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Report of the Director-General

Part II: Appendix

International Labour Office Geneva
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### Appendix: Report on the situation of workers of the occupied Arab territories

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APPENDIX

REPORT ON THE SITUATION OF WORKERS OF THE OCCUPIED ARAB TERRITORIES

INTRODUCTION

1. An agreement was signed on 4 May 1994 by Israel and the PLO, inaugurating a transition period for the occupied Palestinian territories of the Gaza Strip and Jericho, pursuant to the Declaration of Principles on Interim Self-Government Arrangements, signed on 13 September 1993.

2. This report is based on the findings of a mission sent by the Director-General to Israel and the occupied Arab territories to examine the situation of the workers of these territories and to determine, as far as possible, the extent to which effect has been given to the recommendations made by the Director-General in previous reports on the subject, in particular that submitted by him to the 80th Session of the International Labour Conference (1993). ¹

3. The mission to Israel and the occupied Arab territories by the representatives of the Director-General was, again this year, preceded by other missions to a number of Arab countries to gather information relevant to the subject of this report.

4. This report is based on the information gathered by the representatives of the Director-General as well as on an analysis

of the voluminous documentation submitted by the Arab parties in the course of various missions.

5. In examining all the issues involved, both during the mission and in the preparation of this report, the representatives of the Director-General bore in mind, as they have always done, the relevant standards of international law, and in particular the Hague Convention of 1907 and the Fourth Geneva Convention of 1949 of which Israel is a co-signatory. More specifically, as regards equality of opportunity and treatment of the workers of the occupied Arab territories, and the issue of trade union rights both in the territories and in Israel, the representatives of the Director-General were once again guided by the principles and objectives laid down in the Constitution of the International Labour Organization, including the Declaration of Philadelphia, the standards and resolutions adopted by the International Labour Conference, and by the principles enunciated by the supervisory bodies of the ILO in the fields of non-discrimination in employment and occupation and freedom of association.

6. As in previous years, this report is based not only on the relevant legislative texts in the field of competence of the ILO, but also on the information obtained concerning actual practice regarding equality of opportunity and treatment of the workers of the occupied Arab territories in respect of employment, conditions of work and social benefits, and trade union activities. Reference may be made to the previous reports of the Director-General submitted to the International Labour Conference for a description of the relevant legislation and practice which remains substantially unchanged.
PROGRAMME OF THE MISSION TO ISRAEL AND THE OCCUPIED ARAB TERRITORIES

7. In the course of their mission the representatives of the Director-General had numerous meetings both in Israel and in the occupied Arab territories of the West Bank of the Jordan (including East Jerusalem), the Gaza Strip and the Golan.

8. This year the Israeli programme lasted two and a half days, during which the representatives of the Director-General were given all the necessary facilities for their meetings with government authorities, employers' representatives and workers' representatives in Israel. This programme, organized by the Israeli authorities, included a series of discussions in Jerusalem and Tel Aviv with representatives of the Ministry of Foreign Affairs, the Ministry of Finance (one of the Israeli representatives in the talks on social and economic questions), the Ministry of Labour and Social Affairs, senior officials of the Central Bureau of Statistics and the Bank of Israel, as well as officials of the main employers' organization (Israeli Manufacturers' Association) and the Israeli General Federation of Trade Unions, the Histadrut.

9. In the occupied Arab territories, the representatives of the Director-General benefited from the efficient and constant assistance of the United Nations Development Programme (UNDP) in East Jerusalem. They were thus able to organize a programme of meetings with many Palestinians and with the authorities of the Arab community of the Golan in the town of Majdal Shams. They held in-depth discussions with many Palestinian personalities, including academics, lawyers, trade unionists, businessmen and economists. The representatives of the Director-General also met with the Assistant Director and other members of the Palestinian Economic Council for Development and Reconstruction (PECDAR). They also held discussions with representatives of various Palestinian and Israeli human rights and workers' rights...
organizations. All these meetings and discussions took place without any witnesses other than the colleagues of the participants or other officials and were marked by a spirit of deep mutual confidence and respect.

10. The representatives of the Director-General also met with the Director of the Programme of Assistance to the Palestinian People of the UNDP in East Jerusalem and his colleagues and, in the Gaza Strip, with the Deputy Director and field officers of the United Nations Relief and Works Agency (UNRWA).

11. Since the programme established by the Israeli authorities did not include, as in previous years, meetings with senior officials of the Civil Administration in the Ministry of Defence in Tel Aviv, and the Civil Administration for the West Bank (in Ramallah) and for the Gaza Strip, the representatives of the Director-General were not able to hear the point of view of the authorities on a number of aspects of the situation mentioned in this report. Furthermore the mission had been informed at the time of its departure that the facilities usually provided by the Israeli authorities for carrying out its entire programme would not be available this year.

THE CONTEXT IN WHICH THE MISSION TOOK PLACE

12. Many significant events have taken place in the occupied Arab territories and on the international scene since the last visit by the representatives of the Director-General in March 1993. Some of these events will have lasting effects on the future of the territories themselves, and of the region as a whole.

13. The peace talks between Palestinians and Israelis which began on 30 October 1991 with the opening of the Peace Conference on the Middle East in Madrid led to the mutual recognition,
Situation of workers of the occupied Arab territories

on 9 and 10 September 1993, of Israel and the PLO, the latter as the representative of the Palestinian people. Following this first step, a "Declaration of Principles on Interim Self-Government Arrangements" was signed by Israel and the PLO on 13 September in Washington. This text, negotiated in Oslo, the capital of Norway, provides a framework for negotiating the implementation of the five-year period of self-government stipulated in the Declaration and which, for the time being, covers only the Gaza Strip and the Jericho area. Talks on the Golan Heights also began between Israel and the Syrian Arab Republic. This new drive for the establishment of neighbourly relations between Israel and the Palestinians of the occupied territories, on the one hand, and Israel and its Arab neighbours, on the other, gives reason to hope that the future of the region will be characterized by mutual respect and a spirit of dialogue.

14. The implementation in the near future of an interim period of self-government for part of the occupied territories will, under the terms of the Declaration, entail the redeployment of Israeli troops and a transfer of authority in certain fields, including social and labour questions, to an elected Palestinian Council once the Israeli Civil Administration is dissolved. The Declaration provided, after its entry into force on 13 October 1993, for the signing on 13 December 1993 of an agreement for the redeployment of the Israeli Defence Forces from Gaza and the Jericho region, to be completed by 13 April 1994 at the latest. Following an agreement between parties, free and direct general elections (under international supervision) should take place by 13 July at the latest for a Palestinian Self-Government Council, for a transitional period not exceeding five years. The differing interpretations of the text of the Declaration and the parties' diverging views during the negotiations made it impossible to keep to this timetable. Further delays occurred when the peace talks were broken off. In the meantime, the situation, as analysed for a
number of years by the various missions to the area and as
described in the successive reports of the Director-General, has
basically remained unchanged. The administrative, police and
military structures set up since 1967 remain essentially the same
in the occupied territories.

15. As for the general climate, it should be noted that the
dramatic political developments have in recent months been
accompanied by growing violence between Israelis and
Palestinians, as there are enemies of peace on both sides. In
human terms the conflict is extremely complex, with deep
historical roots. On the one hand, groups of settlers in the
territories who are affected by the current negotiations are
threatening the Israeli Government with civil disobedience
campaigns and have sometimes organized violent demonstrations,
which have been put down by the police; furthermore, they have
recently attacked Arab villages (burning houses and cars, harassing
or killing inhabitants). They have also attempted to build new
settlements in defiance of the authorities. On the other hand, the
Islamic group Hamas (many of whose leaders have been killed by
the Israeli security forces), as well as dissident armed factions of
the PLO, have claimed responsibility for numerous attacks
perpetrated against Israeli civilians, mainly settlers. In response to
such attacks against settlers or Israeli civilians, the authorities have
traditionally considered imposing additional restrictions on the
freedom of movement of Palestinians. Such measures have not,
however, been taken since the signing of the Declaration, although
the army has strengthened its presence in the territories; despite
tragic incidents, both parties have consistently sought to keep alive
the process begun in Madrid. Nevertheless, the aspirations for
peace, stability and security have been offset by the uncertainty of
the future and the economic distress of the Palestinian population.

16. It was in this climate of hope, doubt and tension that over
30 Palestinians praying at the Tomb of the Patriarchs in Hebron,
in the West Bank, were gunned down on 25 February 1994 by an Israeli settler who then took his own life. This serious incident was officially condemned by the Israeli Government, and Prime Minister Rabin expressed his condolences to the families of the victims. However, a curfew was imposed for several days on the Palestinian population of Hebron and the peace talks were broken off. An Israeli commission of inquiry was immediately established by the authorities. On 31 March 1994 the Palestinian and Israeli delegations to the peace talks agreed in Cairo on security arrangements which include a temporary international presence aimed at restoring a more normal climate in the town, and on the resumption of the peace talks. Approximately 160 international observers (Danish, Norwegian and Italian) arrived in Hebron in April 1994 for a temporary stay.

17. This notwithstanding, the Islamic resistance movement Hamas, which is opposed to the current peace process, announced a series of attacks against Israel in retaliation for the massacre of 25 February. During the mission of the representatives of the Director-General, seven Israeli Jews were killed and 52 injured on 6 April when a first bomb went off in Afula, in northern Israel. This attack, which was claimed by Hamas, prompted the Israeli Government to take measures to restrict the movement of Palestinians from the territories in Israel and East Jerusalem, and to arrest workers living illegally in Israel (generally at their workplace). The total closure of the West Bank and Gaza Strip declared on 30 March 1993, which had in fact been relaxed, was once again strictly enforced (personal work and travel permits were cancelled), and the Israeli army imposed more curfews. On 13 April, five Israeli Jews were killed and 30 injured in Hadera, near Tel Aviv, in a second attack for which Hamas claimed responsibility. The death of innocent civilians, whether Israeli or Palestinian, was deplored by Palestinian leaders from the territories; Mr. Arafat, the Chairman of the PLO, also expressed his
regrets and stated that these attacks effectively undermine the current peace process, or at least delay it. In spite of these attacks, of the total closure of the territories, of the daily clashes between the Israeli army and the Palestinian population resulting in the death and injury of Palestinians and sometimes of Israelis, and of the continued settlement policy, the peace talks are still moving ahead and agreements on agriculture, industry, energy, trade and the labour market are in the final stage of negotiation.

18. The delay in the timetable for the implementation of the Declaration of Principles has dashed the hopes which followed its signing, especially in Gaza where living and working conditions remain extremely bad and precarious. Furthermore, the human rights situation has not improved.

19. Since the last mission by the representatives of the Director-General, and especially since the signing of the Declaration of Principles, numerous technical missions by international or regional financial institutions have visited the occupied territories, and donors’ meetings have been held in several capitals around the world to draw up an economic and social development plan for the territories. The ILO has participated in some of these meetings and has also conducted technical missions, following which it developed a programme of action in its fields of competence. This pragmatic approach goes hand in hand with the efforts made at the political level and numerous investments have already been planned. In the immediate future, the banking infrastructure will be strengthened by the agreement signed on 1 December 1993 between Israel and Jordan for the opening of new bank branches in the territories. Investment, cooperation and aid programmes cover all fields: employment, roads, housing, health, education, the development of tourism, industry, agriculture, trade, etc. Activities planned by the ILO also concern employment, but more specifically focus on labour administration and legislation, social security and vocational and trade union training. It appears that all
the parties are aware of the stakes which might affect the objectives of the peace process, which all agree must be considered irreversible, and that they concur that without the genuine economic development of the Palestinian population there can be no peaceful coexistence of the peoples of the region.

