



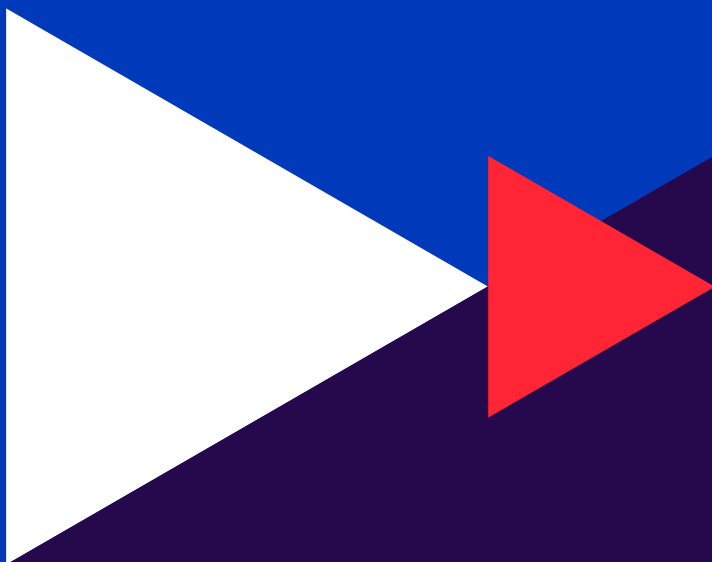
International  
Labour  
Organization

▶ ILC.109/DG/APP

# ▶ The situation of workers of the occupied Arab territories

Report of the Director-General  
Appendix

International Labour Conference  
109th Session, 2021



**International Labour Conference, 109th Session, 2021**

**Report of the Director-General**

**Appendix**

# **The situation of workers of the occupied Arab territories**

**International Labour Office, Geneva**

ISBN 978-92-2-132380-8 (print)  
ISBN 978-92-2-132381-5 (Web pdf)  
ISSN 0074-6681

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*First edition 2020*

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## Preface

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In accordance with the mandate given by the International Labour Conference, this year I again sent a mission to prepare a report on the situation of workers of the occupied Arab territories. The mission visited the West Bank, including East Jerusalem, and Israel. Due to the COVID-19 pandemic, the mission had to be shortened and scheduled meetings continued by video and audio link. Prior to the mission, there were meetings in Cairo with the League of Arab States and the Arab Labour Organization and in Damascus with constituents of the Syrian Arab Republic.

The mission had in-depth discussions, in person or virtually, with representatives of the Palestinian Authority, the Government of Israel, employers' and workers' organizations, representatives of the United Nations (UN) and other international organizations and non-governmental organizations (NGOs) as well as members of the business and academic community. They all provided information which has guided the preparation of this report.

I am grateful for the cooperation extended to the mission by all its interlocutors, which once again reaffirmed the broad support for the values of the International Labour Organization (ILO) and its ongoing work with all its constituents. As always, the mission conducted its work with the aim of producing a comprehensive, accurate and impartial assessment of the current situation of workers of the occupied Arab territories.

Four decades ago, in June 1980, the International Labour Conference adopted a resolution from which my report derives its mandate. The resolution expressed concern about the establishment of settlements on occupied Arab territory – then and now illegal under international law – and its impact on workers. At the time, some 100,000 Israelis had settled on occupied lands. The number has since grown more than sixfold. Settlement expansion continues unabated. Workers of the occupied Arab territories continue to suffer.

The world has grown accustomed to seeing the Middle East as a flashpoint of conflict. Yet, the Israeli–Palestinian conflict should not be perceived as just another conflict in a region mired in volatility and strife. Rather, it is at the centre of the region's instability and, as such, a threat to international peace and security. If unresolved, the conflict will remain one of the drivers of instability and workers' insecurity.

The Oslo Accords, which will soon be 30 years old, provided a clear and unambiguous destination, the two-state solution. This goal is no less valid now than it was in 1993. In order to achieve it, resolve and determination are needed, as is the engagement of the world community within a multilateral framework. Unilateralism risks eroding hopes for peace, perpetuating occupation and injustice, and undermining prospects for decent work.

The Palestinian labour market continues to present a grim picture. Unemployment is rampant and protection failing. Stifled by occupation, it can meet neither the needs nor the aspirations of the Palestinian people. Women and youth are often worst off. In no other country is women's unemployment as high. Half of Palestinians are below the age of 20.

If young people are excluded from the labour market, as is increasingly the case, frustration sets in and a hotbed of radicalization opens up.

No other part of the Palestinian lands is as distressed as Gaza. After 13 years of paralysing blockade, the enclave survives on humanitarian life support. Jobs are scarce and sporadic. Hope is lost for the most part. If workers could leave, many probably would. However, Gaza could thrive if it was permitted to. Many workers are skilled and entrepreneurial. The problems of Gaza require a political solution: first and foremost a lifting of the blockade, but also intra-Palestinian reconciliation, without which future economic and social challenges cannot be properly addressed.

Many Palestinians, including some workers from Gaza, hope for a job in Israel as a solution to their employment situation. More and more jobs are being made available by the Israeli authorities, especially in the booming construction industry. Regrettably, though, abusive practices associated with these jobs are still insufficiently tackled. Israel has the means, and must foster the political will, to make Palestinian work in Israel decent.

Overall, decent work requires social dialogue and tripartite cooperation. More could and should be done also to develop tripartite labour coordination across the Separation Barrier. The ILO stands ready to assist. As the COVID-19 crisis has illustrated, many labour issues can only be effectively approached through coordination and cooperation. The Palestinian and Israeli worlds of work face the same, potentially disastrous, risks from the pandemic. Now more than ever is the time to overcome differences and work towards the common goal of social justice and peace for all.

May 2020

Guy Ryder  
Director-General

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# Introduction

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1. This Report of the Director-General presents the findings of the annual ILO mission to Israel and the occupied Arab territories, mandated to assess the situation of workers of the occupied Arab territories. It has been carried out in accordance with the resolution concerning the implications of Israeli settlements in Palestine and other occupied Arab territories in connection with the situation of Arab workers, adopted by the International Labour Conference at its 66th Session (1980). As in previous years, the mission covered the situation of the workers of the Occupied Palestinian Territory (the West Bank, including East Jerusalem, and Gaza) and the occupied Syrian Golan.<sup>1</sup>
2. The Director-General's representatives were guided by the principles and objectives laid down in the Constitution of the International Labour Organisation, including the Declaration of Philadelphia, as well as the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Declaration on Social Justice for a Fair Globalization and the ILO Centenary Declaration for the Future of Work. They were also guided by resolutions adopted by the International Labour Conference, as well as the principles laid down in relevant international labour standards and those enunciated by the supervisory bodies of the ILO.
3. In examining all the issues involved, both during the mission and in the preparation of this report, the Director-General's representatives bore in mind, as they have always done, the relevant standards of international humanitarian and human rights law, in particular, the Hague Convention of 1907 (respecting the laws and customs of war on land) and the Fourth Geneva Convention of 1949 (relative to the protection of civilian persons in time of war). The mission was guided by the relevant resolutions of the UN General Assembly and the Security Council, including Security Council resolutions 242 (1967), 338 (1973), 497 (1981), 1397 (2002), 1515 (2003), 1850 (2008), 1860 (2009) and 2334 (2016). It was also mindful of the Advisory Opinion of 9 July 2004 of the International Court of Justice.<sup>2</sup>
4. The Director-General entrusted Frank Hagemann, Deputy Regional Director for the Arab States and Director of the Decent Work Technical Support Team for the Arab States, to lead the mission. The mission team included Steven Kapsos, Head of the Data

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<sup>1</sup> As has been pointed out in previous reports, the position of the Israeli Government regarding the Golan was stated in the following terms: "The ILO mission is meant to collect material for the Director-General's Report on the occupied Arab territories. It is the position of the Government of Israel that the Golan, to which Israeli law, jurisdiction and administration have been applied, is not now such an area. In view of this consideration, approval for a visit of the ILO mission to the Golan was given as a gesture of goodwill and without prejudice. The decision to facilitate such an informal visit shall not serve as a precedent and does not contravene the Israeli Government's position." It is recalled that the Golan was unilaterally annexed by Israel in 1981 and that Security Council resolution 497 (1981) calls on Israel to rescind its decision to annex the Golan, which has never been recognized by the UN.

<sup>2</sup> ICJ, "[Legal consequences of the construction of a wall in the Occupied Palestinian Territory](#)", in *Reports of Judgments, Advisory Opinions and Orders*, advisory opinion, 9 July 2004.



Production and Analysis Unit in the Department of Statistics; Katerine Landuyt, Labour Migration Specialist in the Conditions of Work and Equality Department; Konstantinos Papadakis, Senior Social Dialogue and Governance Specialist in the Governance and Tripartism Department; and Lisa Tortell, Legal Specialist in the International Labour Standards Department. Mounir Kleibo, ILO Representative in Jerusalem, and Rasha El Shurafa, Programme Officer in the Office of the ILO Representative in Jerusalem, undertook the preparations for the mission, in which they also participated. Tariq Haq, Senior Employment Policy Specialist in the Decent Work Technical Support Team for the Arab States, acted as technical adviser.

5. The mission visited Israel and the occupied Arab territories from 1 to 6 March 2020. While the mission was initially planned for the period of 1 to 12 March, it had to be cut short due to restrictions put in place by the Israeli Government and the Palestinian Authority in order to contain the spread of the COVID-19 virus. As a consequence, videoconferences and audio calls, conducted from 9 to 12 March 2020, replaced meetings that could not be held in person.

6. The Director-General's representatives held numerous discussions with Israeli and Palestinian interlocutors, and those from the occupied Syrian Golan.<sup>3</sup> They met with representatives of various ministries and institutions of the Palestinian Authority and the Government of Israel, Palestinian and Israeli social partners, NGOs, research institutions and business leaders. The mission also consulted representatives of the UN and other international organizations.

