaza Strip and the West Bank, and a viable trade regime with Israel and the world, are the most important prerequisites. Private investment in business and international donor engagement in a development agenda require sustainable prospects.

103. A significant increase in employment levels is certainly one of the most important factors in the stability of the occupied Arab territories. Whereas rebuilding the internal labour market in Palestine is key to creating decent work, a complementary strategy for Palestinian work in Israel is needed for the medium term. From the Israeli employers’ perspective, Palestinian workers, mostly commuters, are needed and welcomed, provided that security requirements are met. Disengagement plans aiming to reduce their number to zero in 2008 would severely restrict income opportunities and thus the prospects for poverty alleviation. Even under conditions of sustained economic growth and employment creation in the coming years, the full absorption of 39,000 new entrants annually into the labour market, plus a considerable reduction in unemployment, are major tasks. In particular, young women and men are desperately looking for decent work.

104. The Road Map, aiming to establish a two-State solution to the Israeli-Palestinian conflict, continues to be the reference framework for which the members of the Quartet, consisting of representatives of the European Union, the Russian Federation, the United Nations and the United States, have assumed shared responsibility. As a member of the United Nations family and operating within its mandate, the ILO promotes good economic and social governance for the Palestinian State-in-the-making. Its rights-based approach is relevant to the emergence and consolidation of democratic institutions and the rule of law in the field of work and social inclusion. As a result of its tripartite constituency formed by governments and employers’ and workers’ organizations, and the experience they represent, the ILO can play a unique role in the international community.

105. In last year’s Report, the Director-General emphasized the rule of law as a prerequisite for the realization of social justice and expressed his concern about the operation of the rule of law in the prevailing environment. The Palestinian elections in 2005 are a landmark, which many in the occupied territories feel may be a paradigm for the Arab world. One cannot overestimate the strong support for peace and stability represented by the ongoing formation of democratic structures, which continues to enjoy strong international backing. “Giving Palestinian democracy a chance will give Arab democracy a chance”, Saeb Erekat told the mission. In addition, the Palestinian Authority is committed to improving governance in the fields of labour and social protection.

6.1. Towards a decent work programme

106. Decent work country programmes promote decent work as a key component of development policies. This should lead to decent work becoming a national policy objective of governments and social partners as well as of other local actors and cooperating agencies. On its own, the ILO will not achieve the goal of decent work for all. Decent work country programmes put the ILO’s knowledge, instruments and advocacy at the service of governments, and of employers’ and workers’ organizations,

to advance the Decent Work Agenda within the fields of competence of the Organization. They provide a framework to determine priority areas of cooperation and they define the ILO's contribution to national development plans and programmes, including poverty reduction strategies and development assistance frameworks. In their talks with the ILO mission this year, the Palestinian Prime Minister asked the ILO to expand its technical cooperation programme, and the Minister of Labour and Social Affairs requested that such a programme be worked out and implemented jointly.

107. On the initiative of the PGFTU, an agenda-setting national tripartite conference on employment creation and poverty reduction will be held in the second half of 2005. This conference will provide a forum to establish a holistic framework for the programme, into which ongoing and future ILO technical cooperation will be incorporated. In order to develop the spirit of tripartism and establish networks and processes of the kind envisaged in the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), the ILO offers its services to facilitate this conference. This initiative will be a clear manifestation of maturing democracy and institution building in Palestine, and could lead to substantive agreement and further progress on a host of issues, including those centred on principles and rights at work.

108. Earlier, there were two separate Ministries, one for Labour and one for Social Affairs, in the Palestinian Authority. The Minister of Labour and Social Affairs, Hasan Abu Libdeh, welcomes the integration of the two administrations as a positive opportunity to implement a holistic labour market and social inclusion agenda. In that context, he is exploring the options of reforming, revitalizing and energizing the two administrations and has requested an urgent ILO advisory mission for this purpose.