20. It is in the context described above that the representatives of the Director-General this year carried out their mandate in examining the situation of the Arab workers of the occupied territories. The chapters that follow contain a more detailed examination of the current situation of these workers, of the measures which have been taken since the previous report, and of those which continued to be applied during the past year.

THE ECONOMY AND THE LABOUR MARKET

The economy of the occupied
Palestinian territories

21. As has been elaborated in this report over the years, the economy of the occupied territories remains underdeveloped and fragmented, dependent and subject to massive constraints, vulnerable to unpredictable external shocks and hardly managed. There would be no reason for optimism but for the resilience and creativeness of Palestinian workers and promises of major investments in the wake of a long-awaited peace agreement and autonomy.

22. In spite of progress towards peace and stability reported at the political level, 1993 turned out to be another bad year from an economic and social point of view, mainly as a result of

1 This section deals with the situation in the West Bank (excluding East Jerusalem) and the Gaza Strip.
prolonged curfews and border closures. Preliminary data for 1993 suggest a sharp drop in national income and a severe deterioration of the trade deficit. It is certain that Palestinian savings have been seriously eroded and that households find it increasingly difficult to absorb financial shocks. Informed observers, not surprisingly, estimate that poverty is on the increase and only kept under control through special assistance programmes for thousands of households without a breadwinner, implemented by UNRWA and the Civil Administration and a variety of non-governmental organizations, notably Zakat committees (benevolent societies).

23. The consequences of border closures are particularly severe on business in East Jerusalem which depends for its workers as well as its customers on West Bank residents beyond the city limits. Likewise, many West Bank producers and merchants depend on the Jerusalem market for their livelihood. Palestinians are increasingly concerned that measures aimed at separating Jerusalem from the rest of the West Bank will seriously undermine the economies on either side of the city limits.

24. The Declaration of Principles providing for a limited transfer of authority until a final settlement is reached between Israel and the Palestinians has obviously given rise to expectations and particularly so as regards economic and social development. The signing of the Declaration, in September 1993, was followed by a donors' meeting resulting in pledges worth more than $2 billion for emergency relief and reconstruction.

25. At the time the mission took place, in April 1994, negotiations on the details of such limited autonomy had not been concluded but agreements were said to be near as regards agriculture, industry, energy, taxation and the movement of workers and merchandise across borders. Meanwhile, in the financial sector preparations were under way to accommodate an influx of development funds; agreements were reached in the course of the year with foreign banks allowing them to open branch offices
throughout the territories. In January 1994 a Palestinian Economic Council for Development and Reconstruction (PECDAR) was established to ensure the coordination and efficient use of external assistance in keeping with Palestinian priorities. The Council is now in the process of organizing its work.

26. In spite of encouraging signals, many Palestinians remain sceptical about prospects of rapid economic growth and development. The conditions “on the ground” are yet to reach a level at which investors, domestic or foreign, would feel comfortable. Whilst the current climate of frustration and anger will hopefully improve before long, more time may be required to enhance the economy’s absorptive capacity and, indeed, to get the donors to meet all of their promises. However, if peace and stability once restored would prevail, medium- to long-term prospects of a substantial increase in prosperity for all are no exaggeration, particularly if sufficient attention is paid to the social and labour dimension of development.

Labour force and employment

27. The labour force of the occupied territories, that is, the number of those who are 15 years of age or older and either working or unemployed but actively seeking work, is estimated on the basis of quarterly household surveys conducted by the Israeli Central Bureau of Statistics (CBS).

28. At the end of 1993 the combined labour force of the West Bank and Gaza was estimated to be 338,500, compared to 333,400 at the end of 1992 and 312,100 at the end of 1991, figures which correspond to a growth rate of about 3 per cent per year or a net annual increase of more than 10,000 jobseekers.

29. As has been argued in earlier reports, the labour force of the occupied territories is probably underestimated on account of conservative population estimates and underreporting of labour
force participation. Significant numbers of workers who are not now seeking employment because they have been discouraged from trying could quickly swell the ranks of labour force participants if economic conditions in the territories improve. The release of thousands of political prisoners and the return to the territories of Palestinian workers living abroad would add further pressure on labour supply.

West Bank (excluding East Jerusalem) and Gaza:
Population aged 15 and over, labour force and labour force participation rates (LFPR), by sex, 1993

<table>
<thead>
<tr>
<th></th>
<th>West Bank</th>
<th>Gaza</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>LFPR</td>
</tr>
<tr>
<td>Population (15+)</td>
<td>542 800</td>
<td>-</td>
</tr>
<tr>
<td>Labour force</td>
<td>218 300</td>
<td>40.2</td>
</tr>
<tr>
<td>— Male</td>
<td>193 200</td>
<td>72.6</td>
</tr>
<tr>
<td>— Female</td>
<td>25 100</td>
<td>9.1</td>
</tr>
</tbody>
</table>

* Percentage of the corresponding population aged 15 and over.

Source: Central Bureau of Statistics.

30. The labour force participation of women of the territories seems to have increased slightly in 1993, but remains remarkably low, particularly in Gaza. It may be assumed that where jobs are so scarce, men take precedence in seeking work. In any event, there is considerable evidence that many West Bank and Gaza women work more than full time in or around the house; conventional definitions of work fail to recognize the economic significance of their chores.

1 See e.g. Marianne Heiberg, Geir Øvensen et al., *Palestinian society in Gaza, West Bank and Arab Jerusalem: A survey of living conditions*, FAFO-report 151, Oslo, 1993.
31. The labour force, as the ILO defines it, consists of the employed and the unemployed, that is, those who work for pay, profit or other remuneration, even if only for one hour per week, and those who do not work but actively seek a job. Included among the employed, therefore, are people who work less than full time and who are available for additional work and others who work well below their level of skill or qualification — the underemployed.

Total employment

32. The Israeli Central Bureau of Statistics estimates that 319,300 Palestinians were employed in 1992, which is 11 per cent more than in 1991 when long curfews had been imposed during the Gulf crisis. Of those employed in 1992, 25,600 were classified as university-trained and technical workers. Preliminary data for 1993 suggest a slight decline in the total number of employed, the effect of a massive decline in employment in Israel and a remarkable increase in employment in the territories.

<table>
<thead>
<tr>
<th>Employment of Palestinian workers by place of work, 1991-93</th>
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</thead>
<tbody>
<tr>
<td><strong>Workers from</strong></td>
</tr>
<tr>
<td><strong>West Bank</strong></td>
</tr>
<tr>
<td><strong>Israel</strong></td>
</tr>
<tr>
<td><strong>Gaza</strong></td>
</tr>
<tr>
<td><strong>Israel</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>Territories</strong></td>
</tr>
</tbody>
</table>

* Preliminary data.

Source: Central Bureau of Statistics.
33. Out of 315,800 Palestinian workers employed in 1993, only 27,800 were women, a number which has hardly changed since 1970 when total employment was 173,300, including 20,600 employed in Israel. Whereas almost all of those employed in Israel were men working for wages, wage-employment in the territories has always been less important than self-employment (including some unpaid family work). Wage employment in the territories remained more or less constant for many years at around 60,000; only in 1986 was the over-70,000 level of 1970 reached again; in 1992 wage employment in the territories reportedly increased to over 80,000 and a preliminary estimate for 1993 puts the figure at 92,800.

34. The 1992 FAFO survey of living conditions in the occupied territories found that wages, most of them earned in Israel, were by far the most frequent source of household income and that in most households the labour activity of the head of the household (HH) provided the bulk of household income. In addition to labour income, one in three households received non-labour income mainly in the form of social benefits (9 per cent of HH) and remittances from abroad (8 per cent of HH).

**Sources of income of heads of households (HH) in the occupied territories, 1992, per cent of all HH**

<table>
<thead>
<tr>
<th>Source of income</th>
<th>West Bank HH</th>
<th>Gaza HH</th>
<th>All HH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages</td>
<td>64</td>
<td>48</td>
<td>59</td>
</tr>
<tr>
<td>Salary UNRWA</td>
<td>3</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Other salaries</td>
<td>4</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Business</td>
<td>26</td>
<td>19</td>
<td>23</td>
</tr>
<tr>
<td>Subcontracting</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Land cultivation</td>
<td>31</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Animal husbandry</td>
<td>10</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Fishing</td>
<td>–</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Labour force and employment data for the occupied territories, 1970-93

Source: Statistical abstract of Israel.
Employment in the occupied territories

35. Work in the territories is mostly self-employment in agriculture or commerce. Most of the wage jobs are in public services provided by the Israeli Civil Administration (20,670 Palestinian employees in 1993 of whom 13,620 in the education department) and the United Nations Relief and Works Agency (UNRWA). Wage employment in manufacturing is rather limited and mostly confined to micro- and small enterprises. There is a relatively important transport sector catering to workers who commute to Israel. As many people invest their savings in building or home improvement, there are occasional job opportunities for construction workers unable to cross into Israel. Employment in the occupied territories has more or less stagnated since 1970 when it was estimated by CBS at 153,000. It was less than that every year until 1986, when it started to increase. In 1992 some 204,000 Palestinians were reported to be working within the occupied territories, not counting workers in East Jerusalem and Israeli settlements. Only some 80,000 of them were working for wages. Preliminary data put the 1993 figure at 232,000 which would represent a remarkable growth of almost 14 per cent during the year. The apparent increase in “domestic” employment is largely an outcome of a massive reduction in the number of Palestinians working abroad, first in countries of the Gulf and now in Israel, some of whom have been absorbed into more or less productive jobs at home. There has been no such thing, however, as a sudden upsurge in the number of stable wage jobs providing a reasonable alternative to the ordeal of trying to work “across the green line”.

36. Particularly as a result of prolonged curfews and border closures in 1991, 1992 and 1993, tens of thousands of West Bank and Gaza workers lost millions of dollars they would have otherwise earned in Israel. Desperate for cash, hundreds of
unemployed construction workers accepted temporary jobs in a minor construction boom in the territories brought about last year by expectations of rising real estate prices after achieving limited autonomy and, indeed, by their willingness to work for wages as low as NIS20 (just under $7) per day. Others kept themselves busy in family farms or as casual workers at odd jobs. The 1993 employment figures furthermore reflect the employment at NIS25 per day of several thousands of people in public works, such as cleaning streets, organized by the Israeli Civil Administration to limit the impact of the "indefinite" closure which began on 30 March 1993.

37. In spite of the fact that wages were below $200 per month, many more workers than could be hired applied to take part in the public works programme in Gaza, which continues at the time of writing this report. In the West Bank, however, workers were said to be less interested and the programme was terminated in October 1993.

38. The downward pressure on wages in the territories as a consequence of border closures is most evident in Gaza where employers confirm that NIS25 per day now represents the going rate for unskilled labour. UNRWA, with 5,000 local staff one of the major employers in Gaza, pays a minimum wage at more than twice that level ($400 per month) and around $650 per month to a primary school teacher (grade 8 step 15); the maximum salary at UNRWA is almost $2,000 per month but very few staff earn more than $1,000 per month. In comparison, Palestinians working in Israel at the minimum-wage level would bring home around $500 for a regular month's work; certain skilled construction workers would earn twice that amount or more.
Employment in Israel

39. The average number of Palestinian workers in Israel, which had increased considerably in 1992 to reach around 115,000 or 36 per cent of all employed Palestinians, declined to 84,000 or 27 per cent of all employed in 1993, the lowest proportion since 1971. Observers "on the ground", however, dismiss the provisional 1993 figure as an overestimation by the Israeli CBS. The average number of hours per week worked in Israel, still according to CBS, decreased from 3.0 million to 2.0 million for West Bank workers, and from 1.6 million to 1.0 million for Gaza workers. Wage receipts from Israel are reported to have plummeted from an all-time high of $930 million in 1992 to $586 million in 1993.

| Annual wage receipts by Palestinian workers in Israel, 1988-93 (millions of US dollars) |
|---------------------------------|-----|-----|-----|-----|-----|-----|
| West Bank workers               | 422 | 456 | 492 | 459 | 627 | 393 |
| Gaza workers                    | 270 | 226 | 302 | 278 | 303 | 193 |
| Total                           | 692 | 682 | 794 | 737 | 930 | 586 |

Source: CBS (10 Apr. 1994).