7. The mission leader also held consultations with the Syrian Government and employers' and workers' representatives in Damascus on 13 February 2020, and with the Arab Labour Organization and the League of Arab States in Cairo on 24 February 2020.

8. Once again, the Director-General is pleased to recognize that his representatives enjoyed the full cooperation of all parties, both Arab and Israeli, in obtaining the factual information on which this report is based. The written submissions received by the mission are acknowledged with thanks.

9. This report takes full account of written and oral information obtained on the ground by the mission, as well as relevant data, studies and reports. Information obtained in the interviews with various interlocutors was examined in a thorough manner and checked as far as possible with other available information. In examining the situation of Palestinian and other Arab workers, the members of the mission conducted their work with impartiality and objectivity.

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<sup>3</sup> A list of interlocutors is contained in the annex to this report.

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# 1. Workers adrift amid rising uncertainty

## The peace process deadlocked

10. The achievements of Oslo are at stake. There has hardly been a time in which the Oslo Accords and the accompanying peace process have been so challenged as they have been in the past year.

11. Relations between the Palestinian Authority and Israel have deteriorated in the absence of political dialogue aimed at achieving an end to the conflict through a two-state solution. There are no longer any meaningful negotiations. Meanwhile, the occupation has tightened. East Jerusalem is isolated from the rest of the West Bank through the Separation Barrier.<sup>4</sup> Settlement activity has accelerated. Violence and increasing radicalism on both sides are part of the day-to-day reality. And the threat of further annexation has been increasing; political statements about extending Israeli sovereignty over the Jordan Valley and other parts of the West Bank have become increasingly commonplace.<sup>5</sup>

12. In January 2020, the long-announced proposal by the United States of America for a solution to the Israeli–Palestinian conflict was made public.<sup>6</sup> While senior representatives of the Israeli Government welcomed the proposal, the Palestinian side firmly rejected it.<sup>7</sup> The League of Arab States and the Organization of Islamic Cooperation emphasized that the proposal did not meet minimum rights and aspirations of the Palestinian people.<sup>8</sup> On 15 February 2020, the formation of a joint Israel–United States committee to produce detailed maps of relevant areas of the West Bank was announced.<sup>9</sup>

13. The launch of the proposal had been preceded by an international workshop organized by the United States in Bahrain in June 2019, which focused on economic aspects of the future proposal. In addition, in November 2019, the US Government reversed its long-standing policy on Israeli settlements in the West Bank, announcing that it no longer viewed them as being inconsistent with international law. The Palestinians responded by severing ties with Israel. Already in July 2019, President Abbas had announced that he would suspend compliance with agreements signed with Israel, and

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<sup>4</sup> The Separation Barrier, of which 85 per cent runs inside the West Bank, is approximately two thirds complete. Upon completion, the Separation Barrier will be 710 kilometres in length. The Advisory Opinion of the International Court of Justice on the Barrier delivered on 9 July 2004 called for an immediate cessation and reversal of construction activity and for reparations for all damage that had been caused by it. This was endorsed by the subsequent UN General Assembly [resolution ES-10/15](#) of 20 July 2004.

<sup>5</sup> The Israeli Government has formed an inter-ministerial committee to deliberate and advise on further annexation. Its first meeting was held on 5 January 2020.

<sup>6</sup> White House, *Peace to Prosperity: A Vision to Improve the Lives of the Palestinian and Israeli People*, January 2020.

<sup>7</sup> Palestinian News and Information Agency (WAFA), “[President Abbas: We will start measures to change the function of the Palestinian Authority](#)”, 28 January 2020.

<sup>8</sup> UN Special Coordinator for the Middle East Peace Process (UNSCO), [Remarks at the Security Council Open Briefing on the Middle East](#), 11 February 2020.

<sup>9</sup> UN, “[Annexation Threat, Continuing Exchanges of Fire Undermine Chances for Peace between Israel, Palestinians, Special Coordinator warns Security Council](#)”, press release, 24 February 2020; UNSCO, [Security Council Briefing on the Situation in the Middle East](#), 24 February 2020.

Prime Minister Shtayyeh indicated that the classification in the Oslo Accords of Areas A, B and C<sup>10</sup> was no longer valid due to the alleged violation of these agreements by Israel.<sup>11</sup>

14. As reiterated by the UN Secretary-General, UN policy on the issue is defined by relevant Security Council and General Assembly resolutions. At their core lies the principle that lasting and just peace can only be achieved through realizing the vision of two States, Israel and Palestine, living side by side in peace and security on the basis of the pre-1967 borders, with Jerusalem as the capital of both States.<sup>12</sup>

## Elusive Palestinian unity

15. There is an ever-widening split between the West Bank and Gaza. After close to 13 years of the stifling blockade of Gaza, these two parts have been moving economically and politically further apart. The West Bank now accounts for 82 per cent of the Palestinian economy and close to 90 per cent of tax revenue.<sup>13</sup> Reconciliation between Fatah and Hamas, the de facto authority in Gaza, has been elusive. Little of what was stipulated in the October 2017 agreement – brokered by Egypt and signed in Cairo by the two factions – has been acted upon. Efforts by Egypt to foster dialogue and eventual unity between the two sides have continued, as have efforts by other third parties. There had been plans to hold presidential and legislative elections by 2018, but the deadlines slipped. In September 2019, President Abbas announced at the UN General Assembly his intention to move towards elections, but a date has not yet been announced.

## A deepening occupation

16. The occupation of the Palestinian territory is now in its 53rd year. Over decades, a network of settlements and a multi-layered system of physical and administrative constraints have been built up by Israel. Settlements on occupied territory are illegal under international law. Already in 1980, the ILO resolution adopted at the 66th Session of the International Labour Conference expressed constituents’ “deep concern ... concerning the intensification of the Israeli settlements policy”. It strongly deplored the establishment of Israeli settlements in Palestine and the other occupied Arab territories and called upon the Israeli authorities to immediately put an end to them. In 2016, UN Security Council resolution 2334 echoed earlier concerns and called on Israel to “immediately and completely cease all settlement activities in the occupied Palestinian territory, including East Jerusalem”. It should be recalled in this context that 40 years ago, when the ILO resolution was adopted, there were a little more than 100,000 settlers in the West Bank, including East Jerusalem. Today, there are about 650,000 settlers scattered across some 250 settlements.

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<sup>10</sup> The West Bank is divided into three areas under different jurisdictions, Areas A, B and C, defined by the Oslo II Accord. Area A includes urban centres and comprises 18 per cent of the West Bank; it is under Palestinian civil and security control. Area B covers small towns and near-urban areas; it is under Israeli security control and Palestinian civil control. Area C accounts for 61 per cent of the West Bank and is under Israeli security and civil control.

<sup>11</sup> OCHA, *Humanitarian Bulletin: Occupied Palestinian Territory*, September 2019; UNSCO, *Report to the Ad Hoc Liaison Committee*, 26 September 2019.

<sup>12</sup> UNSCO, Remarks at the Security Council Open Briefing on the Middle East, 11 February 2020.

<sup>13</sup> UNSCO, *Report to the Ad Hoc Liaison Committee*, New York, 26 September 2019.

17. Israeli settlements in the West Bank serve an important economic function and many of them host substantial business activities that benefit the Israeli economy. In March 2016, a UN Human Rights Council resolution mandated the Office of the High Commissioner for Human Rights to establish a database of enterprises involved in specific activities in Israeli settlements in the Occupied Palestinian Territory. In February 2020, a list of 112 such entities was published.<sup>14</sup>

18. Throughout the reporting period, there have been continued demolitions and seizures of Palestinian structures, especially in Area C. Evictions also increased throughout 2019, as did settler-related violence. East Jerusalem and Hebron, in particular, have been flashpoints for growing tension between settlers and Palestinians.

19. Constraints on movement, access and trade have been identified as the main impediments to economic growth in the Occupied Palestinian Territory.<sup>15</sup> The United Nations Conference on Trade and Development (UNCTAD) estimated the fiscal cost of occupation to the Palestinian people over the 2000–17 period at US\$47.7 billion. This represents about three times the annual Palestinian gross domestic product (GDP). The UNCTAD report argued that, had that amount instead been injected into the Palestinian economy through expansionary fiscal policies, thousands of additional jobs could have been created.<sup>16</sup>

## Economic stagnation

20. Throughout most of 2019, the Palestinian Authority's public finances were mired in deep crisis due to the refusal to accept anything but full customs and clearance payments from Israel. The latter had withheld a substantial amount, based on legislation passed by the Knesset in 2018 requiring a reduction in transfer payments equal to the amounts paid to beneficiaries of the Palestinian Authority's Martyrs' Fund. As a result, public sector wages in the West Bank were cut and key expenditures postponed. Government consumption suffered. The stand-off continued until October 2019 and led initially to a loss of two thirds of revenue. An emergency budget, drawing on increased borrowing, mitigated the effects to some extent. Further to agreements concluded between the two parties in August and October 2019, Israel transferred US\$568 million and US\$425 million, respectively, to the Palestinian Authority as retroactive payments. The issue is far from resolved, however, and may impact public finances, the economy and labour market performance also in 2020, since at the end of December 2019 the Israeli Government again decided to withhold US\$43 million in clearance revenues in accordance with its earlier justification.<sup>17</sup>

21. Under these circumstances, which add to the occupation-imposed constraints on business and trade, it is no surprise that the economy has had trouble delivering. Growth

<sup>14</sup> Office of the United Nations High Commissioner for Human Rights (OHCHR), “UN Rights Office Issues Report on Business Activities Related to Settlements in the Occupied Palestinian Territory”, 12 February 2020.