109. The findings of the ILO mission, and the requests so far received from government and from employers' and workers' representatives, call for a focus on youth employment and gender mainstreaming issues. A tripartite initiative on decent and productive employment for youth, as proposed by the ILO Governing Body for the Programme and Budget proposals for 2006-07, could be part of the decent work programme. It should be gender sensitive and include a strong vocational training component. The Minister of National Economy particularly highlighted the advantages of dual apprenticeship systems combining work-related experience and schooling.

110. The mission's interlocutors also stressed the need for basic social security for older workers who cannot retire because of the lack of a pension scheme. These matters are to be taken up within the framework of the agenda-setting conference and, consequently, in the decent work programme. The development of a viable and financially sustainable pension scheme will require actuarial analysis, as has been suggested by an ILO mission on social security legislation in September 2004. The ILO could provide guidance to the Palestinian scheme on the benefits formulae and on the structure and financing of the scheme, taking account of relevant international labour standards. Collaboration between the ILO and the World Bank would be desirable, since the Bank has already undertaken actuarial analysis of the public sector scheme.

111. The Palestinian Fund for Employment and Social Protection (the Fund) was established in 2004 by decree of the Palestinian Authority to provide a strategic framework for mobilizing resources and to serve as a tool for the consolidation of all activities undertaken to generate employment and provide social protection – from technical advice and capacity building to direct financial assistance. The ILO views the Fund as an opportunity to promote the goal of full, productive and freely chosen employment described in the Employment Policy Convention, 1964 (No. 122), and other relevant instruments, including the Job Creation in Small and Medium-Sized Enterprises

Recommendation, 1998 (No. 189). The ILO initially financed the Fund with a view to providing start-up support and capacity building to launch a self-sustaining, independent Fund that will contribute to the development of decent work. In his Report last year on the subject, the Director-General recommended that, while the ILO should continue to provide overall technical support to the Fund, there should be a clear sense of national ownership in managing the Fund and mobilizing resources. So far, in addition to the start-up financing by the ILO (US\$1 million), the Fund has received additional support from the Saudi Arabian (US\$500,000) and Turkish (US\$100,000) Governments. The Saudi Arabian donation is earmarked for co-financing the establishment of the Ramallah Vocational Training Centre. An amount of US\$400,000 from the Fund's resources was released for the establishment phase (office rental, equipment, recruitment of staff). Another US\$400,000 have been released and are being used for the design, delivery and evaluation of services and programmes for the Fund's beneficiaries.

112. There are three ongoing projects as part of the Fund's programmes:

- Support for Palestinian small and medium-sized enterprise development.
Budget: ILO, US\$139,000.
- Vocational graduates job placement.
Budget: US\$168,300, of which the ILO's contribution is US\$134,000.
- Emergency assistance to employment generation and job placement.
Budget: ILO, US\$128,400; Ministry of Labour, US\$17,000.

113. The issue of national ownership – what has been referred to as “Palestinizing” the Fund as the legitimate channel for employment creation policies – is on the agenda of the Minister of Labour and Social Affairs to further clarify its focus and to attract additional donors.

114. The Palestinian Authority is committed to promoting and protecting Palestinian women's rights by developing penal, civil, administrative and labour legislation to address gender equality and encourage women's empowerment, providing the necessary support to the Ministry of Women's Affairs; and working further through affirmative action to eliminate structural discrimination against women, and to increase female representation in the Palestinian Authority, Palestinian Legislative Council and local government bodies.

115. The Director-General, in his Report on the situation of workers of the occupied Arab territories to the 92nd Session (2004) of the International Labour Conference, recommended that the Palestinian Authority consider “transmitting a voluntary report to the ILO in the framework of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up”. This could provide a unique source of information on developments in the fields of freedom of association and collective bargaining, overcoming discrimination, fighting forced labour and trafficking in human beings and abolishing child labour. Information provided under the follow-up to the Declaration is equally important in determining the content of the action plans adopted by the ILO Governing Body in order to provide assistance in overcoming the problems identified. This could then lead to valuable support to a rights-based approach within a decent work programme for Palestine. At the request of the Minister of Labour and Social Affairs, the Office will field a mission this year to provide assistance in launching this initiative.