40. The border between the territories and Israel was closed for all workers from the end of March until the middle of May 1993. Thereafter, limited numbers were allowed entry again, gradually reaching some 50,000 workers with permits by the end of the year, 30,000 from the West Bank and 20,000 from Gaza. In addition, an unknown number of irregular workers, possibly as many as 40,000, were believed to be working for wages in Israel at the end of 1993 and the beginning of 1994. Following the Hebron massacre in February 1994, major curfews were imposed
on the territories as a result of which only some 13,000 Palestinians could come to work; on 10 April 1994, the border was sealed again "until further notice" after a number of deadly attacks by Palestinians on Israelis.

41. The Israeli cabinet decided on the same day "to import over 18,000 foreign construction and agricultural workers for six months, in a bid to reduce reliance on Palestinian labour. Employers will have to add an Israeli labourer for each foreign worker hired, the decision said. The Government would maintain subsidies for 4,000 Israelis already working in construction and agriculture, adding NIS30 a day to what employers pay plus NIS10 a day for transportation." \(^1\) It was further reported that cabinet members opposing an indefinite closure cited a General Security Service report which stated that Palestinians who killed Israelis were not among those granted work permits; they argued, inter alia, that collective punishment would create economic havoc in Gaza. On 17 April 1994, the Israeli cabinet "slightly eased the closure on the territories amid concerns about human and economic distress there and in response to pressure from farmers", and agreed to allow 4,500 Palestinians over 35 years old to return to their agricultural jobs. \(^2\) These reports show that at the highest level in Israel awareness and indeed some concern exist about the questionable justification and the serious effects of border closures, but that other considerations prevail in deciding on access for Palestinian workers, notably public opinion in Israel and the pressure of employers who in spite of everything are keen to recruit these workers.

\(^1\) *Jerusalem Post*, 11 Apr. 1994.

Unemployment and underemployment

42. Using restrictive ILO definitions, CBS has always reported less than 5 per cent of the labour force of either the West Bank or Gaza to be unemployed, except in 1991 and in 1993 when unemployment in the West Bank increased to 10.3 and 7.9 per cent respectively. Such annual averages, however low, tend to hide seasonal fluctuations or, in the case of the occupied territories, fluctuations associated with curfews and border closures.

43. The unemployment level estimated by the CBS is roughly confirmed in the FAFO living conditions survey, which recorded a 1992 unemployment rate in the occupied territories of 7 per cent. Other sources, however, quote unemployment figures as high as 40 or 50 per cent. As has been argued in previous reports, in trying to reconcile wildly different unemployment figures it is essential to agree on what is being measured. Moreover, one should not conclude from a low unemployment figure that there is no employment problem in the area concerned.

Quarterly and annual unemployment rates for the West Bank and Gaza, 1993 (per cent)

<table>
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<tr>
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<th></th>
</tr>
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<tbody>
<tr>
<td>West Bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7.9</td>
</tr>
<tr>
<td>Gaza</td>
<td>2</td>
<td>5</td>
<td>6.5</td>
<td>5</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Source: CBS.

44. One obvious reason for low employment is low labour force participation. In other words, if someone losing a job does not immediately and actively seek another, he or she is, by definition, considered outside the labour force. A follow-up study

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1 Heiberg and Øvensen, op. cit., p. 188.
undertaken by FAFO in October/November 1993\(^1\) found, inter alia, a dramatic decline in adult male labour force participation after the border closure, particularly in Gaza. People who were unemployed without actively seeking work included many "discouraged" workers who would like to work if they could find an "acceptable" job at an "acceptable" wage. Most of them, in fact, hoped or expected to be able to return to work in Israel. They had not started seeking work in the territories because their reservation wage — the lowest wage they would work for — was still above the going rate.

45. The employment problem of the occupied territories is probably best viewed, however, in terms of serious underemployment: low productivity of labour, people who are involuntarily working less than "normal" hours, people working at levels well below their qualification, people wasting considerable time in finding work or work permits, or in trying to reach their workplace, and so on and so forth. The fact that underemployment is difficult to measure does not make it any less evident.

46. The 1992 FAFO study\(^2\) reports that in the West Bank just over 50 per cent and in Gaza only 28 per cent of men in the 20-59 age group worked full time, meaning seven weeks or more during the two months prior to the survey (a period not affected by border closures). According to CBS, 56 per cent of Gaza men over 15 years of age and 61 per cent of West Bank men worked full time in 1992, that is, 35 hours per week or more.\(^3\)

47. Assuming that people available for work would opt for wage employment rather than self-employment if they had a choice

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\(^1\) FAFO. *FALUP 93* (draft). Mar. 1994, Oslo.

\(^2\) Heiberg and Øvensen, op. cit., p. 192.

and if wages were decent, another admittedly crude indicator of labour force utilization may be found in comparing weekly hours actually worked for wages with what the number of hours would have been if all considered part of the labour force had worked 40 hours for wages. Using the CBS data for 1992, considered a relatively good year, one finds that a labour force of 333,000 might have worked 13.3 million hours as compared to 7.6 million hours actually worked, suggesting a 57 per cent utilization (compared to 69 per cent in 1987 and between 49 and 53 per cent during the intifada years of 1988-91).

Employment prospects

48. Current employment problems and their consequences in terms of poverty and what comes of poverty are serious enough to warrant priority attention of policy-makers inside and outside the occupied territories. It would be a grave mistake to believe that such problems will sort themselves out as soon as limited autonomy takes effect and promises of financial support materialize. Employment creation is difficult and a lengthy process anywhere but particularly so in circumstances such as those prevailing in the West Bank and the Gaza Strip.

49. Given the fact that at present only some 80,000 Palestinians work for wages within the territories, it is obvious that even in the best of circumstances it will be difficult to prevent the problems from getting worse in the future. On the supply side there are, to begin with, year after year, at least 10,000 to 15,000 new entrants to the labour force, most of them school-leavers. To their number must be added thousands of ex-detainees and Palestinians returning from abroad, thousands of people from among the backlog of unemployed and underemployed, and thousands who may no longer be able to work in Israel.
50. It is of the utmost importance, at least for the time being, to ensure access to the Israeli labour market for tens of thousands or, better still, an unlimited number of Palestinian workers. It seems that agreements currently being negotiated explicitly leave the door open for such arrangements. Access to other labour markets should also be negotiated.

51. Employment, labour and social policies should be adopted to contribute to the creation of decent jobs for large numbers of Palestinians, including wage policies and other measures designed to check the spread of poverty and to provide for a basic level of social protection. Policies should also be adopted to encourage self-employment, the development of small enterprises, labour-intensive public works programmes and relevant training activities.

Education and training

52. The economic and social development of the occupied territories depend first and foremost on implementing policies which direct the development and use that will be made of their abundant human resources. Although Palestinians are relatively well-educated if one considers literacy rates, years of schooling completed and current enrolment rates, some obvious imbalances exist within the education and training systems and there are signs that relevance, efficiency and quality problems have arisen in recent years, including at the university level.

53. Palestinians must be trained for many purposes but not for jobs which do not exist or for needs which are merely perceived. The Palestinian training system should be driven in an equitable manner by a demonstrated demand for wage labour and by true opportunities for increasing productivity and succeeding in self-employment. The system should be at once relevant in terms of national aspirations, effective or good at doing what it must do, and efficient in its use of limited inputs. In the current circum-
stances four training priorities seem to emerge: (i) capacity-building for the new civil service, in particular for hundreds of officials newly appointed to management and policy-making positions; (ii) training to allow for reconstruction, that is, as an integral part of implementing the projects being proposed by foreign donors coordinated by the World Bank; (iii) training youth so as to be able in the future to sustain a level of development implied in current investment proposals; and (iv) training of trainers in order to meet the priorities above.

54. Equity should be an important consideration in the development of training policies. Disadvantaged groups, notably women, the disabled and ex-detainees, should have equal or possibly privileged access to training opportunities which will enable them to be gainfully employed. To this end it may be necessary to establish quotas or to develop special training programmes linked to job creation programmes.

55. As soon as Palestinian authorities assume responsibility for the training system, steps should be taken to develop and agree on a single training policy framework and on pertinent institutional arrangements and resources for implementation. A policy framework would broadly set the limits within which it is intended to arrive at a training system which is at once relevant, effective, efficient and equitable.

56. Decisions to ensure relevance in training should be based largely on a capacity to monitor labour market trends and to undertake and interpret employer surveys and trainee tracer studies. In order to arrive at a training system which is truly demand-driven, it is proposed to aim at flexibility on the one hand and at participation of all concerned on the other. Flexibility and participation are needed because the demand for skills is often hard to predict and because skills become obsolete at an increasing rate. This points, as a general rule, at favouring generic skills and work attitudes over specialization, and at investing in continuous
education and training. Participation, notably of employers at the local level, in making training decisions should be encouraged. The policy framework should allow for diversity and experimentation. It should be foreseen that public and private providers, including NGOs and private for-profit operators, compete for training resources, whether the training is paid for by public authorities, enterprises or the trainees themselves.

57. The effectiveness of the training system, or the extent to which training outputs correspond, particularly in terms of quality, to what it is intended to produce, should be enhanced, in particular, by improving the outcome of basic education, by upgrading the quality of trainers and by exposing trainees to real work experience. The efficiency of the system, or the relationship between inputs and outputs, could be improved, for example, by making better use of existing institutions and by considering possibilities of integrating institutions, e.g. those run by UNRWA and the Israeli Civil Administration.

58. As several training institutions are working below their full capacity, efforts should start now to enable them to offer, as appropriate, afternoon and evening courses in particular for women and workers who need skills upgrading or retraining. Special attention should be paid to developing programmes for people to succeed in self-employment in small enterprises, with priority given to ex-detainees victims of the intifada.

CONDITIONS OF WORK IN ISRAEL

59. At the time of the mission, the question of the employment in Israel of Palestinians living in the occupied territories was on the agenda of the Israeli-Palestinian negotiations. The parties reached agreement on the principle of the employment of these workers, in particular in the construction and agricultural sectors,
with Israel retaining the right to control their flow according to security requirements and the needs of its economy. The mutual importance of this employment was emphasized by several interlocutors, although it appears that the customary maximum number of 120,000 workers from the West Bank (excluding East Jerusalem) and the Gaza Strip will not be maintained, with a downward trend emerging since the intifada began in December 1987. On the Israeli side, employers recognize that some sectors of the economy need Palestinian labour but that alternatives can be found if necessary. At present efforts are being made to avoid having to rely in future on this labour: technological development should lead to a reduction in demand, and the Government is subsidizing jobs to encourage unemployed Israeli workers to replace Palestinian labour. In response to pressure from Israeli farmers, and amid concerns about “human and economic distress”¹ resulting from this situation, the Cabinet decided on 17 April to allow some 4,500 Palestinians over the age of 35 to return to their agricultural jobs in Israel.

