



Policy Brief 2



International Labour Organization
Regional Office for Arab States

Protecting workers in the West Bank and Gaza Strip¹

CONTEXT

De-development under Israeli occupation

The living conditions of Palestinians in the West Bank and Gaza Strip (WBGs) are radically different from those witnessed in every other Arab country. These territories have been subject to the longest occupation in modern history, which in turn created new social relations and networks. Occupation has affected all aspects of life as the occupying power came to control the economy, land, resources (particularly water), borders, urban growth, in addition to the movement of persons, goods, and services. Against this background, the relationship between the Palestinian economy and the Israeli economy has been referred to as one of 'de-development' (Roy, 1996). De-development defines the forcible capture of the economy, an imposed relationship of dependency, and the halt of the free development of civil institutions.

Restrictions on workers in Israel and settlements

Since the outbreak of the second intifada, Israel has unilaterally restricted the flow of Palestinian workers into the Israeli labour market by building the Separation Wall, dubbed the Apartheid Wall by Palestinians. It has also reduced to a minimum the distribution of permits for Palestinians to work in Israel. Yet in the absence of sufficient income-earning



opportunities in the occupied territories, many jobless Palestinian men, women, and children venture to Israeli settlements for work in homes, businesses, and agriculture. Tens of thousands of others also enter Israel without permits to work for long hours in agriculture, construction, and other businesses for less than the minimum wage. In addition, they lack adequate protection against work hazards and have to settle for unsafe and unhealthy sleeping arrangements such as fields, construction sites, and urban undergrounds.

INFORMAL EMPLOYMENT

Informality and unemployment links

The political economy of military occupation, the nature and limitations of the Palestinian Authority (PA), the de-developed, dependent, fractured, and distorted structure of the Palestinian economy, and the pressures by active regional and international economic and political

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Table 1. Palestinian working-age population in the WBGS, by sex and status in employment, 2000-2006

Categories	Q2/2000		Q2/2004		Q2/2006	
	F	M	F	M	F	M
Formal employment	6	24	5.8	21	6	24
Employers	0.1	2.8	0.1	2.3	0.1	2.3
Formal self-employed engaged in professional or technical activities	0	0.5	0.1	0.7	0	0.5
Wage employees in the public sector, NGOs, and international agencies	3.5	13	3.7	11	3.9	13
Workers in Israel and settlements with permits/formal ID	0.1	1.8	0	1.6	0.1	2.3
Regular wage employees in the private sector	2.3	6.7	1.9	5.2	1.9	5.4
Informal employment	5.5	40	5.3	24	5.1	27
Informal self-employed and own-account workers	0.5	9.8	0.6	9.9	0.8	11
Contributing family workers	0.4	2.2	0.4	1.7	0.5	1.6
Irregular employees, daily and weekly wage workers in the private sector	0.6	8.9	0.5	4.9	0.4	6
Workers in Israel and settlements without permits	0	13	0.1	2.2	0	2.7
Agricultural workers	4	6.4	3.7	5	3.4	6.2
Non-employment	88.3	34.5	88.9	54.7	88.9	48.3
Unemployed	1.5	5.9	2.4	21.3	2.6	16
Unpaid care workers	61.5	0.5	58.4	0.2	57	0.1
Others outside labour force	25.3	28.1	28.1	33.2	29.3	32.2
Unclassified	0.2	0.8	0	0.4	0	0.4
Table total	100	100	100	100	100	100

Source: Calculated from PCBS (2007).

actors set the larger context of informal employment in WBGS. Informal employment is defined here as employment that lacks social protection or proper entitlements; it refers to unprotected or unacknowledged employment. It is thus possible to classify the Palestinian population of working age in three categories: formal employment, informal employment, and non-employment.

The share of formal employment in the Palestinian population of working age was in 2006 similar to 2000. For men, however, the share of informal employment has substantially decreased since 2000. The decrease is a direct consequence of the heightened restrictions for workers to enter Israel without permits, and the corresponding rise in unemployment. Rising unemployment has been accompanied by a process of impoverishment and localization of the Palestinian labour force in the WBGS.

Gender differences in informal employment

The security situation and structure of employment, combined, have contributed to Palestinian women's exclusion from paid and protected employment. The low levels of women's representation in informal employment have also been attributed to the economy's structural limitations and to social and cultural constraints. Another important factor is the reproductive and care roles that women play in Palestinian households. The majority of working-age women are active in unpaid care work, which, while not considered an economic activity, is essential for the survival and well-being of households. The importance of unpaid care work is amplified in the Palestinian context as a key focus area for social policy because of the limitations of social care services.