116. Employers' and workers' organizations are in the process of holding partial elections and preparing general elections for 2005-06; these have not been held for more

than ten years. This will further contribute to their maturity with regard to representation, independence and democratic structures. Institutional support to the social partners, including capacity building, are important elements in ongoing technical cooperation projects, as follows:

- Building and strengthening the capacity of employers' organizations in Palestine.
Budget: ILO, US\$51,000.
- Assistance to the Palestinian trade unions.
Budget: ILO/Norway, US\$370,000.

117. In a decent work programme, continued support will be organized to help empower employers' associations and trade unions to develop further their internal democratic structures and their services to their membership and to society as a whole. In the past year, draft legislation relating to employers' and workers' organizations has been presented to the Palestinian Legislative Council. The ILO will provide advisory services if required, especially with a view to promoting the aims of establishing freedom of association, the right to organize and the recognition and encouragement of collective bargaining in accordance with the principles laid down in Conventions Nos. 87 and 98.

118. As compared to last year, the mission observed more openness for cross-border dialogue between both employers' and workers' organizations in Israel and in the occupied Arab territories. Entrepreneurs like to talk business and trade unions have common concerns to share. The contribution of such talks to mutual understanding and peace could be significant to address the most pressing problems resulting from continued occupation. Ofer Eini of the Histadrut told the mission his organization was ready to renew direct contacts and dialogue with the Palestinian trade unions. The ILO will facilitate any sort of dialogue the parties involved might wish to engage in. Certainly, the agenda is theirs.

119. Keeping in mind the shared responsibility of Israel, the Palestinians and international actors in promoting decent work, social justice and lasting peace, social dialogue within and between countries and the relevant social organizations has a crucial role to play.

6.3. Ending discrimination in the occupied Syrian Golan

120. As in former years the mission identified discrimination against Arab people and in favour of Israeli settlers in the occupied Syrian Golan as an ongoing fact of life. For the first time, a clear sign of hope emerged from the unprecedented arrangement with the Israeli authorities, brokered with the assistance of the ICRC, to allow Arab apple producers access to Syrian markets. In the meetings with the mission, the Syrian Arab people in the Golan, as well as the representatives of the Israeli and the Syrian Governments, welcomed this transaction. A continuation of this process and any other initiative helping the Syrian Arab people in the occupied Syrian Golan to keep their identity are strongly encouraged.

6.4. Final remarks

121. This Report once more demonstrates clearly the extent and the impact of restrictions on the mobility of persons, goods and services within Palestine as well as between the occupied Arab territories, Israel and the global economy. In last year's

Report, the Director-General pointed to the fact that “the removal of these restrictions is a necessary condition for the application of fundamental principles and rights at work as well as to unlock the productive potential in the occupied territories”. This still holds true. Although the new climate of confidence and dialogue the mission found this year is tainted by worrying developments that make for an uncertain future, this Report wishes to encourage every effort towards decent and productive work for women and men in the occupied Arab territories and in Israel. “Cautious optimism” was an expression the mission often heard this year, but at the same time it identified a number of threats to a process towards lasting peace. Thus, unfortunately, the mission has learnt to be cautious even with regard to “cautious optimism”.