60. However, opinions on the Palestinian side vary concerning the desirability of this employment. Some believe that it helps meet essential economic needs (in particular in the Gaza Strip where the wages of some 40,000 Palestinians employed in Israel are vital) which must continue to be met in the absence of any economic alternatives, at least during the transition period. Others believe that the impossibility of continuing to work in Israel will lead potential investors to initiate a process for the intensive development of the occupied territories to absorb this labour and open up new employment opportunities. With the expectation that the autonomy agreements will be implemented, and that the relationship of economic dependence between Israelis and

¹ Jerusalem Post, 18 Apr. 1994.
Palestinians will be transformed into one of partnership, it would be desirable if alternatives to employment in Israel could be found very soon in the occupied territories. Meanwhile, a substantial number of workers should be authorized to return to their usual work in Israel in order to meet the immediate financial needs of this population and defuse social conflicts or at least a situation likely to encourage acts of terrorism.

Work permits

61. The conditions governing the employment of Palestinian workers in Israel since the beginning of the occupation in 1967 have been described in detail in the previous reports of the Director-General. These conditions remain essentially the same. The Israeli Employment Service Act of 13 January 1959 states that all manual workers must be recruited through a placement office. In 1967 military ordinances declared the occupied territories to be "closed areas" and required all residents to have a special permit in order to leave and/or return there.

62. In order to work in Israel, Palestinians living in the occupied territories must hold identity documents and a work permit. If they live in the West Bank, they must not have green identity cards, for these prevent their holders from entering Israel and East Jerusalem. Green cards are issued to persons who have been detained for at least six months for reasons of security, generally without being charged or tried; the cards are valid for six months and are renewable. At the time of the mission, the Israeli authorities were envisaging the introduction in the West Bank of magnetic cards similar to those introduced in the Gaza Strip in June 1989 for security reasons. These cards are like bank

cards and contain information recorded on a magnetic strip. Workers living in the Gaza Strip are required to have valid magnetic cards as well as identity cards and work permits. All these documents are issued according to security criteria, and upon payment in the case of the magnetic cards.

63. The Palestinian trade unions allege that valid magnetic cards are regularly confiscated at the military checkpoints, without any justification, and destroyed. In January 1994, when thousands of cards were confiscated by the army, the leaders of the Palestine Trade Union Federation of Gaza began a hunger strike to protest against these practices which they considered unjustified harassment. They told the mission that as a result of this action the Histadrut expressed its solidarity by transmitting to the Federation a document in which it stated that it opposed the measures of arbitrary confiscation. The magnetic card is a valuable document: not only must it be paid for, but if it is lost it is impossible to apply for another; if it is confiscated, a new application cannot be made until six months later. The Palestinian interlocutors emphasized that despite their action and the negotiations under way, the arbitrary practices and security restrictions affecting workers have not been eased. The significant restrictions placed on the employment of workers in Israel are being maintained.

64. Palestinians who want to work in Israel can obtain a work permit after registering with the employment service nearest to their home; they are then considered as "regular" workers. After a considerable amount of red tape (security check, tax clearance certificate, etc.), a permit is issued for a specific employer and a specific workplace. At present a permit is issued for two months, and may be renewed. Since the Government's decision in March 1993 to close completely Israel's borders to the Palestinians of the territories, valid work permits (they were valid for one year after the initial period of two months) were cancelled and replaced by new permits of a different colour valid for two months.
65. At the time of the mission, following the above-mentioned attacks at Afula and Hadera, the Israeli police had raided enterprises in the Negev district (southern Israel) and arrested workers who had illegally stayed at their workplace (hotels, small factories, caterers). Of the 40 workers arrested and brought before the courts, 36 were sentenced to between one and five months' imprisonment, and all were fined between NIS1,000 and NIS4,000 (an unskilled worker earns around NIS70 a day in Israel). No information was provided in this respect by the Israeli employers.

66. The age requirements for obtaining a work permit vary according to events and Israeli policy on the subject. Such requirements are a means of regulating the flow of Palestinian workers into Israel. It is known that the majority of these workers, at least those in the Gaza Strip, are under the age of 35. In 1993 specific conditions were imposed on Palestinians aged between 18 and 20: they could obtain work permits only if they were married, had a sick or deceased father and therefore were the only breadwinner in their family. Only one worker per family can receive a permit. Furthermore, the Palestinian trade unions in Gaza told the mission that in issuing work permits in the Gaza Strip the authorities try to balance their number between the refugee camps and the other population areas. Following the attacks in April 1994 for which Hamas claimed responsibility, the conditions fixed for the granting of work permits to Palestinian males (apart from the usual conditions concerning security and taxation) stipulate that applicants must be at least 30 years old and be married. As regards women, in the past they did not need work permits; this no longer seems to be the case since the authorities of the Ministry of Labour reported that around 500 Palestinian women have permits to work in Israel.

1 Jerusalem Post, 18 Apr. 1994.
67. Seasonal and casual workers may obtain from the military authorities a special permit valid for three months. Casual workers are being employed less and less; for security reasons they are being replaced by foreign workers. As regards employment in the Jewish settlements in the territories, Military Ordinance No. 967 of 3 March 1982, as amended, requires Palestinians to be in possession of a special three-month permit issued by the Civil Administration. Any infringement of this provision carries a penalty of one year’s imprisonment or a fine of NIS15,000 ($5,000). These workers, like seasonal and casual workers, are paid directly by the employer who has to apply a lower minimum wage than that applicable in Israel, plus a cost-of-living allowance. They enjoy no social protection.

68. However long the validity of the work permits, the employment of Palestinians in Israel remains precarious since the permits can be withdrawn at any time by the military authorities and contracts of employment are nearly always on a daily basis. The system remains as described in previous reports despite the speeding up of formalities with the computerization of the employment offices. The Israeli authorities have always recognized that Palestinian workers were recruited in Israel only to meet the country’s economic needs and to fill jobs that for one reason or another were not taken by nationals.

69. It is to be hoped that the conditions which give rise to this situation will move towards greater social equity with the application of the autonomy agreements. No indication was given to the representatives of the Director-General in this respect. On the other hand the Israeli interlocutors emphasized how important it was for Israel to retain the possibility of regulating the employment of Palestinian labour, in particular because of Israel’s own unemployment, and to stop it, if necessary, for security reasons. It was also announced that, with the application of the autonomy agreements, the Israeli employment services operating in the
occupied territories will be transferred to the Palestinian authority (equipment, computerized data and files with the exception of Israeli information), and that Israelis and Palestinians will be in contact for the granting of work permits and the various implications of the "regular" employment of Palestinian labour in Israel. The payment of wages and social contributions will continue to be made by the Payments Division of the Ministry of Labour.

70. The fact that Palestinian workers from the occupied territories have no real trade union representation, their vulnerable situation — created by the overall political and economic context — and the unfair discrepancy of the payment of high social contributions without the corresponding individual benefits, combine to encourage such practices to the detriment of the Palestinians' legitimate interests. It is to be hoped that this situation will be improved as a result of the negotiations under way and, in particular, that emphasis will be placed on the search for solutions to define more equitably the conditions of employment of Palestinian workers.

Social insurance

71. Palestinian workers who have registered with the Employment Service and have permits to work in Israel are covered by a twofold social insurance system: first, there is the social protection established by collective agreements negotiated and concluded by the Histadrut in most sectors and for which, theoretically, no condition of residence in Israel is imposed; and second, the supplementary (compulsory) national insurance scheme run by the National Insurance Institute of Israel. Residence requirements apply in respect of some of these benefits. The benefits guaranteed by collective agreements vary according to the sector.

72. The interlocutors of the mission at the Ministry of Labour said that the question of the social rights of Palestinian workers
holding work permits was under discussion. A part of the social insurance deductions made from wages and transferred until present to the Civil Administration will be paid to the Palestinian authority. Israel will, it appears, retain the deductions in respect of equalization of the cost of labour. Furthermore, despite Palestinian objections, the Israelis refuse to include on the agenda of the negotiations the social deductions made since the time that Israeli enterprises have been employing Palestinian workers, and which have not been refunded to the Palestinians. ¹ This concerns in particular the social development fund for the territories which was established by a policy decision of the Israeli Government on 8 October 1970, defining the principles of equality of remuneration and other rights for Palestinian and Israeli workers before the law and under collective agreements. This fund was established to receive the equivalent of the deductions made from the wages of the workers in Israel in respect of the equalization and civil defence fund; the Prime Minister, the Minister of Finance and the Minister of Labour are responsible for its administration. The amounts paid in regularly to this fund since 1970 and their use have always been subjects of controversy; the previous Reports of the Director-General have emphasized the need for clarification in this respect and for transparent management.

73. Action by the Israeli association for the defence of Palestinian workers (Kav La'oved) has resulted in a case being brought before the courts of Jerusalem against the State of Israel and the Payments Division of the Ministry of Labour. The proceedings, which began on 12 January 1994, are an attempt to obtain for the Palestinian workers of the occupied territories full social rights and the reimbursement of all the deductions made over the years from their wages in respect of national insurance as

¹ See in this connection the 1990 Report (paras. 71 and 72), the 1991 Report (para. 50) and the 1992 Report (paras. 75 and 76).
regards benefits which were denied because they lived outside Israeli territory. Although this situation applies to all Palestinian workers employed in Israel since 1970 through the intermediary of the Israeli Employment Service, and would probably justify a class action, the case has been brought by three workers who may be joined by other workers. The sums at stake are considerable, not necessarily at the individual level but for these workers as a whole. The association acting on behalf of the three complainant workers believes that a judicial decision in their favour would set a precedent and enable other workers to obtain compensation. However, the authorities of the Ministry of Labour told the representatives of the Director-General that the plaintiffs had withdrawn their application following the adoption of the Equalization of the Cost of Labour Act, a retroactive law which legalizes the deductions made from wages (their legality had in fact been challenged before the Supreme Court of Israel since such deductions were based on the above-mentioned 1970 ministerial decision). It was pointed out that the State of Israel had requested on 24 March 1994 that the case be dismissed on the ground that the Palestinians had never, over a period of 20 years, claimed these social rights and that the matter had therefore lapsed. Despite an adjournment granted following an appeal by the Palestinian trade unions and a request from the court to the plaintiffs to reply to the Israeli application, the case continues.

74. Since the social rights of the Palestinian workers are under negotiation, the system should be re-examined in the light of the principles of equity and non-discrimination and, as regards deductions made in the past, the parties should show a spirit of openness and dialogue.

75. Palestinian workers who are prevented from going to work because of the closure of the occupied territories and/or curfews imposed by the army, are not legally unemployed. Whether or not they are identified as "regular workers", i.e.
registered with the Israeli Employment Service, they do not receive unemployment benefit. The frequent absenteeism of these workers justifies, in the view of the Israeli employers, the maintenance of their status as daily workers who are paid only the days of actual work (although the general system in Israel is monthly payment). Such a system offers few prospects to Palestinian workers who have no hope of seeing their status changed in the future; even if their occupational situation stabilizes, and they remain for several years with the same employer and advance in their employment, they are unprotected from any of the vicissitudes which characterize the employment of Arabs of the occupied territories. The total closure of the crossing points between Israel and the occupied Palestinian territories, which cut the latter off from any economic and social relations, is considered by the Palestinians, and by many Israelis as well, as a collective punishment, the very heavy cost of which is often disproportionate to the events which had led to the closure.

76. Instances of informal negotiations with Israeli employers were reported by both Palestinian trade unions and the Israeli association for the defence of Palestinian workers, Kav La'oved, and by the Ministry of Labour, when Palestinian workers have been kept in forced unemployment because of the restrictive measures taken by the army which have cost them their only source of income. At the juridical level, the reasons of force majeure may be invoked to justify the absence of a worker and have the dismissal annulled by a labour court. The negotiations have sometimes resulted in compromise and payment by the employer of unemployment benefit. Similarly, following action taken to obtain compensation for Palestinian workers who have suffered prejudice, employers have made some efforts to obtain new work permits for these workers and to re-recruit them in their enterprise. Despite these isolated cases and the fact that some employers have shown concern for maintaining harmonious
occupational relations with their Palestinian workers, it must be
admitted that in general Palestinian workers are in a vulnerable
and precarious situation, at the mercy of discriminatory practices
without any legal or social protection. It can only be hoped that
the negotiations under way will meet the need to guarantee to these
workers the basic rights which are those of any worker on the
basis of the universally recognized principles of the ILO. Future
relations between Palestinian workers and Israeli employers should
be based on social equity and mutual respect, and in particular on
the right of those concerned to freedom of association and to
representation by trade unions of their own choosing. Only the
legal protection of the basic rights and interests of these workers,
and their implementation without discrimination, will provide a
solid basis for the development of such occupational relations.