Even if there might be some underestimation of women's home-based economic activities in the available datasets, the Palestinian labour markets are highly gender-segregated, offering women access to a limited number of jobs and sectors. Moreover, these few sectors are in non-growth areas of the economy and are unable to absorb new women labour market entrants. Since the year 2000, women's employment has declined slightly in agriculture and increased in the public sector, non-governmental organizations, and international bodies.

Informalization of public sector jobs

Public sector employment has been a major strategy of the PA to address unemployment. Public sector employees are entitled by law to a series of benefits including job security, written contracts, paid holidays, health insurance, and paid sick leave. Recent political developments, however, have caused government workers to lose their job security and accumulated benefits.

CHALLENGES

Limited capacity of the Palestinian Authority

In responding to the challenges facing workers the PA has limited capacity as a self-governing body, both in policy and implementation. It lacks control over natural resources, borders, revenue generation, and the movement of persons, goods, and services within its walled, fragmented, and colonized territory. The Palestinian Authority was established as a self-governing authority in 1994. Social welfare and social protection became part of its main mandate, as well as the provision of basic services

for Palestinian people in these territories, excluding East Jerusalem, which Israel annexed in 1967 and in which it does not permit the PA to operate.

Given the restrictions imposed by the occupation and the directives of international bodies, the PA lacks the material resources and institutional infrastructure to be a redistributive and an interventionist state. Much of its public revenue is externally generated and its economy remains under the grip of Israel.

Deficits in labour legislation

Social protection in the private sector is regulated by Palestinian labour legislation that requires all employers to insure their employees, entitles workers to sick leave, and forbids employment of children under 15. It also dictates a number of specific rights for women workers such as maternity benefits. In practice, legislation is insufficiently enforced and systematically violated.

The existing labour law has important deficiencies: it does not specify a minimum wage; it does not provide a pension scheme as such; nor does it oblige employers to provide health insurance. In addition, current Palestinian labour legislation excludes large segments of the population, including own-account workers, seasonal workers, contributing family workers, domestic workers, and those involved in unpaid work at home, including a number of activities for self-consumption.

The Palestinian Legislative Council has passed a substantive amount of legislation to provide minimum formal social protection to working people. The existing legislation is planned to establish a minimum wage, provide formal protection to the unemployed, and re-activate the social insurance law to be applied gradually in accordance to resources available and need to be allocated to the welfare of citizens, particularly those with special needs.

A new social insurance law was drafted in 2003 but was frozen because of difficulties in implementation and World Bank recommendations to concentrate on poverty alleviation.

Inadequate social assistance

Given the Israeli occupation of the West Bank and Gaza Strip, poverty alleviation has been mainly through social assistance, as indicated by the gap between levels of poverty based on actual consumption and poverty levels based on income. It is not only social assistance that is responsible for the gap between the two poverty rates, but also the use of small plots of land and gardens around homes to grow food for household consumption. However poverty remains a significant feature of life in the WBGS, despite the multiple agencies involved in providing assistance.

Since 2000 the existing programmes of social assistance have basically amounted to supervising an expanding process of impoverishment generated mainly through political and military mechanisms. Given the resources they possess the three main agencies of social assistance – the PA, UNRWA, and Zakat committees – have tried to prevent large scale malnourishment by targeting the poorest of the poor.

Ineffective targeting of women

Women-headed households represent one of the main target groups for institutional social assistance programmes. A woman is entitled to social assistance once she is deprived of a man's income, as is the case for widows, divorcees, and singles living alone. In comparison, a man is entitled to social assistance in case of old age, or illness that does not allow him to work.

The inadequacy of existing social support systems has recently been evidenced in a PCBS report indicating that over a fourth of Palestinian households live under the poverty line. Even if the past five years showed an increase in educational attainment and declines in illiteracy rates, especially among women, they have not translated into improved quantity or quality of jobs. In fact, the unemployment rate among young educated women between the ages of 20-24, 46 percent, is the highest rate among all age groups, men and women (PCBS, 2008).

Difficulties in implementation

In 2005 the PA took the decisions to establish a Fund for Employment and Social Protection and allocated a budget for the benefit of the unemployed, the poor, and people with special needs. Through this initiative the PA wanted to show commitment to 'sustainable human development' as an alternative to the policy of relief. These programmes and plans have not been put into effect for political and economic reasons.

In 2007, the ILO has developed the framework of a new programme, which aims to combine short-term job creation with longer-term capacity development goals. Among the programme's objectives are strengthened labour market governance, including reactivation of the Palestinian Fund for Employment and Social Protection, improved employability through skills and local economic development, and an enhanced entrepreneurship culture. Project initiatives are underway in each of these areas in coordination with the Minister of Labour and of Planning.