References

- Achdut, L. 2004. *Annual Survey 2002-2003*. National Insurance Institute, Research and Planning Administration. Jerusalem.
- Amnesty International. 2005. "Israel/Occupied territories: Women carry the burden of conflict, occupation and patriarchy". Mar.
- Bank of Israel Research Department. 2004. *Recent economic developments*. Jul.-Dec.
- Central Bureau of Statistics (CBS). 2004. *Statistical yearbook*.
- Coordinator of Government Activities in the Territories (COGAT). 2005. *Presentation to the ILO*. Apr.
- Flug, K.; Kasir, N. 2003. "Poverty and employment, and the gulf between them", in *Israel Economic Review*, Vol. I.
- Graduate Institute of Development Studies (IUED). 2004. *Palestinian public perceptions, Report VII*. Geneva.
- Haaretz*. 2005a. "Public supports withdrawal and West Bank building", by E. Yaar and T. Hermann. 6 Apr.
- . 2005b. "Settlement population rose by 6 per cent in 2004", by R. Sa'ar. 10 Jan.
- . 2005c. "Bank of Israel: High-tech growth, globalization widen social gaps", by M. Bassok. 5 Apr.
- ILO. 2004. Report of the Director-General. Appendix. *Report on the situation of workers of the occupied Arab territories*. International Labour Conference, 92nd Session. (Geneva).
- International Monetary Fund (IMF). 2004. *Israel – 2004 Article IV consultation: Preliminary conclusions and recommendations*. 20 Dec., at: www.imf.org .
- Israeli Information Center for Human Rights in the Occupied Territories (B'Tselem). 2005a. *Statistics*, at: www.btselem.org .
- . 2005b. *Demolition for alleged military purposes*, at: www.btselem.org .
- . 2005c. *Planning and building*, at: www.btselem.org .
- . 2005d. *Statistics on Palestinians in the custody of the Israeli security forces*, at: www.btselem.org .
- . 2004. *Forbidden roads: Israel's discriminatory road regime in the West Bank*, Information sheet. Aug.
- Jerusalem Post*. 2005. "The barrier comes of age", by D. Horovitz. 8 Apr.
- New York Times*. 2005. "Israeli report condemns support for settlement outposts", by S. Erlanger. 9 Mar.

- Palestine Red Crescent Society (PRCS). 2005. *Total daily numbers of deaths and injuries – West Bank and Gaza*, at: www.palestinercs.org .
- Palestinian Central Bureau of Statistics (PCBS). 2005. *Impact of the Israeli measures on the economic conditions of Palestinian households (11th Round: October – December 2004): Press conference on the survey results*. Ramallah, at: www.pcbs.gov.ps .
- . 2004a. *Child labour survey, 2004: Main findings*.
- . 2004b. *Jerusalem Statistical Yearbook*, No. 6.
- . 2003. *Primary findings of the economic survey series*, Press release, at: www.pcbs.gov.ps .
- . *National accounts*, various years, at: www.pcbs.gov.ps .
- . *Quarterly labour force surveys*, various rounds, at: www.pcbs.gov.ps .
- Reports of the Israeli High Court. 2004. *Beit Sourik Village Council v. The Government of Israel*, H CJ 2056/04.
- The Guardian*. 2005. “US dressing down for Sharon”, by S. Goldenberg. 12 Apr.
- United Nations Economic and Social Council. 2005a. *Integration of the human rights of women and the gender perspective: Violence against women: Report of the Special Rapporteur on violence against women, its causes and consequences, Yakin Ertürk: Addendum: Mission to the Occupied Palestinian Territory*, E/CN.4/2005/72/Add.4. Feb.
- . 2005b. *Situation of and assistance to Palestinian women, Report of the Secretary-General*, Commission on the Status of Women, 49th Session, E/CN.6/2005/4.
- United Nations Office for the Coordination of Humanitarian Affairs (OCHA). 2005. *Preliminary analysis: The humanitarian implications of the February 2005 projected West Bank Barrier route*. Feb. At: www.ochaopt.org .
- World Bank. 2004. *Stagnation or revival? Israeli disengagement and Palestinian economic prospect: Overviews*, at: www.lacc.ps .

Annex I

List of interlocutors

Al-Haq, Ramallah

Randa Siniora, General Director

An-Nahda Women's Society

Badia Khalaf, Head

Birzeit University, West Bank

Dr. Eileen Kuttab, Director, Institute of Women's Studies

Lina Miari, Teaching Assistant and Researcher, Institute of Women's Studies

Jamil Hilal, Senior Researcher, Development Studies Programme, Institute of Women's Studies and Institute of Law

Islah Jad, Institute of Women's Studies

Canadian International Development Agency (CIDA)