THE TRADE UNION SITUATION

77. When the representatives of the Director-General last met,
in 1993, with the executive members of the General Federation of
Palestinian Trade Unions (GFPTU) in the West Bank, they had
been informed that recent and successful talks had taken place
between the main trade union blocks on the question of a possible
reunification of the whole trade union movement in the West Bank
under a single constitution. A constituent document, which was
due to be signed in the near future, had been elaborated by the
four main blocks, viz. the Shabiba Workers’ Block (Fatah, headed
by Shaher Sa’ad, General Secretary of the GFPTU), the Workers’
Unity Block (Democratic Front for the Liberation of Palestine, or
DFLP), the Progressive Workers’ Block (former Communist
Party, now PPP) and the Progressive Labour Front (Popular Front
for the Liberation of Palestine, or PFLP). The new arrangement
provided for the establishment of an interim general executive
committee consisting of the General Secretary, Mr. Shaher Sa’ad, one independent member, and two members from each of the four blocks which made up the new organization. Their tasks were to reorganize and restructure the Federation, elaborate new statutes and organize elections within a period of between six months and one year.

78. As for the West Bank unions, the mission was informed by the General Secretary, Mr. Shaher Sa’ad, and by members of his executive committee that, following the issue of the new constituent document referred to above, divergent views had been expressed by the various blocks regarding its content. The holding of meetings, however, to discuss these issues was difficult, if not impossible, as a result of Israel’s closure of its frontiers in March 1993. The period immediately following the closure was punctuated by curfews, in addition to which the closure itself and the many roadblocks set up to ensure its application made communication among trade unionists extremely difficult and meetings virtually impossible. A number of months, accordingly, elapsed before general agreement emerged that there should be free elections as well as greater unity in the trade union movement. Furthermore, in addition to the political encouragement that the West Bank union leadership had received from the PLO in Tunis to constitute a more united movement, the unions themselves became more conscious of the need for greater unified strength if they were to cope with the increasing pressures placed upon them by the workers, whose economic and social problems had become intolerable, particularly as a result of the closure of the territories and the consequent ban on Palestinian workers from working in Israel.

79. The mission was informed that, between April 1993 and the end of that year, primary elections had been held in the various unions and that, in January 1994, an important meeting had been held in Amman, Jordan, at which all the unions,
including those representing the four main blocks, as well as four minority groups, agreed to unite in one single general federation under a new constitution. A new draft constitution was prepared and approved by all the constituent unions and by the Palestine Trade Union Federation (PTUF) in Tunis. Documents were handed to the representatives of the Director-General describing how these primary elections in the constituent unions had taken place. A copy of the new draft constitution was also supplied to the mission as well as a copy of the new membership application form which it was intended to circulate to all workers. Since the Amman agreement, however, arrangements to hold a central conference to discuss the draft constitution had been constantly thwarted by curfews imposed on various parts of the territories making it impossible for meetings to take place. The mission was shown the minutes of a meeting of the General Federation of Palestinian Trade Unions' executive that had taken place on 27 February 1994, at which a number of trade union issues were discussed, including the proposal to convene a general meeting on 27 March 1994 to discuss the draft constitution. A curfew imposed on Nablus, where the Federation has its headquarters, had prevented the meeting from taking place and it was, accordingly, postponed to a later date. It was also intended to propose to the trade union federation of the Gaza Strip that they consider the possibility of accepting the draft constitution prepared by the West Bank Federation and unite with them in a broad unified trade union movement covering both the West Bank and the Gaza Strip. For this purpose a copy of the draft constitution had been sent to the Federation in Gaza for consideration. It was also pointed out by the GFPTU that the political leadership in Tunis favoured such a broad united trade union front in the territories but, whatever decision the Federation in Gaza might take on the question of unity, the West Bank Federation would proceed to finalize agreement among its constituent unions on the draft constitution
and proceed to hold free and democratic elections in December this year.

80. For some years now the leadership of the General Federation of Palestinian Trade Unions of the West Bank has been attempting to rationalize and strengthen the structures of the organization through a process of unification and free and democratic elections. In the deteriorating economic circumstances prevailing in the West Bank, especially since the end of the Gulf War, there has been a realization on the part of the unions that, without unity and a real increase in the confidence of ordinary workers in their capacity to deliver, the trade unions would be impotent to deal with the ever-increasing problems and challenges that faced them. It was difficult, however, to reconcile the kind of trade union structures and activities that some leaders considered necessary to face these problems with the political role that the leadership of the PLO in Tunis expected the trade union movement to play in the occupied territories. It has been that political role, as well as the direct appointment to trade union office in the West Bank by the different political groups, that has made the trade union movement vulnerable not only to the oppression which it has, in the past, experienced at the hands of the Israeli Defence Forces, but also, and more importantly, to the criticism of its own rank-and-file members who have become less and less convinced of the usefulness of the trade unions in obtaining any improvement in their economic and social conditions. It is also the political role that has been expected of the trade unions, both in the West Bank and in the Gaza Strip, that has so far prevented them from proceeding to free and democratic elections. The West Bank Federation's General Secretary indicated to the representatives of the Director-General that, in the post-occupation period, he saw the Federation as a democratically elected body that was free and independent from political authority, and whose relationship vis-à-vis the PTUF in Tunis would have to be reviewed following what
was likely to be a move by the PTUF from Tunis to the territories. There would also be a major drive to stimulate and increase membership of the trade unions, in particular by formulating, with ILO assistance, labour legislation which would remove the prohibition imposed by Jordanian labour law, which applied in the West Bank, on the right of public servants to organize.

81. As regards trade union activities in the West Bank, it is clear that there is considerable contact between the unions and individual employers or enterprises but there is no systematic or structured collective bargaining. It would also seem to be the case that there are many instances where agreements, almost exclusively on wages, have been struck between the unions and individual employers, and about 100 such written agreements exist. There was striking evidence, however, that much remains to be done by the unions to deal with serious anomalies at the workplace, not only in relation to wages and benefits, but also with regard to such questions as safety and health, equality of rights, hours of work, holidays with pay and many other basic questions that have long been ignored by the unions, either through lack of knowledge of basic workers’ rights or through sheer neglect of such issues. The absence of real collective bargaining was also due, according to the unions, to the lack of strong and competent employers’ organizations. The closure of the territories, for example, had prompted the Federation into writing to the Chamber of Commerce to propose a meeting to discuss the important question of job creation, but, despite a long lapse of time, no reply had been received.

82. The West Bank Federation was active in organizing public meetings and demonstrations in protest against the renewed complete closure of the territories following the Hebron massacre and particularly against the curfews which not only prevented the trade unions from meeting, but also severely restricted the movement of the whole population of the town or area affected.
The representatives of the Director-General attended such a public meeting organized in Nablus by the GFPTU and which received press coverage the next day. Because of travel restrictions, the number of trade union members attending this meeting was reduced to about 70, whereas 300 to 400 had been expected. Speeches were made by several members of the executive committee of the Federation protesting the closure of the territories, the curfews, the roadblocks and the introduction in the West Bank of a new system of magnetic cards (similar to that used in the Gaza Strip) for entry into Israel. Following these interventions, rank-and-file members took the floor to question, as well as to criticize, the Federation's executive on the action it was taking on these issues.

83. At the international level, the GFPTU, its executive and its members, are in receipt of a number of workers' education courses dispensed by the ILO, and an ILO workers' education specialist was holding discussions with the unions in the West Bank and in the Gaza Strip during part of the mission by the representatives of the Director-General. Fraternal contacts with foreign national trade unions is constant and a small delegation from the AFL/CIO was present in Nablus during the visit of the mission to the Federation. More particularly, there had been important contacts with the International Confederation of Free Trade Unions and visits to the Confederation's Brussels headquarters by the General Secretary of the GFPTU, Mr. Shaheer Sa’ad, and Mr. Rasem Bayari, General Secretary of the Gaza Federation, on three occasions (6 November 1993, 22 December 1993 and 23 March 1994). These meetings had taken place at the invitation of the ICFTU, which has set up a coordinating committee for the Middle East. In between the last two of these meetings the ICFTU had sent a large delegation to Israel and the occupied territories between 17 and 20 January 1994 to examine the trade union
situation and future areas of cooperation with the Palestinian trade unions.

84. According to the General Secretary of the GFPTU, as confirmed by Mr. Rasem Bayari of the Federation in Gaza, one of the main objectives of the meetings in Brussels was to promote a dialogue between the Palestinian trade unions and the Israeli General Federation of Trade Unions (the Histadrut). It may be recalled, in this connection, that in previous reports the ILO has strongly encouraged the Palestinian trade unions and the Histadrut to engage in such dialogue, firstly as an expression of mutual recognition, and secondly as a demonstration of a desire to contribute jointly, as important social partners, to the process of seeking solutions to the problems that confront their respective societies. The action taken by the ICFTU to follow up on this recommendation seemed, already in November 1993, to bear fruit with an important public meeting taking place in the home of a special adviser to Chairman Arafat of the PLO in Beit Hanina (near Jerusalem) between the general secretaries of the Palestinian unions and a high-level Histadrut delegation. A decision was taken at that meeting to set up a joint committee to examine a number of issues of common interest. This was followed up by the presentation of a lengthy agenda of discussion items to the ICFTU for the Brussels meeting in December. This agenda included the deduction of national insurance contributions from the wages of Palestinian workers working in Israel since 1970, assistance to the West Bank unions to set up an office in Jerusalem, the 1 per cent deduction by the Histadrut from the wages of Palestinian workers in Israel, the position of the Histadrut regarding the replacement of Palestinian workers by other foreign workers following the closure of the territories, the release and integration of Palestinian political prisoners and the continuing state of occupation of the territories by Israel. The agenda also included questions relating to the annexation of East Jerusalem, the right of return of exiled
Palestinians, and Israeli government policy on settlements; these questions, according to the Histadrut, were purely political in nature and outside the competence of the trade unions. Representatives of the Histadrut explained to the representatives of the Director-General that no progress could be made on the issues of common interest since the Palestinian trade unions and, more particularly, the trade union representative from the PTUF in Tunis, who was also present, insisted on discussing those issues which the Histadrut considered to be purely political in nature.

85. The Palestinian representatives of the West Bank and Gaza federations stated that they, too, had been dissatisfied with the Brussels meeting and, more specifically, with the Histadrut’s failure to condemn the closure of the territories or to intervene with the authorities to alleviate the problems occasioned by curfews and roadblocks. In addition, dialogue with the Histadrut would henceforth depend, to a large extent, on the new unified structure in the West Bank Federation, which included elements that were more hostile towards contacts with the Histadrut. The General Secretary of the Gaza Federation also saw little point in pursuing discussions with the Israeli Federation whose policies, he said, were too close to those of the Israeli Government. Both the GFPTU and the PTUF (Gaza), however, were anxious to continue discussions with the ICFTU on the conclusions its delegation had reached following its mission to Israel and the occupied Palestinian territories in January 1994, and to continue receiving assistance in developing more democratic trade union structures and in preparing for free elections in December 1994.