<sup>15</sup> World Bank, *West Bank and Gaza: Jobs in West Bank and Gaza – Enhancing Job Opportunities for Palestinians*, June 2019.

<sup>16</sup> UNCTAD, *The Economic Costs of the Israeli Occupation for the Palestinian People: Cumulative Fiscal Costs*, 2019, pp. 42–43.

<sup>17</sup> Noa Landau, “Israel Approves Withholding Additional \$43 Million from Palestinian Authority's Budget”, in *Haaretz*, 29 December 2019; UN Under-Secretary-General for Political and Peacebuilding Affairs, Briefing to the Security Council on the Situation in the Middle East, 21 January 2020.

in 2019 remained at 2018 levels, that is, at 0.9 per cent, which is too little to boost employment significantly and too slow to avoid a decline in per capita incomes.<sup>18</sup>

## The jobs challenge

22. The Palestinian labour market has been performing poorly for decades. Weighed down by the occupation and its myriad restrictions on access to resources, mobility and trade, it is characterized by low labour force participation, high unemployment and widespread labour underutilization. Women and young people are particularly disadvantaged. In Gaza, unemployment for the two groups is slowly but steadily approaching universality.

23. One in four economically active Palestinians remained without a job in 2019.<sup>19</sup> Of particular concern are the high numbers of young Palestinians who are not in school, training or employment: 40 per cent of women and 27 per cent of men. In a global comparison, the Occupied Palestinian Territory ranks among the bottom 10 per cent for this indicator.<sup>20</sup>

24. In Gaza, the labour market and employment situation is particularly bleak. Unemployment continues to climb and has now reached 45 per cent; about two thirds of economically active women and youth are looking for a job. Most alarmingly, almost all young women who participate in the labour market in Gaza – nine out of ten – are unemployed.

25. While the occupation and related obstacles have the greatest impact on overall labour market outcomes, there are several other factors compounding the dismal situation. At the core of them are a bloated public sector unable to absorb further entrants and a largely inefficient private sector characterized by low productivity, fragmentation of production and high degrees of informality. More than half of all Palestinian workers are in some form of informal employment. Many jobs are dependent on external donor funding.

## The hope for better work in Israel

26. Work in Israel continues to be coveted by many Palestinians in the West Bank. As in previous years, the number of Palestinian workers rose again as the Israeli authorities made more permits available. According to the Palestinian Central Bureau of Statistics (PCBS), around 133,000 Palestinians now work in Israel and the settlements, which is nearly 5 per cent more than last year.<sup>21</sup> Most cross over to Israel on a daily basis. The majority work in construction. Some 26,000 workers are estimated to be undocumented and 23,000 are reported to work in settlements. Both groups experience often precarious conditions and deficits in protection. In addition, some 7,000 commercial permits (sometimes also referred to as trader or merchant permits) were issued to Gaza residents, more than in previous years. It was reported to the mission that a significant proportion of them engage in wage work, either instead of or in addition to commercial activity.

27. Work by Palestinians in Israel has been associated with significant decent work deficits. These include: (i) the long wait and crowded conditions at the crossings; (ii) an

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<sup>18</sup> Palestinian Central Bureau of Statistics (PCBS), *Preliminary Estimates of Quarterly National Accounts (Fourth Quarter 2019)*, Press Report, March 2020.

<sup>19</sup> PCBS, “[The Labour Force Survey Results 2019](#)”, 13 February 2020.

<sup>20</sup> Source: ILOSTAT.

<sup>21</sup> PCBS, “[The Labour Force Survey Results 2019](#)”.

abusive permit regime in which brokers and employers have undue power over the worker; (iii) a lack of comprehensive social protection, with wages paid only in cash accompanied by frequently inaccurate documentation; and (iv) often inadequate working conditions at construction sites with relatively high fatality and accident rates as a result of insufficient observance and enforcement of safety and health regulations.

28. The above issues and malpractices have been known, analysed and discussed for years, both in the Israeli media and in policy circles.<sup>22</sup> Comprehensive and resolute action, however, often still seems elusive. Insofar as there has been reform, progress is uneven and incomplete. For instance, while the passage at some crossings has been made more fluid and less cumbersome, permits are still tied to one employer and brokers continue their business to the detriment of tens of thousands of workers, who pay substantial fees for a service which would not be necessary if the system functioned properly. The mission took note of reform measures in this area announced by the Israeli authorities, which are currently in various stages of planning and piloting. They include, among others, the development of an internet-based employment exchange, which would allow employers and workers to connect with each other without brokers.

29. Efforts were also being made to improve safety and health on Israeli construction sites through training, better worker protection, reinforced labour inspection and tougher sanctioning of non-compliance with regulations. The impact of these measures is uncertain. In 2019, accidents and fatalities on construction sites remained all too frequent.

30. It should be highlighted that entry policies for Palestinian workers to Israel were substantially altered in the context of the COVID-19 outbreak in March 2020. The Israeli authorities initially required workers to remain in Israel for two months instead of crossing daily, and employers in key industries dependent on Palestinian workers were asked to provide workers with accommodation. Subsequently, in the context of an increasingly tight lockdown, many worksites were closed and Palestinian workers were called back to the West Bank.

## Gaza increasingly unliveable and unworkable

31. Now in its thirteenth year under a severe blockade by land, air and sea, Gaza has been mired in a chronic socio-economic and humanitarian crisis, compounded by frequent conflicts with Israel and the lack of intra-Palestinian reconciliation. Nearly 40 per cent of Palestinians of the Occupied Palestinian Territory live in Gaza; 73 per cent of Gazans are registered refugees, and 41 per cent live in camps. In 2019, some of the constraints, such as insufficient electricity supply and water treatment, were partially eased through a package of economic and humanitarian interventions backed by donor support. Israel also allowed part of the fishing zone to be extended to 15 nautical miles, the largest allowance since the blockade began.

32. Yet, none of this is powerful enough to raise life beyond the crisis threshold. Ultimately, only a lifting of the blockade will be able to improve significantly the socio-economic outlook of Gazans.

33. Key basic indicators illustrate the extent of the continued misery: over half of individuals in Gaza are classified as poor,<sup>23</sup> and almost three quarters as food-insecure.<sup>24</sup>

<sup>22</sup> Bank of Israel, *Illegal Trade in Work Permits for Palestinian Workers in Israel*, 25 September 2019.

<sup>23</sup> PCBS, *Poverty Profile in Palestine, 2017*.

<sup>24</sup> United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), *Occupied Palestinian Territory: Emergency Appeal 2020*.

GDP per capita has steadily declined and reached US\$1,417 in 2019, a mere 60 per cent of what it was prior to the blockade.

34. Work is scarce as Gaza becomes unliveable. With close to half of the labour force unemployed, it is not surprising that there is a high dependency on humanitarian aid. The young and educated try to leave, however difficult and costly it proves to be. There is a growing brain drain, especially among medical staff. For those who remain, important cash-for-work schemes are now in operation, providing mild relief for the job market. At the end of 2019, some 37,000 temporary jobs had been created through these donor-funded measures.<sup>25</sup> Also, as discussed above, more Gazan workers are believed to be currently gaining access to the Israeli labour market by way of commercial permits. However, with the onset of the COVID-19 pandemic in March 2020 and the closure of the Erez crossing, these opportunities came to an abrupt end.

## Labour governance challenges

35. In April 2019, the Palestinian Authority formed a new government. Prime Minister Mohammad Shtayyeh put emphasis on economic development based on a regional cluster approach, improved delivery of public services and reduced reliance on Israel. There has been significant progress in a number of policy and operational issues with regard to the world of work. A National Employment Strategy is close to finalization and adoption, giving overall guidance on how to boost employment within the confines of the occupation. The minimum wage system is under review, and labour inspection is being strengthened.

36. Yet, in other areas of fundamental importance to the welfare of workers, there has been a lack of momentum, often fuelled by disagreement between the social partners and insufficient social dialogue. Both the labour law reform and the draft trade union organization law have been under discussion for years. The social security system for private sector workers, one of the potential pillars of worker protection, has been in hibernation for most of the last year and continues to be mired in controversy. An urgent effort is needed to create societal consensus on how to move forward in this critical area. It will be important to finally establish an institution which fulfils its potential not only to boost the attractiveness of the private sector for jobseekers but eventually also to administer pension funds and entitlements accumulated over decades by Palestinian workers in Israel.

37. Lacklustre at times, social dialogue nevertheless rose to the challenge in mid-March 2020: a tripartite agreement was reached on how to mitigate the effect of the COVID-19 outbreak on jobs and workers' welfare, notably by ensuring wage protection during the crisis.

## Bridging the coordination gap

38. The Palestinian and Israeli labour markets are interdependent. As things stand, Israel needs Palestinian workers and the Palestinians need employment. This calls for dialogue and coordination between the two sides in order to achieve outcomes which properly serve both parties' needs. Current levels of coordination fall short of this requirement. While the mission noted increased outreach between the trade union movements on both sides of the Separation Barrier, often facilitated by third parties, this has not systematically led to broader tripartite discussions between the Palestinians and Israelis on labour issues. There

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<sup>25</sup> Briefing to the Security Council on the Situation in the Middle East, 21 January 2020.

have been attempts to form bilateral working groups and task forces, but representation on the two sides has remained uneven and meetings have been sporadic.

39. There are labour issues which can only be effectively solved by dialogue between Israelis and Palestinians, ranging from reform of the permit and broker regime to the situation at the crossings and the improvement of occupational safety and health at Israeli worksites. Ultimately, the issue of transferring Palestinian pensions accumulated over the years by Palestinian workers in Israel to a Palestinian institution, as foreseen in the Paris Protocol of 1994, will also have to be tackled through dialogue and coordination and with appropriate commitment from both sides.