Dominique Rossetti, Deputy Representative, Head of Aid

Ed Doe, Programme Manager Middle East

Patricia Pounienkow, Chief Policy Adviser

Democracy and Workers' Rights Center (DWRC), Ramallah

Hamdi Al-Khawaja, Executive Director

Mahmoud Ziadeh, Coordinator of the Freedom of Association and Organizing Unit

Abeer Sous Abumadi, Occupational Health and Safety Unit

Samar Amad, Legal and Human Rights Unit

Randa Nasrallah, Administrative Department

Carine Metz Abu Hmeid, External Relations Officer

Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA), Al-Ram

Ahmed Hashem Zughair, President

Ali Muhanna, Assistant to the Secretary-General

Jamal Jawabreh, Public Relations Director

General Federation of Labour in Israel (Histadrut)

Einat Geitzen, Office Manager, International Department
Ariel Yacobi, National Secretary of Government Employees
Ofer Eini, Chair of the Trade Union Division
Yousef Kara, Member, Executive Bureau
Dorit Tene-Perchik, Head, Legal Department
Tsahi Tabakman, General Manager, Trade Union Department
Lauren Weinberg, International Relations Department
Ravit Dom-Fidel, Advocate, Chief of Staff, Trade Union Department

German Embassy, Israel

Rudolf Dressler, Ambassador
Detlev Bruse, Social Attaché

Government of Israel

Coordination of Government Activities in the Territories (COGAT)

Maj. Gen. Yossef Mishlev, Coordinator of Government Activities in the Territories
Brig. Gen. Maadi Chatzbani, Deputy Coordinator
Lt. Col. Baruch Persky, Head, Economic Branch
Lt. Col. Daniel Beaudoin, Foreign Relations Branch
Lt. Col. Maadi Mantsur, Field Office of Coordinator
Maj. Col. Tamir Hayman, Field Office of Coordinator

Ministry of Foreign Affairs

Roni Leshno-Ya'ar, Deputy Director General, International Organizations Department
Ilan Elgar, Director, International Organizations Department
Eli Ben-Tura, Deputy Director, International Organizations Department

Ministry of Industry, Trade and Labour

Shlomo Itzhaky, Chief Labour Relations Officer
Avner Amrany, in charge of Research and Surveys, Labour Relations Unit
Eli Paz, Senior Deputy Director General

International Trade Canada

Mona Bieber, Trade Commissioner, Israel/West Bank/Gaza

Manufacturers' Association of Israel

Joseph Gattegno, Head, Labour and Human Resources Division
Ytzhak Barak, Legal Counsellor
Eli Korah, Labour Committee Vice-Chairperson, Farmers' Federation of Israel

Jonathan Harpaz, Director-General, Jerusalem Hotel Association

Occupied Syrian Golan

Majd Abu Saleh

Kanj Abu Saleh

Thaaer Abu Saleh

Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO)

Alexander Costy, Head of Coordination

Palestine General Federation of Trade Unions (PGFTU), Gaza

Rasem El Bayyari, President

Abdul Raouf Mahdi, Head, International Relations Department

Niveen Mutair, Secretary, International Relations Department

Mohamad Shobair, Assistant, International Relations Department

Ayesh Ebaid, Deputy President, Head of Construction and Carpentry Union of Gaza Strip

Palestine General Federation of Trade Unions (PGFTU), Nablus

Shaher Sae'd, General Secretary

Hussain Al-Fuqaha, Director General of Workers Education Department

Waleed El Aghbar, Member of Executive Committee

Na'eem Jamous, Member of Executive Committee

Fathi Nasser, Educational Department

Issam Wahbeh, Executive Secretary

Abla Masroujeh, Head, Gender Department, President of Health and Medical Services Union

Atef Saed, Media and Telecommunications Department

Ghada Abu-Ghalyoon, Administrative Assistant

Palestinian Academic Society for the Study of International Affairs (PASSIA)