86. The meeting in the Gaza Strip between the representatives of the Director-General and the executive committee of the Palestinian Trade Union Federation (Gaza) was held in a recently completed workers’ education centre, the construction of which was financed by Norway. The Federation continues to comprise six registered trade unions in all of which elections had taken place
in 1993. The mission was informed that, there being no alternative candidate to contest the leadership of the Federation’s General Secretary, Mr. Rasem Bayari, the central committee of the constituent unions had unanimously re-elected him for a further two-year mandate as General Secretary. While the trade unions in the Gaza Strip were now able to operate without the same restrictions as were imposed in the past by the military authorities, the problems faced by the unions were nevertheless considerable. The main problem at present, Mr. Bayari explained, was the unemployment situation which had become desperate following the total closure of the territories. Many workers had not been paid severance pay or even wages up to the date of the closure, and an appeal to the Histadrut to intervene on their behalf had gone unheeded. Already, prior to the closure of the territories, the military authorities at the checkpoint at Eretz had begun large-scale confiscations of magnetic cards, which seemed to indicate a policy of reducing the number of Palestinian workers from the Gaza Strip working in Israel.

87. Mr. Bayari said that his Federation continued to enjoy excellent fraternal contacts with many trade union centres in Europe and also in the United States and Japan. He also referred to his participation in the various meetings in Brussels with the ICFTU, and said that he regarded these contacts as very positive. He had no plans, however, to have further contacts with the Histadrut.

88. The Histadrut re-emphasized its willingness to be of assistance to the trade unions of the occupied territories. At a meeting with representatives of the Histadrut the representatives of the Director-General were informed that the purpose of their participation in a number of multi- and bilateral discussions with the Palestinian unions was precisely to stress this willingness. Practical examples of the Histadrut’s goodwill towards the Palestinian unions were the increase (from four to five) in the
number of lawyers employed by the Israeli federation to supply free legal services to workers from the territories who worked in Israel, the offer to provide workers' education courses for Palestinian trade unionists at the Histadrut's education centre in Tel Aviv, and the fact that the Histadrut always arranged for foreign unions visiting Israel also to meet with the Palestinian unions. It was difficult, however, for dialogue to proceed successfully if the Palestinian unions insisted on discussing questions of a purely political character, as they had done at the Brussels meeting in December 1993.

89. In previous reports the ILO has strongly encouraged a dialogue between the Palestinian trade unions and the Histadrut, particularly in the context of the problem of representation of Palestinian workers from the territories working in Israel. Such workers, it may be recalled, do not belong to a union, nor do they enjoy adequate representation by a trade union despite the fact that they pay almost 1 per cent of their wages to the Histadrut. The fact that these workers are prevented from being represented by unions of their own choosing, in accordance with generally recognized freedom of association principles, in addition to which they are prohibited from membership of the Histadrut, is an anomalous situation, a solution to which could be found through a process of discussion and dialogue with the Histadrut. It may be hoped that the encouraging signs of mutual recognition that commenced with public meetings between the parties at the end of 1993 will be accompanied by an appreciation by the Palestinian unions of the valuable assistance that the Histadrut is genuinely offering to provide, as well as an acknowledgement by the Histadrut that the state of occupation has not been conducive to the development in the territories of a mature trade union movement, or the concentration of its efforts exclusively on the social and economic interests of the workers.
THE SITUATION IN THE GOLAN

90. The unilateral annexation by Israel in 1981 of that part of the Golan Heights which it occupied in 1967 (approximately 1,250 sq. km less about 100 sq. km which were returned to the Syrian Arab Republic following the 1973 Yom Kippur War) has never been recognized by the United Nations or by the indigenous Arab population of the region which has at all times declared itself to be Syrian.

91. The inhabitants of the Golan have always strongly resisted the occupation, refusing to accept Israeli citizenship and organizing frequent demonstrations and manifestations in protest. Each year at least two one-day general strikes are observed: on 14 February, the anniversary of the general strike of 1982 against the extension of Israeli law, administration and jurisdiction to the region, and 17 April, Syrian Independence Day. During their visit to the village of Majdal Shams, in the Golan, the Director-General’s representatives learned from the representatives of the Arab population of the territory (comprising essentially Majdal Shams, Masa’ada, Ein Qunya and Buq’ata) about the important demonstration that had taken place in Majdal Shams on 14 February 1994. Later during the mission, on 17 April 1994, the inhabitants staged demonstrations and called a general strike to mark Syrian Independence Day.

92. These annual demonstrations by the Golan population are continuing expressions of their sense of Syrian Arab identity which remains as strong today as at any other time in the past. The compulsory Israeli identity cards and laissez-passers issued to the inhabitants do not mention Israeli citizenship and they are accordingly recognized by Israel as residents of Israel but not as citizens.

93. The population of the Golan is made up of Arabs who inhabit the villages in the region and Jewish Israelis who live in the 44 settlements established and developed by the Israeli Government since 1967. According to Israeli statistics, the total
population of the Golan as at 31 December 1992 was 28,100 including 12,000 Jews and 14,400 autochthonous Druze.¹

94. One problem that has long affected the inhabitants of the Golan is the continuing practice of confiscation of land by the Israeli authorities. The local population of the Golan traditionally lives essentially from agriculture and, in particular, the cultivation of apples; non-arable land is used for grazing pasture. For years now it has been the practice of the Israeli authorities to confiscate common land and even individually owned land, transforming it into “state land”. The inhabitants have constantly complained to the ILO representatives that this action on the part of the Israeli authorities is designed to encircle the Golan villages in order to prevent their normal expansion and to isolate the inhabitants. Another purpose of such confiscation is to demarcate the confiscated land for the establishment of a military camp which, in most cases, is the first step towards the establishment of a Jewish settlement, in the form of a kibbutz or moshav. The representatives of the Director-General were informed that more and more difficulties were being experienced by local inhabitants who wished to build on their own land. The confiscation of undeveloped land was becoming increasingly frequent even inside the villages themselves and new village maps were constantly being drawn up by the municipal authorities. Failure by the local inhabitants to lodge objections to these maps was considered as acceptance of them. This meant loss of land, especially by those inhabitants who had no written titles to prove ownership. The continued possession of land by persons who held written titles, however, was never guaranteed, and they were often obliged to spend much money and time in bringing lawsuits before the courts in order to prove the validity of their documents.

¹ CBS, op. cit., table 2.7.
95. The whole of Mount Hebron had been taken over as “state land” and transformed into a ski resort that is now run by a kibbutz. Parts of it are privately owned, but for local Druze inhabitants access to the mountain can only now be gained on payment of NIS10. The price is higher if they wish to use the facilities that now exist.

96. Of continuing concern to the Golan population is the establishment and extension of Jewish settlements, kibbutzim and agricultural structures and facilities in the region. The economic life of the local population has long been disrupted by these developments, mainly as a result of the discriminatory practices that involve severe limitations on the local residents, particularly as regards access to additional water resources, whereas the inhabitants of settlements and kibbutzim have virtually unlimited access to water. In addition, the mission was informed that local residents find it almost impossible to obtain authorization to expand their storage facilities for apples or obtain certain types of refrigerators that would facilitate the stocking of produce for longer periods. Jewish settlers, on the other hand, were establishing new plants and expanding existing ones without restriction. They could also purchase without problem or restriction the kind of refrigeration technology that enabled them to store apples until such time as the markets were more favourable. According to the local inhabitants the entire system set in place by the Israeli authorities was designed to favour the production of apples by the kibbutzim and to prevent the local population from expanding, improving or even protecting the quantity and quality of its production.

97. The importance of water for the economic life of the villages of the Golan has been emphasized in previous reports. All water resources are under state control, including the natural lake of Masa’ada, which supplies and irrigates the region. Water is distributed exclusively by the Israeli water company, Mekorot,
whether for domestic or agricultural use, and water from Lake Masa’ada has been diverted to settlements. Previous reports have also described how the local Druze inhabitants have been prevented from building additional rainwater reservoirs to supplement the inadequate quotas of water that are imposed on them. No additional authorizations were granted for the erection of water reservoirs, and the installation of water meters on existing reservoirs has been made compulsory as a prior condition of the granting of permission to irrigate crops. The inhabitants alleged that the application of these policies and practices clearly demonstrated that a deliberate attempt was being made to prevent the local inhabitants from improving their production. Indeed it was obvious that the objective was to reduce the production of the villages and make the inhabitants even more dependent upon Israel.

98. Once again this year the representatives of the Director-General were able to witness the difficulties experienced by the local inhabitants of the Golan in communicating with family members in the Syrian Arab Republic. It is still common practice for such communication to take place with the use of megaphones and binoculars in an area called the “Hill of Shouts”. Travel to the Syrian Arab Republic by inhabitants of the Golan is also still restricted and any authorizations that are given are given on a discriminatory basis. The representatives of the Golan villages informed the mission that in 1993, however, one positive factor was that a larger number than usual of local inhabitants had been allowed to travel to the Syrian Arab Republic. About 200 had obtained permission, including about 100 students (out of approximately 300 applicants) who had been allowed to study at Damascus University. Job opportunities being extremely rare in the Golan, university graduates were either forced to leave the region or remain unemployed. Nevertheless, it was stressed by the local representatives that contacts with the Syrian Arab Republic
remained of the utmost importance and they welcomed the fact that an increasing number of young students were able to study in Damascus.

99. From all the information obtained on the spot by the representatives of the Director-General, it is clear that all the restrictions on the freedom of the local inhabitants of the Golan and the discriminatory practices to which they are subjected have not abated since the previous Report. On the contrary, all the indications point in the direction of increased efforts being made by the Israeli authorities to stifle any attempts by the local inhabitants to increase or improve their economic capacity. The oppressive conditions in which the local population lives are particularly felt when dealing with the local or municipal bureaucracy or with the law courts that have jurisdiction in the Golan. There can be little doubt that the state of occupation in the Golan has resulted in a wide measure of discrimination against the local population and the installation of a system that is designed to suppress the liberty and the cultural and national identity of the inhabitants. The education system, the continuing confiscation of land, the extension of settlements and kibbutzim, the restrictions on travel and the control of the local village production of apples are all evidence that the prospects for any improvements in the situation for the local inhabitants are far from encouraging. It is to be hoped that the negotiations between Israel and the Syrian Arab Republic, including in particular those relating to the Golan Heights, will result in a solution being reached whereby the local population will find relief from the discrimination and limitations on their freedom to which they have for so long been subjected.
THE EFFECTS OF THE ESTABLISHMENT OF ISRAELI SETTLEMENTS ON THE LIVES OF ARAB WORKERS IN THE OCCUPIED ARAB TERRITORIES

100. The policy of establishing Jewish settlements in the occupied Arab territories was begun soon after these territories were occupied by Israel in June 1967; the policy is planned and controlled by the Government. In a resolution adopted in 1980, the International Labour Conference expressed its concern in this respect and called on the one hand for an end to be put to this practice and on the other for the existing settlements to be dismantled. The establishment of settlements by Israel in the occupied territories effectively changes the physical characteristics and demographic composition of these territories. The international community and United Nations bodies have considered this to be contrary to international law. In numerous declarations and resolutions (the most recent date from November 1993 and February 1994) the international community has repeatedly requested that a halt should be brought to these settlements, which are devoid of any legal basis and seriously obstruct the establishment of a comprehensive, just and lasting peace. The unilateral decision of the State of Israel to annex certain territories does not alter the fact that the status of the settlements under international law is debatable (Israel has extended its jurisdiction, legislation and administration to East Jerusalem and the Golan Heights).