## 2. A constrained labour market struggles to realize its potential

### Some signs of life in a depressed labour market

40. An assessment of the Palestinian labour market requires, at the outset, understanding that the market as a whole is comprised of three highly differentiated segments: the labour market of the West Bank, including East Jerusalem, the labour market in Gaza and, finally, employment in Israel and the settlements, involving almost exclusively workers from the West Bank. Available data do not allow for disaggregated analysis of workers in Israel and in the settlements.

41. It is also important to recognize that ongoing labour market dynamics are occurring within a context of a severely and persistently depressed Palestinian labour market. Restrictions on the movement of people and goods put a brake on economic activity and trade and raise the cost of doing business in the Occupied Palestinian Territory.<sup>26</sup> This, in turn, severely limits the potential for sustained job creation in the West Bank and Gaza.

42. Across a number of key indicators, the labour market as a whole fared somewhat better in 2019 than in the two previous years, both of which had seen a significant slowdown in employment generation. Most notably, employment in the Occupied Palestinian Territory rose by 6 per cent in 2019, compared with an average of only 0.9 per cent growth in 2017–18 (table 2.1).

**Table 2.1. Key labour supply indicators, 2018–19**

	2018	2019	2018–19
			Percentage change
<b>Population 15+ ('000s)</b>	<b>2 983</b>	<b>3 066</b>	<b>2.8</b>
West Bank	1 848	1 900	2.8
Gaza	1 135	1 167	2.8
<b>Labour force ('000s)</b>	<b>1 296</b>	<b>1 357</b>	<b>4.7</b>
West Bank	849	881	3.8
Gaza	447	477	6.5
<b>Employment ('000s)</b>	<b>956</b>	<b>1 014</b>	<b>6.0</b>
West Bank	574	619	7.7
Gaza	254	261	2.9
Israel and settlements	127	133	4.8

<sup>26</sup> World Bank Group, *Prospects for Growth and Jobs in the Palestinian Economy: A General Equilibrium Analysis*, November 2017; UNCTAD, *The Economic Costs of the Israeli Occupation for the Palestinian People*, 2 August 2019.

	2018	2019	2018–19
			Percentage point change
<b>Labour force participation rate (%)</b>	<b>43.5</b>	<b>44.3</b>	<b>0.8</b>
Men	68.9	69.8	0.9
Women	17.3	18.0	0.7
Youth	30.5	30.3	-0.2
<i>West Bank</i>	<b>45.9</b>	<b>46.4</b>	<b>0.5</b>
Men	73.5	74.4	0.9
Women	17.4	17.4	0.0
Youth	32.8	32.3	-0.5
<i>Gaza</i>	<b>39.4</b>	<b>40.9</b>	<b>1.5</b>
Men	61.3	62.3	1.0
Women	17.3	19.2	1.9
Youth	27.1	27.1	0.0
<b>Employment-to-population ratio (%)</b>	<b>32.3</b>	<b>33.1</b>	<b>1.1</b>
West Bank	38.0	39.6	1.6
Gaza	22.4	22.4	0.0

Note: Totals may not tally due to rounding. Employment data for the West Bank exclude Palestinian workers employed in Israel and the settlements.

Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2018 and 2019.

43. More than three quarters of net employment growth occurred in the West Bank, where it expanded by 45,000, or 7.7 per cent. Employment in Gaza rose by 7,000 or 2.9 per cent. Although this was an improvement over the two previous years, some 25,000 fewer Gazans were employed in 2019 than in 2016, and the working-age population grew by 100,000 over the same period. Moreover, the mission was informed that new development-funded cash-for-jobs programmes were likely to have been responsible for most, if not all, of Gaza's net job creation over the year. A further 6,000 jobs were added among Palestinians working in Israel and the settlements. This was around 1,500 more than the previous year, but only half the number added in 2017. Notably, however, a number of interlocutors informed the mission that owing to the stigma of working in the settlements, it is likely that total employment in the settlements is under-reported in the PCBS Labour Force Survey. Moreover, it was highlighted that under-reporting may disproportionately affect estimates pertaining to women's employment in the settlements.

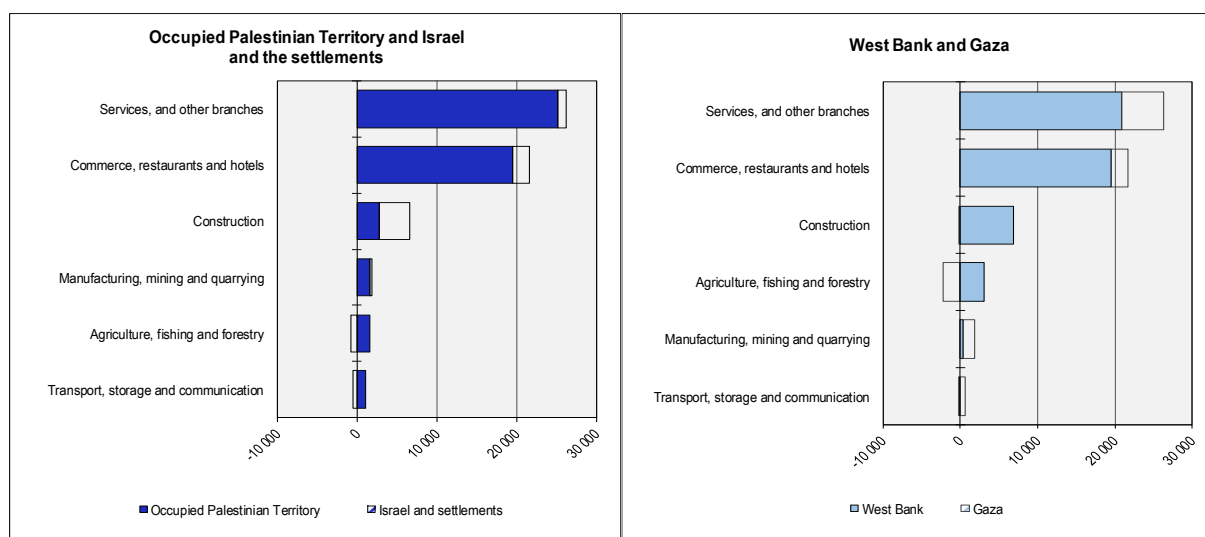
44. Labour force participation rose by less than 1 percentage point, with modest increases for both women and men and a slight decline among youth. However, at 44 per cent, the Palestinian labour force participation rate is the tenth lowest among all countries in the world. The extent of labour market participation compares poorly not only with the global average of 61 per cent, but also in relation to the average across the Arab States region, which stood at 51 per cent in 2019. This is primarily driven by two factors. The first is the extremely low participation rate among Palestinian women in both the West Bank and Gaza. Only 18 per cent of working-age Palestinian women are in the labour

force (either in employment or seeking work); only seven countries in the world have a lower rate. The second factor is the low participation rate of men in Gaza, at 62.3 per cent.

45. Employment-to-population ratios, which provide an indication of the employment-generating capacity of an economy, show an even graver situation. Only one in three Palestinians of working age was employed in 2019. This is the world’s lowest ratio. However, the aggregate figure masks significant differences between the situations in the West Bank and Gaza. The West Bank saw a slight uptick in its employment-to-population ratio in 2019, which rose from 38 per cent to 39.6 per cent. Gaza’s employment-to-population ratio stood at a mere 22.4 per cent, unchanged from the previous year.

46. Israel remains an important source of jobs and wages, but the Palestinian labour market cannot and should not become over-reliant on potential job gains in Israel to offset a local labour market that simply cannot deliver enough jobs. In this context, it is encouraging to note that nearly 90 per cent of Palestinian employment growth in 2019 occurred within the Occupied Palestinian Territory. Figure 2.1 provides a breakdown by industry of net employment growth in 2019. The graph on the left shows the change in employment, by industry, separately for the Occupied Palestinian Territory and Israel and the settlements, while the graph on the right shows employment changes in the West Bank (which includes those workers employed in Israel and the settlements) and Gaza.

**Figure 2.1. Palestinian employment by industry, change in 2019**



Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2018 and 2019.

47. In line with the situation in 2018, overall Palestinian employment growth was concentrated in three sectors – commerce (including restaurants and hotels), services and construction. These sectors accounted for 94 per cent of the total gains in employment in 2019. Manufacturing added fewer than 2,000 jobs and the remaining sectors, including agriculture, accounted for only 2 per cent of net employment growth during the year. Restrictions on access to raw material inputs, land and other natural resources, compounded by impediments to movement and trade, have led to a significant decline in the contribution of manufacturing and agriculture to the economy over the past two decades. Yet it is precisely these “productive” sectors that should form the backbone of a healthy and self-sustaining Palestinian economy. In terms of growth by geographic area, although Gaza is home to 38 per cent of working-age Palestinians, it accounted for only 13 per cent of the total increase in employment in 2019.

## Labour underutilization indicators improve in the West Bank, but deteriorate further in Gaza

48. Most measures of labour underutilization showed modest improvements in 2019 (table 2.2). Although the number of unemployed rose by 4,000, to 344,000, the uptick in employment growth resulted in the unemployment rate declining by 1 percentage point, to 25.3 per cent. Even with this slight improvement, however, the Palestinian unemployment rate is nearly five times the global average and more than three times the average in the Arab States region. The Palestinian labour market has the second highest unemployment rate in the world and the highest rate among women.