Mahdi Abdul Hadi, Head

Palestinian Authority

Ahmed Qorei, Prime Minister

Ministry of Labour

Hasan Abu Libdeh, Minister

Asef Saed, Director of International Relations

Rasha Amarneh, Legal Adviser

Ministry of National Economy

Mazen Sinokrot, Minister

Faten Sharaf, Director, General Directorate of International Relations

Mohammed Hmidan, Director, Europe Desk

Ministry of Negotiation Affairs

Saeb Erekat, Minister

Ministry of Planning

Ghassan Khatib, Minister

Ministry of Women's Affairs

Zahira Kamal, Minister

Salwah Hdeib, Deputy Minister

Fatimah Botmeh, Director of Training and Technical Assistance

Dr. Magdy el-Dakiky, Senior Consultant to the Ministry

Marlene Rabadi, Director-General of Training and Advocacy

Salam Hamdan, Director of International Relations

Majeda Ma'arouf, Public Relations

Randa Sousou Janho, Director of the Minister's Office

Palestinian Businesswomen's Association (ASALA)

Reem Abboushi, Executive Director

Palestinian Central Bureau of Statistics (PCBS)

Loay Shabaneh, President

Mahmoud Jaradat, Director General, Population and Social Statistics

Saleh Al-Kafri, Director of Labour Statistics

Sufian Awad Ahmad Daghra, Director General, Economic Statistics

Hamdan Awwad, Acting Director, National Accounts

Palestinian Centre for Human Rights

Raji Sourani, Director

Jabr M. Wishah, Member

Palestinian Chamber of Commerce, Gaza Governorate

Mohamad Al-Qudwah, President

Palestinian Federation of Women's Action Committee

Siham Barghouti, Director

Palestinian Women's Forum

Lily Habash, Head

Palestinian Working Women's Society for Development (PWWSA)

Amal Khreishe, Director General

Latila Sehwal, Lawyer

Society of Ina'sh El-Usra

Farida Aref Amad, President

Amineh Eisawi, Member

United Nations Development Programme (UNDP)

Timothy S. Rothermel, Special Representative, Programme of Assistance to the Palestinian People

United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Occupied Palestinian Territory

David Shearer, Head of Office

Women's Affairs Technical Committee (WATC), Ramallah

Rose Shomali, Director General

Tami Rafidi, Public Relations Officer

World Bank, West Bank and Gaza Office

Sima Kana'an, Deputy Head of Office

Meetings in Damascus, Syrian Arab Republic

Dr. Diala Alhaj Aref, Minister of Social Affairs and Labour

Khalef Al-Abed Allah, Director of Social Security, Ministry of Social Affairs and Labour

Rakaan Ibrahim, Director of Labour, Ministry of Social Affairs and Labour

Amnen Rahban, Director of Arab Relations, Ministry of Social Affairs and Labour

Basshar Al-Saymen, Ministry of Foreign Affairs

Nida Sovs, Ministry of Foreign Affairs

Nadim Mirza, Vice-Governor of Quneitra Governorate

Dr. Haitham Al-Yafi, Chamber of Industry

Toma al-Jawabra, Assistant General Secretary, International Confederation of Arab Trade Unions (ICATU)