Marginalization of women in union leadership

Although unionization has been a national tool for political parties, women have been marginalized from leadership decisions, and continue to be under-represented among the membership. Hence, there is a need for workers to strengthen the unionization process and increase women's voices. There have been pilot initiatives of unemployed workers towards claiming their right to work.

RECOMMENDATIONS

Recognize rights in public policy

It is necessary to enact all the necessary frameworks that acknowledge the value and worth of work and protect the social and economic rights of workers, foremost the right to paid work and access to decent work. This requires adopting social and economic policies based on the social and economic rights of the population as



determinants of a life in dignity not left to whims, upheavals, and underlying risks. In fact, it is necessary to speak of the need for the protection of the Palestinian people as a whole from dispossession, segregation, and pauperization.

Improve statistics

Despite data improvements in recent years, new accurate data is required to estimate more precisely the size of informal employment. The need to capture informal employment in labour force surveys can be met through the inclusion of additional questions to standard labour force survey questionnaires, such as:

- Where do you mainly undertake your work?
- (For employees only): Are you employed permanently or temporarily?
- Do you get paid your wages regularly and in full?
- Does your employer pay contributions to the pension fund for you?
- Do you benefit from paid annual leave or from compensation instead of it?
- In case of incapacity to work due to health reasons, would you benefit from paid sick leave?

Sex-disaggregated data on all economic activities need to be compiled and set out in a Social Accounting Matrix. This would give a better picture of how and why women's economic activities often go unmeasured and under-valued. Data should be collected on variations in income, expenditure, and government spending within and between households and businesses, as well as within government committees and departments.

Further research

It is important to analyse informality and insecurity of employment by quantitative and qualitative analysis targeting the needs of the most informal and insecure segments of the population, including child labour, particularly girl child labour, the process of informalization, informal day labourers, home-based workers, and informal activities of workers at checkpoints.

Expand social care infrastructure

The potential and actual role that Palestinian women play in the social, economic, and political realms can be reinforced by bringing into focus their contributions through the household unit. The lack of adequate and affordable social care infrastructure and services puts the burden of caring for the young, elderly, and the sick on women, thus limiting their employment options and again steering them into informal work arrangements often performed from home. Provision of social care services does not only relieve women of the supply side constraints to their labour force participation, but can also generate opportunities for them to work as paid caregivers.

To address the gender dimension of informality, policy frameworks need to recognize the provision of childcare as a basic element towards extending women's employment opportunities. Policies also can encourage a more active role for men in assuming care responsibilities. Development policy frameworks need to take into account family responsibilities of workers, through measures including maternity benefits, part-time work, flexible work time, paid and unpaid leave for women and men, especially as it relates to private sector employment.

Include workers in policymaking

Informal workers need to be involved in the formulation of relevant policies, preferably through a democratic and participatory process of social dialogue. There is a continuing lack of organization and representation of key categories of informal workers, and there are

significant barriers preventing them from organizing. Although women are found in rural and other production and marketing cooperatives, they are often outside the realm of workers' organizations. Despite the process of democratization in Palestinian trade union movements, the long standing seclusion of the West Bank and Gaza Strip trade unions from each other, as well as the growing disconnect between West Bank trade unions resulting from Israeli "bantustanization" policies, impose further challenges to organize formal and informal workers alike.

Strengthen legal mechanisms

The lack of mechanisms necessary for the full implementation of existing legislation make it ineffective. There is an urgent need to form special labour courts to look into disputes concerning the implementation of the labour law and other relevant laws, and for the strengthening of the judicial system in general. This has to be preceded by resolving the dual authority situation that has arisen within the Palestinian national political field.

Develop institutional capacities

Labour governance institutions, namely the Ministry of Labour, workers' and employers' organizations, have an important role to play in developing and implementing strategies for advancing women and men's employment and improving the terms and conditions of work for women and men. Gender perspectives need to be mainstreamed in the world of work in all policy areas, including legislation, public policies, programmes and projects, as well as institutional structures of social dialogue.

Target the unemployed

Considering the high levels of unemployment among the Palestinian population, especially the youth, social protection measures need to specifically address the violation of the basic right of the unemployed to work. Employment creation efforts need, therefore, parallel measures of protection from the repercussions of

unemployment and the eventuality of being thrown into vulnerable and unprotected conditions of work.

Extend social protection coverage

The PA and the international community need to look into adopting policies and initiatives that extend social security coverage to informal workers and their families. Specific measures can include the gradual extension of social insurance schemes, the introduction of special arrangements for informal workers, the provision of non-contributory social pensions, the development of conditional or unconditional cash transfer programmes that combine benefit payments with incentives to further education and health, and employment guarantee schemes.

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