**Table 2.2. Key indicators of labour underutilization, 2018–19**

	2018	2019	2018–19
			Percentage change
<b>Unemployment ('000s)</b>	<b>340</b>	<b>344</b>	<b>1.1</b>
West Bank	147	129	-12.5
Gaza	193	215	11.4
<b>Potential labour force ('000s)</b>	<b>137</b>	<b>124</b>	<b>-9.1</b>
West Bank	9	11	28.7
Gaza	128	113	-11.6
<b>Total labour underutilization – LU4 – ('000s)*</b>	<b>498</b>	<b>489</b>	<b>-1.9</b>
West Bank	168	151	-10.3
Gaza	330	338	2.4
			Percentage point change
<b>Unemployment rate (%)</b>	<b>26.3</b>	<b>25.3</b>	<b>-1.0</b>
Men	22.4	21.3	-1.1
Women	41.9	41.2	-0.7
Youth	42.2	40.2	-2.0
<b>West Bank</b>	<b>17.3</b>	<b>14.6</b>	<b>-2.7</b>
Men	14.6	12.1	-2.5
Women	29.3	25.8	-3.5
Youth	29.5	25.2	-4.3
<b>Gaza</b>	<b>43.2</b>	<b>45.2</b>	<b>2.0</b>
Men	37.9	39.5	1.6
Women	62.4	63.7	1.3
Youth	65.1	67.4	2.3

	2018	2019	2018–19
<b>Total labour underutilization – LU4 – (%)*</b>	<b>34.8</b>	<b>33.0</b>	<b>-1.8</b>
Men	27.8	26.1	-1.7
Women	57.3	55.1	-2.2
Youth	50.2	48.1	-2.1
<i>West Bank</i>	<b>19.6</b>	<b>16.9</b>	<b>-2.7</b>
Men	16.8	14.2	-2.6
Women	31.9	28.7	-3.2
Youth	32.4	28.1	-4.3
<i>Gaza</i>	<b>57.3</b>	<b>57.3</b>	<b>0.0</b>
Men	47.0	47.4	0.4
Women	80.2	79.0	-1.2
Youth	75.0	76.6	1.6

\* Includes the unemployed, the potential labour force and time-related underemployed. Note: Totals may not tally due to rounding. Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2018 and 2019.

49. The situation in Gaza is far worse than this average. The unemployment rate in Gaza rose by 2 percentage points in 2019, to over 45 per cent. Across demographic segments, youth (aged 15–24) fared the worst. Gaza’s youth face a high and rising unemployment rate of over 67 per cent. Unemployment among Gazan women rose to a rate of nearly 64 per cent during the year. At the intersection of these two groups are young women, who are by far the most disadvantaged. Gaza’s young women face an almost unthinkable unemployment rate in excess of 85 per cent. Fewer than 2 per cent of young women in Gaza had a job in 2019, compared to nearly 16 per cent of young men.

50. In stark contrast to trends in Gaza, the unemployment rate in the West Bank declined by nearly 3 percentage points, to 14.6 per cent. Around two thirds of this decline can be attributed to labour market dynamics within the West Bank, and the remainder to additional jobs in Israel and the settlements. Unemployment rates in the West Bank declined across all demographic segments during 2019, though as in Gaza, different demographic segments face markedly different situations. Women in the West Bank are twice as likely as men to be unemployed. Youth are similarly disadvantaged compared with adults. Although the overall labour market situation is far less severe than in Gaza, young women in the West Bank still face a dramatically high unemployment rate of 53 per cent.

51. Unemployment is the most widely cited measure of labour underutilization, but by itself, it provides only a partial view of the nature and extent of unused or underused labour supply.<sup>27</sup> The potential labour force indicator complements the unemployment rate. It includes persons not in employment and not classified as unemployed who express an interest in working, but for whom existing conditions limit their job search or availability. Included in this potential labour force are discouraged workers: those people who are willing and available to work, or recently sought work but abandoned their search due to adverse labour market conditions. A number of interlocutors informed the mission that

<sup>27</sup> ILOSTAT, *Avoiding Unemployment Is Not Enough: An Analysis of Other Forms of Labour Underutilization*, August 2018.

Palestinian women, in particular, often give up looking for work due to a lack of opportunities, threats at checkpoints, and abusive or discriminatory practices in workplaces. The data reflect their dire labour market situation. Palestinian women make up less than 16 per cent of the total employed, but they account for 63 per cent of the potential labour force and for 57 per cent of discouraged workers.

52. Following a sharp increase of more than 36,000 in 2018, the overall potential labour force declined by more than 12,000 in 2019. Gaza also saw a decline during the year, but the enclave remains home to more than 90 per cent of the Palestinian potential labour force and to more than 93 per cent of discouraged workers.

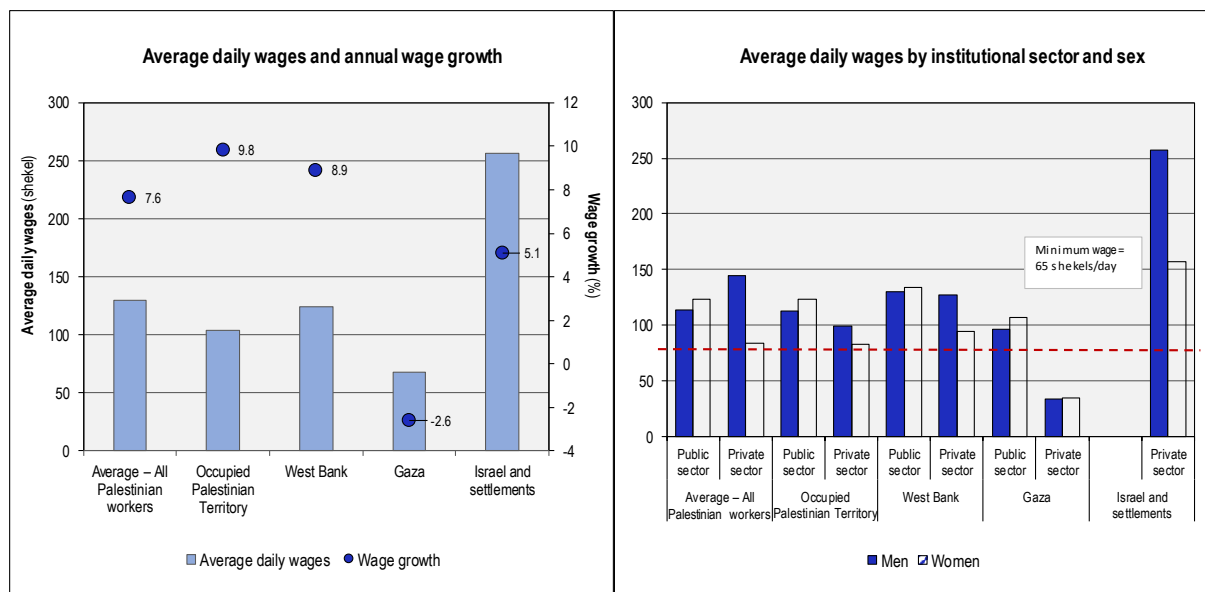
53. Finally, the composite measure of labour underutilization, which includes the unemployed, the potential labour force and time-related underemployed (those wanting to work more hours and working fewer than 35 hours per week) stood at 489,000 in 2019, a decline of 9,000 compared with the previous year. The overall incidence of labour underutilization, at 33 per cent, is twice the average of the Arab States region and nearly three times the global average. Gaza's labour underutilization rate of 57 per cent remains the world's highest and registered no change compared with the previous year. The overall labour underutilization rate among women is the second highest in the world, driven in large part by highly educated women unable to find work. Nearly 70 per cent of unemployed adult women in Gaza have a tertiary degree.

## Average wages grow in the West Bank, purchasing power continues to decline in Gaza

54. Continuing a trend from the previous year, employees' average nominal daily wages increased, driven both by growing employment in Israel and the settlements, where wages are two-and-a-half times higher than in the Occupied Palestinian Territory, and by an increase in daily wages earned in the West Bank (figure 2.2).<sup>28</sup> Nominal wages in the West Bank have risen by 62 per cent since 2007, compared with a rise in consumer prices of 34 per cent, equivalent to approximately 1.6 per cent average annual growth in real wages. In contrast, nominal wages declined by nearly 3 per cent in Gaza in 2019. Average wages in Gaza in nominal terms stood at the same level in 2019 as they were in 2007. As consumer prices in Gaza rose by 25 per cent over the same period, the average employee in Gaza has lost a quarter of his or her purchasing power over the past 12 years.

<sup>28</sup> It is important to note that available estimates from PCBS correspond only to the wages earned by employees, which make up 71 per cent of total Palestinian employment. Own-account workers and contributing family workers make up the bulk of the remainder, at 22 per cent of total employment, with employers at 7 per cent. Thus, while available data provide important insights regarding the situation of employees, they reveal nothing about what is happening to employers in terms of their profits and losses and to the labour income of other self-employed workers.

Figure 2.2. Average daily wages by sex and location, 2019 and nominal wage growth, 2017–18



Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2018 and 2019.

55. The overall gender wage gap among Palestinian employees in 2019 stood at 23 per cent, down slightly from 25 per cent the previous year. The highest gender wage gap is found among private sector workers in the West Bank, where women earn 25 per cent less than men. Another key factor driving the overall gap is that men make up more than 99 per cent of Palestinians employed in Israel and the settlements, where average wages are far higher than in the West Bank and Gaza. Women continue to earn higher average wages in the public sector, a 9 per cent differential in 2019. However, this is driven by compositional effects. A higher share of women working in the public sector are in occupations classified as highly skilled than the corresponding share for men. Among highly skilled workers in the public sector, men earn nearly 4 per cent more than women, and the wage differential also favours men in lower-skilled occupations.

56. The Palestinian legal minimum wage of 1,450 new Israeli shekels per month equates to approximately 65 shekels, or US\$18, per day. Overall, 23 per cent of all Palestinian employees earned less than this minimum in 2019; however, major differences exist between the situations in the West Bank and Gaza, between the public and private sectors and across different industries (table 2.3). Well over half of Gaza’s employees earn less than the minimum wage, and among employees in the private sector, an astounding 92 per cent earn less than the minimum. In contrast, the corresponding figures in the West Bank are 13 per cent of all employees and 17 per cent of private sector employees.