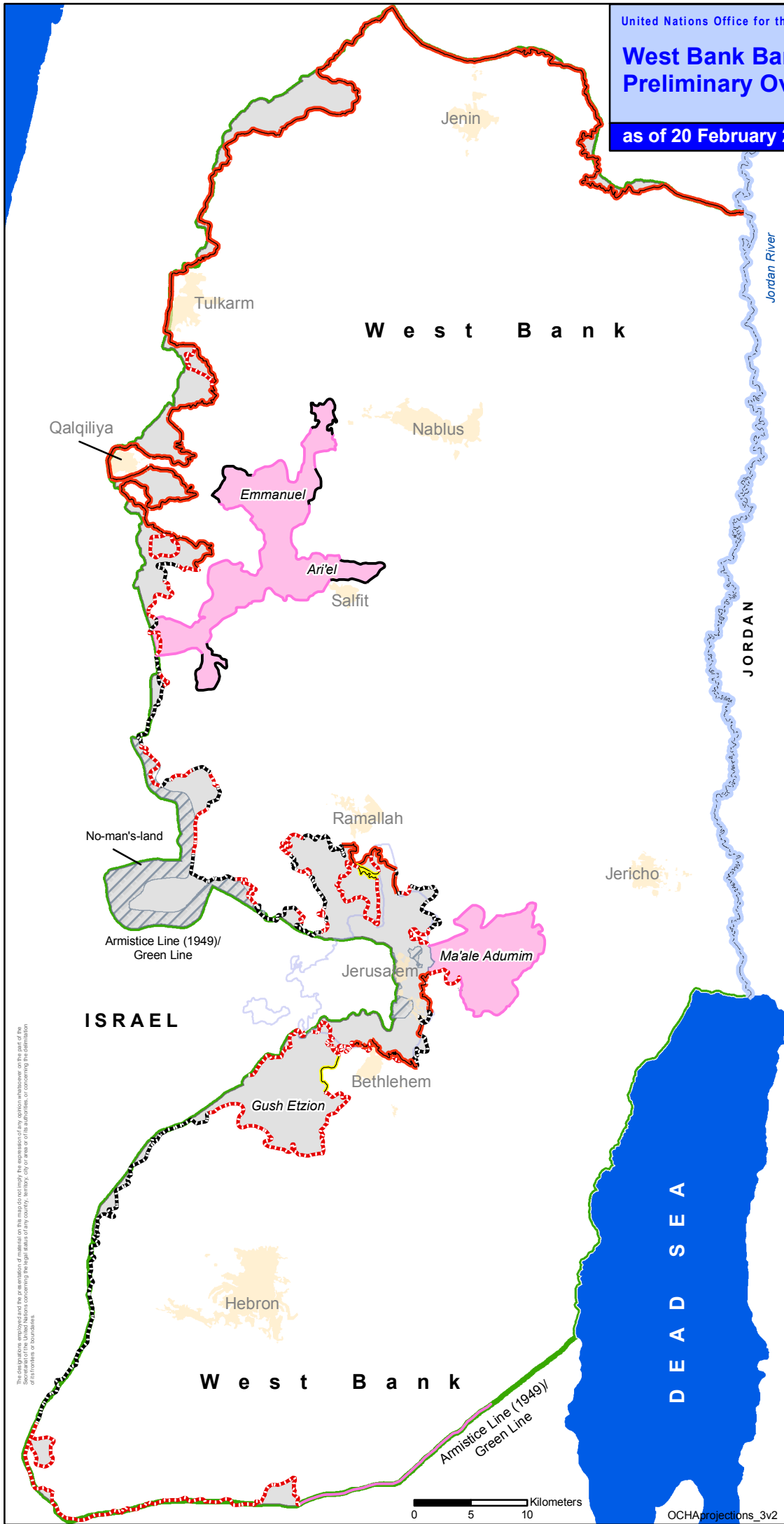
Ahmed Habbab, General Federation of Trade Unions (GFTU)

Annex II

Map: West Bank Separation Barrier: Route projections

West Bank Barrier Route Projections: Preliminary Overview

as of 20 February 2005



The Barrier's total length is 670km, approximately twice the length of the 1949 West Bank Armistice Line (Green Line) adjacent to Israel. 20% of the Barrier's length runs along the Green Line

AREA AFFECTED
10.1% of the West Bank and East Jerusalem
 142,641 acres or 57,726 hectares

Excluding the areas subject to completion of further inter-ministerial examination:
6.8% of the West Bank and East Jerusalem
 96,537 acres or 39,068 hectares

Barrier route

- Completed - 209 km
- - - Under construction - 105 km
- · · Planned - 184 km
- Special security arrangement area - 43 km
- Route subject to completion of further inter-ministerial examination - 129 km
- Road protection - 10 km*

*Not included in calculation of Barrier length

- Area located between the Barrier and the Green Line
- Area subject to completion of further inter-ministerial examination

Barrier route extracted from satellite imagery and verified with field observations - as of 23 February 2005.

Planned Barrier route based on Israeli Government map (Ministry of Defence/Seam Zone Authority), 20 February 2005.

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.