101. Under the terms of the Declaration of Principles of 13 September 1993 (Article V), questions relating to the settlements and to Jerusalem will be discussed in the context of bilateral negotiations on the permanent status of the occupied Palestinian territories, which will be held not later than the beginning of the third year of the interim period. The occupied Golan Heights are not covered by the agreement between Israel and the PLO; they are the subject of specific talks between Israel and the Syrian Arab
Republic (see the preceding chapter on the situation in the Golan Heights). None the less, it should be emphasized that the policy of successive Israeli Governments for the establishment of settlements is a general policy which does not distinguish between one occupied territory and another.

102. In the 27 years of occupation the pace of establishment of these settlements has been constant, but it has been stepped up since the beginning of 1991. Jewish emigration to Israel from the CIS and the countries of Eastern Europe as well as from Ethiopia have led the Government to quicken the pace of housing construction in the territories of the West Bank, including East Jerusalem, and in the Gaza Strip. Although this massive influx (approximately 200,000 people in 1990 and just as many in 1991) has not systematically settled in the territories proper — only a minority has chosen to live there — it has had a strong impact on the Israeli housing market. The consequent rise in prices and demand in Israel has thus prompted some Israelis to move to settlements in the occupied territories. Their relocation has been facilitated by financial and tax incentives (a 7 per cent income tax credit, and tax breaks for the purchase of housing). As for investors, they receive state aid in one of three forms: state participation of 38 per cent of the investment; a ten-year tax exemption; or guarantees covering up to two-thirds of their investment. Following Prime Minister Rabin’s decision to amend Israel’s settlement policy and to distinguish between political settlements and security settlements, the financial incentives given to the so-called “political” settlements were discontinued as of 1 January 1994. These incentives remain in effect, however, for the settlements in the Jordan valley, Gush-Etzion (between Bethlehem and Hebron), the Golan Heights and the Gaza Strip; the Government also decided to continue expanding “strategic” settlements (especially in the Jordan valley and the Jerusalem region).
103. Since the signing of the Declaration of Principles the Israeli authorities have reportedly stepped up the confiscation of Palestinian lands and the expansion of existing settlements and their infrastructures. Human rights associations provided the mission with publications indicating the area of land seized since 13 September 1993. Moreover, specific studies on this question have been carried out by four non-governmental organizations, and a joint statement was released on 24 January 1994 at a press conference in Jerusalem¹ emphasizing, in particular, the obligation of the State of Israel to respect the international principle of temporary use and the preservation of the Palestinian heritage with regard to land. The land seized by the Israeli authorities is to a great extent agricultural land (sometimes inhabited by Palestinian families) which will be used either for military purposes, to build roads between the settlements, for Israeli factories, for public parks for the settlers or for nature reserves which are later made into new settlements.

104. As for the Jewish settlers in the occupied territories, they have mobilized, especially in the Hebron area and in the Jordan valley, on the one hand to defend and justify their presence in the territories by any possible means² (civil disobedience campaigns, the establishment of private armed militias, ambushes and armed confrontations with Palestinians, the creation of a “This Is Our Land” movement, the establishment of unauthorized new settlements, provocation, etc.), and on the other hand to attempt to halt the peace process which, in their view, will eventually force them to leave. These disruptions, which are often illegal and are put

¹ Settlement and land confiscation in the West Bank since the signing of the Palestinian-Israeli Declaration of Principles, prepared by the Palestine Human Rights Information Center (PHRIC), the Land Research Committee, the Palestine Geographic Research and Information Center (PALGRIC) and the Society of St. Yves.

down by the authorities, together with the confiscation of land and the expropriation of water resources for the settlements, lead to more tension and fuel the violence, with negative consequences for the lives of Palestinian workers. According to many Palestinians, the peace process cannot be taken seriously as long as Israel continues to violate the rights of the Palestinian population, especially by continuing its settlement policy.

105. During the five-year interim period, the Israeli Government intends to do nothing to change the current configuration of the occupied territories; it does not intend to dismantle a single settlement and it has stated that it is prepared to ensure the safety of Jewish settlers. None the less, the question is being debated at the national level and in January 1994 the Israeli Parliament, the Knesset, rejected a bill aimed at granting compensation to settlers who give up their residence in the occupied territories. ¹ It should be recalled that over the years 60 per cent of the Arab lands on the West Bank and more than 40 per cent in the Gaza Strip, including cultivated land, fallow land, pasture or inhabited land, have been illegally confiscated by the authorities. As for the occupied eastern part of Jerusalem, the intensive settlement of the old city and surrounding areas has reversed the demographic proportion of Jews and Arabs in favour of the Jewish population. The borders of the Jerusalem urban area have been pushed north, south and east into the West Bank by the Israeli municipality and now encompass about 12 settlements, eight of which are densely populated and interspersed among areas inhabited by Arabs.

106. Most of the settlers in the occupied territories live in East Jerusalem. As indicated above, the closure of the borders in March 1993 between Israel and the occupied territories of the Gaza Strip and West Bank cut off the Palestinian population from

¹ Jerusalem Post, 6 Jan. 1994.
the annexed part of the city of Jerusalem. To go there or simply to pass through, a Palestinian who does not reside in the city must hold a valid special permit issued by the Civil Administration. This change in the status of Jerusalem has numerous and complex repercussions for the Palestinian population of the occupied territories. Whether they are employed in West Jerusalem by an Israeli employer, in East Jerusalem by a Palestinian employer or by an Israeli employer in a settlement in the city, the Arab workers of the occupied territories are subjected to the same permit requirements as for work in Israel (travel permit and work permit) because the city has been annexed. Each time military security measures are tightened and the territories are completely closed off, all the employers in Jerusalem — Jews and Arabs alike — must cope with the absence of workers who live in the West Bank (workers from Gaza have not been allowed to work in Jerusalem since 1991). This uncertainty weighs heavily on the income of these workers, but it also jeopardizes the economic and social life and trade of the Arab part of Jerusalem.

107. In this region which relies heavily on agriculture the seizure of land and the unfair distribution of water resources have been extremely important factors of economic domination. The fact that there are no plans for the urban or rural development of Palestinian towns, whether in terms of improvement or expansion, and the privileged status in many fields which is accorded to settlers have led to an extremely high level of resentment against the settlements on the part of the population living under the occupation. The Declaration of Principles stipulates that the question of Jerusalem and the Jewish settlements will be discussed as part of the future negotiations on the permanent status of the occupied Palestinian territories. In order to promote peaceful coexistence between the two peoples and to show concern for the welfare of the Palestinian population, the settlement policy should
be terminated. Such a decision would contribute to easing tension and would be perceived as a step towards peace.

TECHNICAL COOPERATION

108. The ILO has been monitoring the situation of Palestinian workers since 1978 and has all along maintained that it can best serve their interests and those of Palestinian employers through the provision of adequate and appropriate technical assistance. The complex and sensitive environment that shrouded the occupied Arab territories during the past two decades prevented the realization of such objective. However, developments that took place in the last quarter of 1993 on the Palestinian/Israeli scene heralded the start of a new era of particular significance to the ILO and to its future role in the occupied Palestinian territories.

109. With the signature, on 13 September 1993, of the Declaration of Principles on Interim Self-Government Arrangements between the State of Israel and the PLO, a new situation has arisen whereby the Palestinians would become responsible for the establishment and development of their democratic institutions and the creation of a viable economy. While fully acknowledging the need and importance for the ILO to continue with its monitoring efforts, the role of its technical cooperation is expected to assume new dimensions and importance in the light of the aforementioned developments.

110. On 11 October 1993 the Director-General of the ILO received a request from PLO Chairman Yasser Arafat for the ILO “to prepare a blueprint for the development of the social sectors in the occupied Palestinian territories”. In response to this request, a high-level ILO mission headed by the Assistant Director-General responsible for ILO activities in the Arab States, visited the territories in November 1993 to consult with Palestinian officials
and agree on the composition and terms of reference of an ILO multidisciplinary mission that would be entrusted with the formulation of such a blueprint.

111. The multidisciplinary mission, composed of 15 ILO senior experts, took place from 6 to 19 December 1993. Its terms of reference were to elaborate “a coherent policy framework in the fields of labour and social policy, to contribute to capacity-building by providing specific proposals for institutional arrangements and related training, and design a package of mutually reinforcing technical assistance projects in order to give content to the policy framework”.

112. The findings of the mission were the result of a process of consensus-building that was applied, throughout the preparatory phase, by the mission members, who interacted intensively with their Palestinian counterparts, including employers’ and workers’ representatives. The mission was able to make effective use of the resources provided from the regular budget, in the amount of $250,000, to respond to some urgent needs as well as to start work on developing activities which would in due course be undertaken within the main components of the programme.

113. In order to provide a platform for a dialogue with all parties concerned, half-day hearings were organized during the mission on specific topics such as labour administration and industrial relations, employment problems and social security; moreover, mission members met with resource persons in all parts of the territories.

The ILO programme of action

114. The ILO mission’s report, entitled “Capacity-building for social development: A programme of action for transition in the occupied Palestinian territories”, comprises some 30 project ideas addressing priority needs. The report constitutes the basis of a
comprehensive and integrated plan that is intended eventually to come under full Palestinian management. While the report itself does not refer explicitly to the ILO standards relevant to most of the technical areas covered, the Office's assistance will, of course, be based on the principles enunciated in them.

115. The report provides analyses in areas of ILO concern and argues that the objectives of a strategy to develop the labour and social sectors should be the creation of employment opportunities, the reduction of poverty and the strengthening of social protection. It adds that in order to achieve these objectives, a cohesive policy framework should be designed, foundations laid for the necessary institutions, and resources managed in such a way as to strike a balance between high expectations and the requirements of investment in the future.

116. The proposed programme has seven components. In the field of labour administration, work will centre on the creation of a Labour and Social Welfare Department and the design of active labour market policies. Industrial relations activities will include the strengthening of workers' and employers' organizations, workers' education and the creation of a tripartite forum to encourage dialogue between the social partners. In the area of employment creation, it is envisaged that support will be provided for private sector initiatives, small enterprise creation and the implementation of employment-intensive infrastructure programmes. In addition to strengthening vocational training, emphasis will be placed on the vocational rehabilitation of ex-detainees and persons with disabilities. The programme of action also includes components to develop social security, equality of opportunity for women and social and labour statistics.

117. Upon the completion of work by the multidisciplinary mission and the submission of its draft report to the PLO leadership, a "Memorandum of Understanding" was signed in Tunis on 18 January 1994, between the Department of Economic Affairs
and Planning of the PLO and the ILO; in it the Palestinian leadership approved the report in principle and identified the following five areas for priority action: a programme for the rehabilitation and reintegration of ex-detainees, an employment-intensive community infrastructure programme, the establishment of a Department of Labour and Social Affairs and the elaboration of a labour code, assistance in setting up a system for social security and support to the system of labour and social statistics.

118. Agreement was further reached that every effort should be made to initiate implementation of the other activities included in the programme of action at the earliest possible date with the objective that they become operational within the next five years.

119. The ILO has subsequently provided assistance in elaborating the proposals for programmes concerning the rehabilitation and reintegration of ex-detainees and employment-intensive public works, considered by the Palestinian leadership to be among the priority activities.

120. The programme for ex-detainees is estimated to cost approximately $30 million over a two-year period. It would serve the most needy 12,000 of the approximately 80,000 Palestinians who have been detained during the period of occupation, by providing them with vouchers which would then be used for a variety of training, education and rehabilitation services intended to reintegrate them into the Palestinian economy and society. Since the vouchers would be provided to each participating ex-detainee on a transparent and non-discriminatory basis, this programme should contribute not only to the economic and employment growth of the occupied territories, but also to the process of political and social reconciliation. At this point the European Commission has committed $11.5 million (10 million ECU) for this programme, and significant interest has been shown by other donors.
121. The public works programme is intended to create approximately 10,000 jobs on a rotating basis each month in the Gaza Strip. The programme will ensure a certain continuity with the unemployment relief works programme being carried out by the Israeli Civil Administration, but will at the same time shift the focus to more productive employment. Through the creation of short-term employment, which will also serve as a social safety net, the strategy of this programme, expected to cost $45 million in the first year and $15 million in the second and final year, is to avoid an interruption of the current unemployment relief programme, while at the same time fostering productive employment and creating durable assets through small-scale investments. The programme is furthermore designed to test participatory and labour-based approaches with a view to introducing them into World Bank programmes for emergency and mainstream infrastructure development, thereby increasing their impact on employment creation and poverty alleviation. The ILO has submitted the draft proposal of this programme to the Arab Fund for Economic and Social Development for its consideration.