**Table 2.3. Share of employees earning less than the minimum wage by location, sex, institutional sector and economic activity, 2019**

	Total	West Bank	Gaza
<b>Total</b>	<b>23</b>	<b>13</b>	<b>55</b>
Men	22	9	59
Women	28	26	35
Public sector	13	5	22
Private sector	28	17	92
Agriculture, fishing and forestry	42	16	99
Manufacturing, mining and quarrying	28	20	97
Construction	5	3	89
Commerce, restaurants and hotels	40	21	97
Transport, storage and communication	51	8	90
Services, and other branches	19	11	32

Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2019.

57. Construction workers are the least likely to earn less than the minimum wage, with only 3 per cent of these employees in the West Bank and 5 per cent overall earning less than 65 shekels per day. This is followed by the services sector (which includes public sector workers), where fewer than 20 per cent of employees earn less than the minimum. Around 40 per cent of Palestinian agricultural employees and those in the commerce, restaurants and hotels sectors earn less than the minimum wage.

58. The statistics for Gaza show a severely depressed labour market. Across all sectors except services, which is predominantly comprised of public sector workers, the lowest share of employees earning less than the minimum wage is in construction, at an astounding 89 per cent. Nearly every employee in Gaza's agricultural, manufacturing and commerce sectors earns less than 65 shekels per day.

## Imagining Gaza's potential

59. Based on nearly any economic or labour market indicator, Gaza is not a functioning economy. For the past 13 years of constant blockade with the associated restrictions on movements of people and goods, the Gazan economy has been decimated and deindustrialized. The restrictions affect all types of economic activities and greatly hamper the economy's ability to generate jobs and livelihood opportunities. Crucially, the complicated, time-consuming and costly crossing procedures for people and goods – as well as associated restrictions – make any planning for business, trade and investment immensely difficult.<sup>29</sup>

<sup>29</sup> Restrictions include the prohibition on the importation of a wide range of "dual-use" goods (machinery, equipment and other inputs to production) that can potentially be used for military purposes. The long list of dual-use items was updated but not significantly eased in 2019.



60. Given the economy's deindustrialization and the labour market's reliance on public sector and development-aid-funded jobs, restrictions on the movement of people continue to have large and direct negative impacts on Gaza's workers and its prospective workers. In the year 2000, nearly 13 per cent of employed Gazans – more than 20,000 in total – worked in Israel, predominantly in the construction and manufacturing sectors and on Israeli farms.<sup>30</sup> The number of Gazans working in Israel dropped sharply thereafter and Israel has officially been fully closed to Gaza's labourers since 2006, forcing these workers to scramble for scarce jobs in a depressed local labour market. Although the movement of people out of Gaza through the Israeli-controlled Erez crossing remained largely prohibited in 2019, the year saw the largest number of Palestinian crossings in more than a decade. This is mainly attributed to an increase in Israeli-issued commercial permits, which have reportedly enabled some labourers from Gaza to work primarily in the Israeli construction sector. In 2019, a daily average of 526 permit holders exited Gaza to Israel, compared with 319 in the previous year. In comparison, there were more than 20,000 exits per day in 2000, prior to the second intifada.<sup>31</sup>

61. In terms of movement of goods, in 2019, approximately 3,100 truckloads of goods exited Gaza through the Kerem Shalom crossing, an increase from 2,600 over the previous year. This remains a small fraction of the number of truckloads exiting prior to the second intifada. Annual truckloads of imports from Israel declined in 2019 to approximately 96,000, down from 101,000 in 2018 and 117,000 in 2017.<sup>32</sup> An additional 7,600 truckloads of imports entered Gaza from Egypt via the Rafah crossing. Although this is higher than the previous year, imports through this crossing account for only around 7 per cent of total imports to the enclave.

62. Gaza's infrastructure remains severely depleted and insufficient to support productive activities. Electricity supply improved from an average of only 6.6 hours per day in 2018, but still provided only 10 to 15 hours of electricity per day in 2019, depending on demand.<sup>33</sup> The mission received information that Gaza's sole industrial zone continued to operate at only a small fraction of its capacity.

63. In respect of agriculture, access restrictions near the Separation Barrier, insufficient clean water supplies and very limited access to export markets continue to weigh on this traditionally important sector. Total agricultural employment in Gaza declined by more than 15 per cent in 2019, to just over 12,000 workers. Notably, the agricultural sector includes fishing, an important industry in terms of both potential earnings and food security. That such a significant decline in overall agricultural employment occurred at the same time as Israel's largest relaxation thus far of restrictions on the permissible fishing zone, which reached between 12 and 15 nautical miles during the year, highlights the dire situation for the fishing industry and the broader agricultural sector.

64. How far below its potential is Gaza's labour market? To answer this question, it is instructive to first see how Gaza and the West Bank compare across key indicators. For this purpose, table 2.4 provides a comparison of the working-age population, including educational outcomes, employment-to-population ratios and average wage levels for employees in the two areas. Demographically speaking, Gaza's working-age population

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<sup>30</sup> ILO estimates based on PCBS, [Percentage Distribution of Employed Persons Aged 15 Years and Above from Palestine by Sex and Economic Activity, 2000–2015](#).

<sup>31</sup> OCHA, "[Gaza Blockade: Restrictions Eased but Most People Still 'Locked In'](#)", in *Humanitarian Bulletin*, December 2019.

<sup>32</sup> OCHA, "[Gaza Blockade](#)".

<sup>33</sup> OCHA, [Increased Electricity Supply Improves Access to Water and Sanitation in Gaza](#), 6 September 2019.

(aged 15 and over) is similar to that of the West Bank. The share of young women and men in Gaza's working-age population differs from the West Bank by only around 1 percentage point. Gaza's population has higher overall education levels, as reflected by the share of the population with at least a secondary degree.

**Table 2.4. Share of population, employment-to-population ratios and average daily wages by demographic segment in Gaza and the West Bank, 2019**

Demographic segment (age)	Share of population (%)		Population completed intermediate or advanced education (%)		Employment-to-population ratio (%)		Average daily wages (shekels)	
	Gaza	West Bank	Gaza	West Bank	Gaza	West Bank	Gaza	West Bank
Young men (15–24)	17.2	16.2	36.1	32.2	15.7	43.0	24	94
Adult men (25+)	33.1	34.6	49.8	39.9	49.1	75.9	71	140
Young women (15–24)	16.6	15.4	49.6	49.5	1.7	4.5	28	76
Adult women (25+)	33.1	33.8	51.5	41.7	9.6	16.7	88	118
Both sexes (15+)	100	100	48.0	40.8	22.4	39.6	68	125

Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2019.

65. On the labour market side, however, Gaza is severely disadvantaged. Compared with their counterparts in the West Bank, an average person in Gaza's working-age population has a far lower chance of being in employment. If they are fortunate enough to find work, they can expect to receive approximately half the daily wage of a West Bank worker. Labour markets are constrained in both the West Bank and Gaza, but Gaza's economy faces the additional burden of blockade, which ensures little scope to scale domestic production or exports. This factor outweighs all others in shaping the altogether different labour market situations in the two parts of the Occupied Palestinian Territory.

66. What would Gaza's labour market look like if it could match the employment-to-population ratios and wage levels of the West Bank? This scenario is shown in table 2.5. For each demographic segment, the employment-to-population ratios in the West Bank are applied to the population of the corresponding group in Gaza. The difference between the current level of employment in Gaza and this hypothetical level indicates the current "employment penalty" on Gaza in comparison with the West Bank.

**Table 2.5. Scenario: What if Gaza had the same employment rates and wages as the West Bank?**

Demographic segment (age)	Employment in Gaza ('000s)		Aggregate wages (millions of shekels)		Current gap with West Bank (%)	
	Current	Scenario	Current	Scenario	Employment	Wages
Young men (15–24)	32	87	17	183	63	91
Adult men (25+)	190	293	301	921	35	67
Young women (15–24)	3	9	2	15	63	86
Adult women (25+)	37	64	73	171	43	57
Both sexes (15+)	261	453	393	1 290	42	70

Source: ILO estimations based on PCBS, Quarterly Labour Force Surveys, 2019.

67. In addition to this employment penalty, average wages in Gaza are 56 per cent below those in the West Bank (including workers employed in Israel and the settlements). What would aggregate employment and wages look like in Gaza if it achieved the employment and wage rates of the West Bank? In percentage terms, Gaza has 42 per cent less employment than it would have if it achieved West Bank employment-to-population ratios – the employment penalty. Gaza’s aggregate wages are 70 per cent below where they would be if West Bank employment rates and wage levels prevailed – the wage penalty.

68. Unless the blockade is lifted, Gaza’s labour market has no scope to close these massive gaps. At the same time, increased job opportunities in Israel would be of importance too, both because of the large unmet need for jobs in Gaza, and also because wages in Israel are nearly eight times those in Gaza’s private sector. Every 10,000 Gazans allowed to work in Israel is equivalent to adding the earnings of approximately 77,000 private sector workers in Gaza at current average wage levels. Put another way, allowing 10,000 Gazan labourers entry for work into Israel would be, from an earnings perspective, equivalent to increasing the number of workers in Gaza’s private sector, currently at 150,000, by roughly 50 per cent.