Current ILO activities

122. In order to respond as soon as possible to urgent needs, various ILO departments have undertaken activities, financed by the ILO, as elaborated below. In addition, the multidisciplinary mission engaged a number of local consultants to prepare studies on certain issues, including employment, small enterprise development and social security.

123. The ILO’s Bureau for Employers’ Activities (ACT/EMP) organized three two-day seminars in September 1993 in Gaza, Nablus and Hebron respectively, for the Chambers of Commerce and Industry. Discussions focused on the role of these Chambers in economic and social development and on industrial relations
issues. Plans are currently being worked out for a two-year programme of assistance to employers’ organizations, including consultancy and advisory services, local administrative support, training seminars and the provision of basic equipment. To follow up on consultations which took place during the multidisciplinary mission in December 1993, a project formulation mission was fielded to the territories in February 1994 with a view to strengthening the capacities of the Chambers of Commerce on small enterprise development.

124. The ILO’s Workers’ Education Branch (EDUC) conducted a course at the International Training Centre of the ILO in Turin, Italy, on the management of trade union training systems, for trade unionists from Arab States and the occupied territories. Two seminars on international labour standards for trade unions were held in the territories in 1993. Another two seminars were conducted in 1994 on tripartism and trade union rights, respectively. A programme of support for the trade unions of the occupied territories, including the organization of further training activities and the provision of training materials and basic equipment for a permanent workers’ education centre, is being prepared.

125. Following the December multidisciplinary mission, the ILO’s Bureau of Statistics (STAT) launched two projects to assist the development of labour statistics at the newly created Palestinian Bureau of Statistics. One project, started in March of this year, aims at establishing a Palestinian Programme of Labour Statistics, defining its contents and resources, setting the priorities and specifying the statistical infrastructure as well as the organization and staffing requirements. The second project, to begin later in 1994, aims at producing a publication on Palestinian labour statistics based on existing sources. It will document and critically appraise the principal sources of primary data on the Palestinian
labour force and its characteristics and conditions of work, from 1967 to the present.

126. The ILO’s Occupational Safety and Health Branch (SEC/HYG) has provided technical advice to the Centre for Environment and Occupational Health Services of Bir Zeit University in developing a project on the safe and effective use of pesticides. Two national seminars are proposed for ILO funding and early implementation: one on the introduction of basic safety and health and the other on the organization of safety and health in the territories.

127. An ILO workshop on employment and equality for Palestinian women was at an advanced stage of preparation at the time of writing this report.

128. The Training Policy and Programme Development Branch (F/POL) conducted a workshop in January 1994 in East Jerusalem on training system reform for the directors of all the training institutions in the West Bank. Discussions focused on ways and means of making training in the occupied territories more relevant, more effective and more efficient.

129. Technical assistance was provided to the Central National Committee for Rehabilitation (CNCR) to strengthen its administrative and professional capacities and enable it to coordinate and implement rehabilitation programmes for disabled persons, including vocational training and employment projects proposed by the ILO.

130. A national seminar on the rehabilitation of disabled persons was organized in East Jerusalem in December 1993. Four consultancy assignments were completed, including two assignments which were conducted in collaboration with UNRWA as part of ILO/UNRWA continued cooperation in the field of vocational rehabilitation.

131. Implementation has also started with the wheelchair project referred to in last year’s report.
Coordination and fund raising

132. The ILO has found it necessary to mobilize its potential financing sources in support of its programme of action for the occupied Palestinian territories. The Office is making the necessary contacts with the World Bank, UNDP, donor countries and international as well as regional funding institutions, in order to seek their financial support for the components of the programme.

133. The ILO was represented at the World Bank’s Consultative Group meetings for the West Bank and Gaza Strip held in Paris on 15 and 16 December 1993, and 27 and 28 January 1994. A total of eight project proposals were submitted to UNDP for funding, covering the establishment of a department of labour, women, labour statistics, vocational rehabilitation, social security, labour market information, vocational training and small-scale enterprise development.

134. The UNDP has agreed to provide seed money for the activity relating to the department of labour. It also indicated that it would “do its best” to co-finance two other activities, namely “income-generating activities for disabled persons” and an “integrated project to generate income for women in the West Bank and unemployed people in Gaza”. The aforementioned two activities were also submitted to AGFUND.

135. Similarly, the ILO identified components within the World Bank’s Emergency Assistance Programme to the occupied territories falling within its field of competence. A meeting was recently held in Washington to discuss these proposals and the Office is currently awaiting the Bank’s final decision on the matter.

136. It is worth noting that the Office is coordinating its activities in the occupied territories with the Arab Labour Organization and intends to make use of the expertise available in that institution in the implementation of its programme, and that the
ILO programme in the occupied Palestinian territories will receive the technical support of the MDTs at the Regional Office for Arab States.

137. To ensure that follow-up action is conducted in an appropriate manner and at an adequate level, and in view of the expected increase in the volume and types of assistance, the Governing Body decided in March 1994, to propose to the 81st Session (1994) of the International Labour Conference that an amount of $900,000 be allocated during the current biennium for ILO activities in the occupied Palestinian territories. It is also envisaged to assign one Professional official to work with the Palestinian Economic Council for Development and Reconstruction (PECDAR). This measure is intended to facilitate the development of the ILO package, contribute to the process of coordination among all parties concerned and support the capacity-building of Palestinians within PECDAR.

CONCLUSIONS AND RECOMMENDATIONS

138. The Declaration of Principles, signed by the PLO and Israel in Washington on 13 September 1993, provides for the establishment of a Palestinian Interim Self-Governing Authority (the “Council”) for the West Bank and the Gaza Strip for a transitional period not exceeding five years. Free and democratic elections for the Council will take place under certain conditions not later than 13 July 1994. The Declaration of Principles also provides that, upon its entry into force (on 14 October 1993), and the withdrawal from the Gaza Strip and the Jericho area, there will be a transfer of authority from the Israeli military government and its Civil Administration to those Palestinians who will be designated for this task. More specifically, with a view to promoting economic development in the West Bank and the Gaza Strip,
authority will be transferred to the Palestinians in the following areas: education and culture, health, social welfare, direct taxation and tourism. The Civil Administration will be dissolved following the inauguration of the Council (Article VII, 5), and the Council will be empowered to legislate, in accordance with an interim agreement to be negotiated between the parties. It is also important to note that the agreement, which in the first place applies to the Gaza Strip and Jericho, will apply also to the remainder of the West Bank after the election of the Council in July 1994.

139. Despite the limitations imposed on the degree of autonomy that these agreements confer on the Palestinians and their authorities, and the continuing Israeli military presence that will remain in the territories at least until the complete dissolution of the Civil Administration, the agreement signed in Cairo by the PLO and the Israeli Government on 4 May 1994 paves the way for the Palestinian authorities to take charge of their affairs in the social and economic spheres. On the success of that venture will depend, to a great extent, the social and economic viability of the Palestinian territories, the future relations between these territories and Israel and even the stability of the region as a whole. The ILO continues to believe, as it always has, that success, especially in this delicate and complex transitional period, will depend, first and foremost, upon the establishment of democratic institutions that can ensure the confidence and stability that are essential for economic activity and investment. The ILO also considers that it will be essential for a regulatory framework to be established within which an effective system of labour relations between capital and labour can operate, and for trade unions and employers’ organizations to develop into free, independent and competent institutions that are capable of making a real contribution to the social and economic development of the Palestinian territories. The ILO welcomes the fact that these priorities have already been recognized by the Palestinian leadership and looks
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forward, in partnership with those Palestinian counterparts who will be designated, to implementing projects for the establishment of a department of labour, preparing appropriately adapted labour legislation, and continuing to assist workers’ and employers’ organizations in the development of their institutional capacities.

140. Of paramount and immediate importance is the need to address the drastic economic situation of the territories. Over the past year or so, that situation has further deteriorated as a result of closures of the territories, prolonged curfews, etc.; at the time of writing this report, the intention of the Israeli Government was clearly, for security and other reasons, to apply a policy that would reduce to a minimum the number of Palestinian workers who would be permitted to work in Israel. The consequences of the strict application of such a policy for the economy of the territories, as well as for Israeli-Palestinian relations, would be extremely damaging, since the economic survival of the territories depends largely, at least in the immediate future, on access to jobs in Israel being accorded to some 100,000 Palestinian workers. The economic dependency of the territories created by Israel obliges the latter to reopen its frontiers to Palestinian labour at least until such time as the economy of the territories permits the absorption of the workers into the local labour market.

141. In the territories themselves it will be incumbent upon the Palestinian authorities to adopt employment and social policies that will be conducive to investment and job creation, and to design measures to check the spread of poverty and ensure a basic level of social protection for the population. It will also be essential to develop a single education and training policy framework, with institutional arrangements and adequate resources for its implementation so that it is effective, efficient and relevant to real needs.

142. A heavy responsibility lies upon the trade unions of the West Bank and the Gaza Strip, not only to secure the right to
represent Palestinian workers who work in Israel, but more generally to develop their capacity effectively to play a constructive role in the building of a new society and participate in the creation of a viable economy. It is important for their credibility, both as regards the international community but, more importantly, as regards their own membership, that they proceed rapidly to hold genuine and free elections, and commit themselves, as responsible social partners, to promoting and defending the economic and social interests of their members through dialogue and negotiation. Closer contacts with the Histadrut, as well as with national and international trade union centres, would help strengthen the representational capacity of the Palestinian unions and increase their ability to participate more effectively in the social and economic policy debate. Palestinian employers’ organizations and chambers of commerce will also have to take practical steps to develop their representational and negotiating capacity if they are to play the important role that will be required of them in this new phase of development of the economy.

143. In all these endeavours the ILO stands ready to contribute, as it has already done, its experience and its special competence in the field of social and economic development. Through the design and execution of programmes in such areas as labour administration, labour legislation, social security, statistics and employment policy, the ILO hopes that it can participate, along with its Palestinian partners, in creating an environment, based on democratic principles and social justice, that is conducive to stability and economic progress. The ILO fully intends to coordinate its activities with the many organizations, both governmental and non-governmental, that will be involved in the development process for the Palestinian territories. It is encouraged to note that the coordination and efficient use of external assistance, in keeping with Palestinian priorities, has been entrusted to the Palestinian Economic Council for Development
and Reconstruction (PECDAR). The coordination of such assistance by PECDAR will be of crucial importance if any degree of success is to be achieved as a result of the implementation of technical programmes. The ILO will work closely with PECDAR in determining the choice of programmes and the manner in which they should be executed.

144. A daunting task lies ahead for all the parties mentioned in this report, including the ILO, who wish to bring peace and prosperity to a region which, at least for 27 years, has known only conflict, military occupation and social and economic injustice. The ILO's role in that task will be to assist in creating the institutions and the conditions for social justice which, in its view, are essential for the achievement and the maintenance of peace. The ILO will continue to work unfailingly, as it has always done, to ensure a greater degree of social justice and the implementation of policies that are conducive to the rapid economic and social development of those territories over which the Palestinians themselves will henceforth exercise a large measure of autonomy.