## Spotlight on the permit broker regime

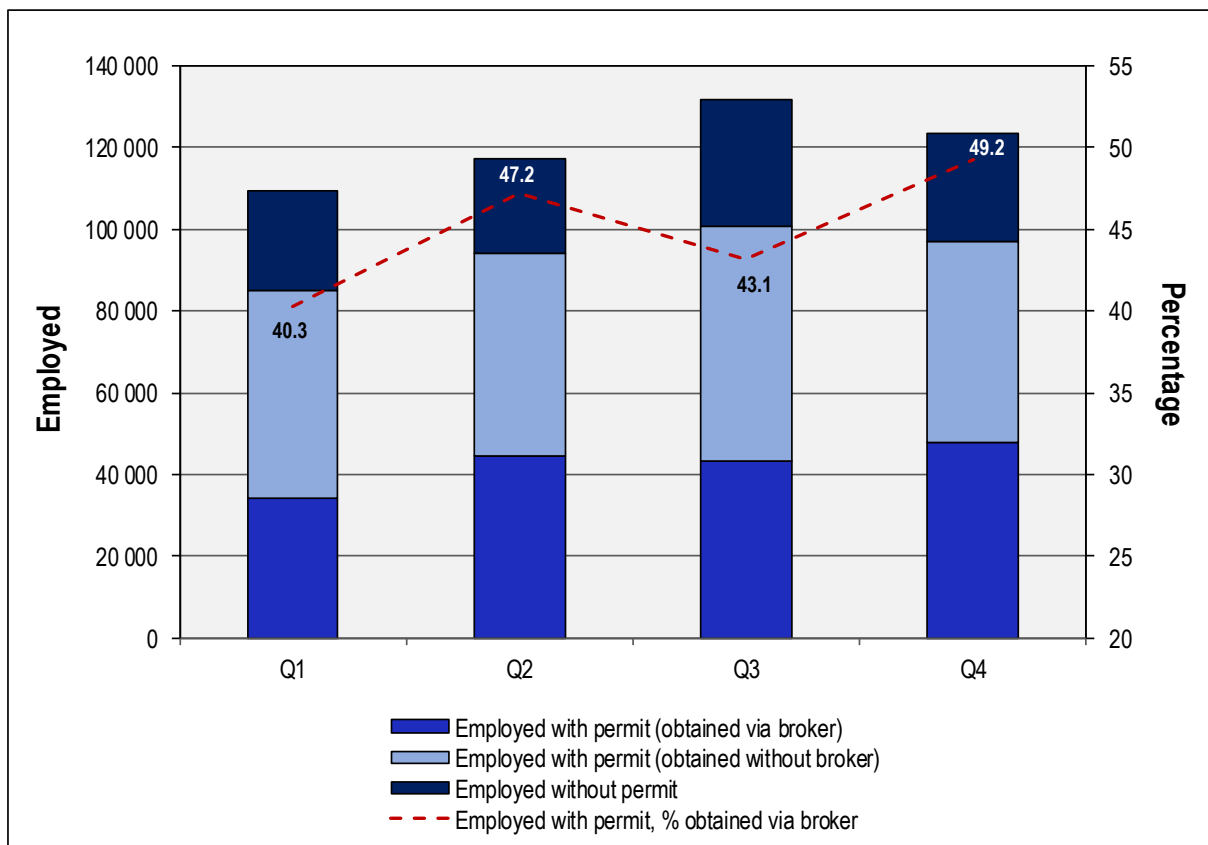
69. In previous reports, the ILO drew attention to the large market for employment permit brokering, whereby Palestinians obtain permits for working or seeking work in Israel for a fee through intermediaries. These intermediaries include Israelis who profit from selling work permits, and Palestinians who link their counterparts on the Israeli side with specific Palestinian workers for a fee. Past missions were informed that approximately half of all Palestinian workers employed with a work permit in Israel obtained the permit through a broker at an average monthly cost of between 2,000 and 2,500 shekels. In turn, the ILO estimated that this “broker tax” amounted to between 9 and 15 per cent of total annual Palestinian wages earned in Israel and the settlements.<sup>34</sup>

<sup>34</sup> ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.107/DG/APP, 2018.

70. In 2019, the ILO worked with the PCBS to integrate a series of questions into the Palestinian Labour Force Survey with the aim of shedding more light on permit broker practices and providing details on the nature and extent of the problem. These questions were included in all four quarters of the survey in 2019 and the PCBS has shared the data with the ILO for its assessment.

71. Figure 2.3 provides a breakdown of Palestinian workers employed in Israel and the settlements (excluding those with an Israeli or Jerusalem identity document), disaggregated by those who are working with a permit and those who are not. Among workers with a permit, it shows the breakdown of those who pay a broker for their permit and those who do not. Regarding the extent of permit brokering, the figures confirm the information that had been presented to previous missions and used in ILO estimations. According to the PCBS data, approximately 26,000 (one in five) Palestinians employed in Israel and the settlements are working without a permit. The remaining 94,000 (four in five) are employed with a permit, and of these, 45 per cent (42,500) reported having to pay a broker to obtain their permit.

**Figure 2.3. Employment by permit status and origin (quarterly), 2019**



Note: Excludes those with an Israeli or Jerusalem ID or a foreign passport.

Source: ILO estimations based on PCBS, Quarterly Labour Force Surveys, 2019.

72. Between the first and fourth quarters of 2019, the share of workers employed with a permit who obtained their permit through a broker rose from 40.3 per cent to 49.2 per cent. Reflecting this was an increase of more than 13,000 workers employed with a permit obtained via a broker. Over the same period, the number of workers with a permit obtained without broker intermediation declined by 1,500 and the number of those employed without a permit rose by 2,200. These data confirm that the market for permit brokering

is widespread, affecting nearly half of Palestinian workers with a permit, and indicate that the extent of permit brokering grew over the course of 2019. The PCBS survey data enable a detailed assessment of the nature of the permit broker system. This includes identifying the characteristics of workers most likely to obtain permits via brokers and how their labour market situation differs from workers who obtained their permits without a broker and from those working without a permit (table 2.6).

**Table 2.6. Characteristics of Palestinian workers employed in Israel and the settlements**

	<b>Obtained permit through broker</b> (n=42,501, 45% workers with permit)	<b>Obtained permit without broker</b> (n=51,753, 55% of workers with permit)	<b>Working without permit</b> (n=26,232, 21% of all workers)
Average age	36.6	36.5	33.0
Months continuously employed in Israel or settlements	86.1	83.0	71.9
Working in agriculture (%)	4.4	3.7	15.7
Working in manufacturing (%)	10.1	13.6	12.7
Working in construction (%)	75.7	69.3	52.9
Working in wholesale and retail trade (%)	5.6	5.8	6.1
Skill level (ISCO-08) (% of total employed)			
Low	33.6	39.5	52.3
Medium	64.0	58.2	46.6
High	1.7	2.2	0.9
Have paid annual leave (%)	41.2	51.8	1.0
Have paid sick leave (%)	11.2	19.6	1.2
Size of the establishment in which worker is employed			
Fewer than ten employees	60.6	37.6	68.0
Ten to 49 employees	31.0	41.0	26.0
50+ employees	8.3	21.4	6.0

Note: Excludes those with an Israeli or Jerusalem ID or a foreign passport.  
Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2019.

73. Some of the characteristics of workers who obtain their permit through a broker are similar to those who obtain their permits without a paid intermediary. They are similarly aged and have been employed in Israel for a similar duration. They are also fairly equally distributed across different economic sectors, with the exception of construction and manufacturing. Brokered permits are disproportionately concentrated in the construction sector, whereas the manufacturing sector has a lower incidence of these. Skill levels are

also broadly similar, with a slightly smaller share of low-skilled workers among those going through a broker.

74. One key distinction is that workers who obtain their permits through a broker are far more likely to be employed in a small establishment with fewer than ten workers. They are significantly less likely to be working in establishments with more than 50 employees. Although all workers have significant social protection gaps, workers with brokered permits appear particularly disadvantaged. They are less likely to benefit from paid annual leave and especially paid sick leave than workers who obtained their permit directly from their employer.

75. The data also provide new evidence regarding the fees paid for permits by Palestinian workers, as well as the revenues and profits generated from this market. The average fee for a work permit is 2,370 shekels per month, with a slightly higher amount in the construction sector (table 2.7). In order to estimate the net revenues captured by brokers, we apply the average mandatory social deductions per worker from a recent study by the Bank of Israel, based on actual deductions collected by the Israeli Government and the actual number of active work permits from administrative data sources.<sup>35</sup>

**Table 2.7. Statistical spotlight on the employment permit brokering system, 2019**

	Construction	Other sectors	Total
Number employed with permit obtained from broker	32 155	10 346	42 501
Average daily wage (shekels)	320	257	305
Average monthly wage (shekels)	6 336	5 089	6 040
Average permit fee (shekels)	2 439	2 225	2 370
Deductions (pension, sick leave and so on) (shekels)	1 562	1 508	1 549
Estimated broker profit (per permit, per month) (shekels)	877	717	821
Estimated broker profit (% of monthly wage)	14%	14%	14%
Total permit revenues (millions of shekels)	941	276	1 217
Total permit revenues (millions of US\$)	261	77	338
Aggregate broker profit (millions of shekels)	338	89	427
Aggregate broker profit (millions of US\$)	94	25	119

Note: Scope of statistics includes only workers who obtained their permit through a broker.

Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2019; Wifag Adnan and Haggay Etkes, "Illicit Trade in Work Permits for Palestinian Workers in Israel: Current Conditions and Approved Reform" (Bank of Israel, 2019).

76. The estimated profits earned by brokers is equal to the difference between the average monthly permit cost and the monthly social deductions. Using the administrative data from the Bank of Israel, this amounts to an average of 821 shekels per permit, per month, equal to 14 per cent of the affected workers' monthly wages. The overall revenues generated by the broker regime in 2019 are estimated at 1.22 billion shekels, or approximately US\$338 million. Deducting from this amount the mandatory social

<sup>35</sup> The 2019 Bank of Israel study by Wifag Adnan and Haggay Etkes, "Illicit Trade in Work Permits for Palestinian Workers in Israel: Current Conditions and Approved Reform", found average deductions of 1,514 shekels per month in the construction sector and 1,389 shekels per month in other sectors. As these are based on 2018 administrative data, we adjust them upwards by taking into account the growth rate in nominal wages in 2019 in these sectors.

contributions yields estimated broker profits of 427 million shekels or US\$119 million in 2019.<sup>36</sup>

77. Critically, this should be viewed as a conservative estimate of broker profits. In the Israeli permit brokering market, every shekel not paid in mandatory social contributions accrues directly to brokers' profits, creating an incentive for under-reporting of workers' wages and hours worked. If this phenomenon disproportionately affects workers with brokered permits, the true profit per permit is likely to be significantly higher than the estimate from the current exercise, which assumes equal deductions for workers with brokered and non-brokered permits.<sup>37</sup> It also follows from the permit fee and wage data that the revenues obtained from the sale of permits is greater than the average deductions for both employers and workers. This implies that the fees paid to brokers for work permits are likely to be utilized to cover not only mandatory social deductions for workers, but also potentially some of the mandatory contributions of employers.<sup>38</sup>

78. The new data shed important light on the permit broker market that affects nearly half of all Palestinians with a permit to work in Israel. Most notably, the data confirm that this is a large and growing underground business, with estimated annual profits of at least US\$119 million, which come at the expense of Palestinian wages. Adding to this the lower relative social protection coverage for workers with brokered permits, an image of exploitation emerges – one where brokers profit at the expense of desperate workers who are compelled to accept jobs with poorer working conditions than their peers.

79. In this context, it is worth recalling the 2019 ILO *General principles and operational guidelines for fair recruitment*. The principles include, among others, that recruitment fees or related costs should not be borne by workers or jobseekers and that recruitment should not serve as a means to lower labour standards, wages or working conditions.

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<sup>36</sup> The study by the Bank of Israel estimated the annual profit at 122 million shekels. This study, however, only considered that 20,000 Palestinian workers received their permit from a broker and that the average cost of the permit was 2,000 shekels per month.

<sup>37</sup> The 2019 Bank of Israel study also acknowledges that this methodology yields a conservative estimate of broker profits.

<sup>38</sup> MACRO Center for Political Economics, *The Working Conditions of Palestinian Wage Earners in Israel*, February 2017.

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### 3. Workers' rights under prolonged occupation

#### Continuing breaches of international law: Settlements, violence and property damage

80. Israeli settlements are contrary to international law. They unequivocally and profoundly impact on the rights of workers of the occupied Arab territories. The UN has continued to maintain the illegality of the Israeli settlement policy: in November 2019, the UN Secretary-General stated that the intensification of illegal settlements, demolitions of Palestinian homes and the pervasive suffering in Gaza must stop.<sup>39</sup>

81. The illegality of settlements has been confirmed by the International Court of Justice, the High Contracting Parties to the Fourth Geneva Convention, the UN Security Council and the UN General Assembly.<sup>40</sup> The International Court of Justice has also confirmed that Israel, in the exercise of the powers available to it as the occupying power, is bound by the provisions of the International Covenant on Economic, Social and Cultural Rights, including those protecting the right to work and the enjoyment of just and favourable conditions of work (articles 6 and 7), the International Covenant on Civil and Political Rights, and the Convention on the Rights of the Child. Security Council resolution 2334 (2016) reiterated the demand that Israel immediately and completely cease all settlement activities.

82. Settlement expansion continued in 2019, with approximately 12,400 housing units advanced, approved or tendered by Israeli authorities that year (see table 3.1)<sup>41</sup> and construction beginning on 1,917 new housing units (table 3.2).<sup>42</sup> According to latest estimates, there are more than 250 settlements, including some 120 outposts, in the West Bank and East Jerusalem. There are 427,800 settlers reported to be living in the West Bank<sup>43</sup> excluding East Jerusalem. To these, other sources add at least another 220,000 settlers in East Jerusalem. An estimated 3 per cent of settlers live in the Jordan Valley.<sup>44</sup>

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<sup>39</sup> UN, “Thinking Middle East Conflict Can Be Managed or Contained ‘A Dangerous Illusion’, Warns Secretary-General in Observing Day of Solidarity with Palestinian People”, press release, 27 November 2019.

<sup>40</sup> International Court of Justice, “Legal consequences of the construction of a wall in the Occupied Palestinian Territory”, in *Reports of Judgments, Advisory Opinions and Orders*, advisory opinion, 9 July 2004; Conference of High Contracting Parties to the Fourth Geneva Convention, *Declaration*, 5 December 2001; UN Security Council, *Implementation of Security Council resolution 2334 (2016)*, S/2019/938, 12 December 2019; UN General Assembly, resolution 74/11, *Peaceful settlement of the question of Palestine*, A/RES/74/11 (2019).

<sup>41</sup> *Implementation of Security Council resolution 2334 (2016)*, 12 December 2019.

<sup>42</sup> Peace Now, *Settlement Construction Report 2019*.

<sup>43</sup> Israeli Central Bureau of Statistics (CBS), *Population, By District, Sub-District and Religion*, 26 September 2019.

<sup>44</sup> Peace Now, *Construction in Settlements in the Jordan Valley in 2019*, 18 March 2020.



**Table 3.1. Housing units advanced or approved and tenders announced**

<b>Expansion of settlements</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<i>In Area C</i>			
Units advanced or approved	6 800	6 800	10 000
Tenders announced	3 000	3 000	700
<i>In East Jerusalem</i>			
Units advanced	2 300	2 100	1 100
Tenders announced	0	600	600

Source: UN, *Implementation of Security Council resolution 2334 (2016)*, 12 December 2019, para. 48.

**Table 3.2. Construction of new housing units started**

<b>Construction starts in Area C</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Units	2 783	2 100	1 917

Source: Peace Now, *Settlement Construction Report 2019*.

83. Outposts are illegal under both international and Israeli law. It is estimated that 11 new outposts were established in 2019, four of which were in the Jordan Valley.<sup>45</sup> The implementation of the Israeli Regularization Law 2017, which would retroactively legalize outposts in the West Bank, continues to be frozen by the Israeli Supreme Court, where a decision on its legality has been pending since 2017. Nevertheless, the retroactive legalization of outposts built without official approval has continued. In September 2019, the Government of Israel decided that 182 units in an outpost in the Jordan Valley would be retroactively legalized as a new settlement.<sup>46</sup> In early 2020, the Israeli authorities retroactively regularized an outpost and advanced plans in two other locations that were regularized in 2019.<sup>47</sup> Processes for regularization were also allowed to progress for 2,200 units in East Jerusalem.

84. The expansion of settlements has been accompanied in the past year by the highest level of settler violence against Palestinians since 2013.<sup>48</sup> In 2019, Israeli settlers carried out 341 attacks against Palestinians across the West Bank, including East Jerusalem, in which they killed two Palestinians and injured 115, and vandalized Palestinian property. In the same period, the UN Office for the Coordination of Humanitarian Affairs (OCHA) recorded at least 112 attacks by Palestinians against Israeli settlers and other Israeli civilians, resulting in three fatalities, 26 injuries and damage to Israeli property.<sup>49</sup> There is a seasonal aspect: during the 2019 olive harvest, OCHA recorded 60 incidents of alleged

<sup>45</sup> Peace Now, *Settlement Construction Report 2019*.

<sup>46</sup> *Implementation of Security Council resolution 2334 (2016)*, 12 December 2019.

<sup>47</sup> Briefing to the Security Council on the Situation in the Middle East, 21 January 2020.

<sup>48</sup> UN Human Rights Council, *High Commissioner Updates the Human Rights Council on Human Rights Concerns, and Progress, Across the World*, 27 February 2020.

<sup>49</sup> OCHA, "Casualties: Thousands Killed in Conflict-Related Incidents", in *Monthly Humanitarian Bulletin*, December 2019, published 12 February 2020.

settler violence resulting in injuries to ten Palestinians, damage to over 2,700 olive trees, and the theft of approximately 160 tons of produce.<sup>50</sup>

85. Data gathered by Yesh Din, an Israeli human rights organization, suggest that 91 per cent of police files opened from 2005 to 2019 against Israelis suspected of ideologically motivated crimes against Palestinians in the West Bank were closed without an indictment being filed.<sup>51</sup> Without the security of rule of law, and in a general climate of impunity for violent settlers, Palestinian workers' rights cannot be fully protected and promoted.

86. In the West Bank, there was an increase in the numbers of both demolitions and displaced persons in 2019 compared with 2018.<sup>52</sup> The number of demolitions in East Jerusalem was at a two-decade high.<sup>53</sup> In February 2020, Israeli authorities demolished or seized 44 Palestinian-owned structures in Area C, East Jerusalem and Area A, displacing 79 people and affecting the livelihoods or access to services of over 200 others. All but one of the demolitions were due to a lack of building permits, which have continued to be nearly impossible for Palestinians to obtain.<sup>54</sup> The combination of the enactment of a military order in July 2019 and amendments to civilian law in October 2019 have enabled expedited demolitions in East Jerusalem.<sup>55</sup> The Bedouin community of Khan al-Ahmar – Abu al-Helu is one of 18 communities in and around East Jerusalem judged by UN agencies to be at particular risk of forced eviction. As has been noted previously, demolitions conducted in the context of the discriminatory planning system are unlawful and amount to forced evictions. In East Jerusalem, 877 Palestinians were at risk of eviction by the end of 2019.<sup>56</sup>

## Workers' rights in the West Bank: Fragmentation, instability and overarching threat

87. In the context of continuing breaches of international law and of expansion of settlements, the full and free exercise of workers' rights in the West Bank, including East Jerusalem, is increasingly tenuous due to fragmentation, instability and a sense of overarching threat. In the year since the Director-General's last report, access to land and resources by Palestinian people has continued to be restricted both by regulation and in practice. Settlement expansion, the Separation Barrier and checkpoints are physical obstacles to the exercise of workers' rights and their ability to work. Bureaucratic obstacles such as zoning policies and permit requirements and the overarching risk of violence against persons and property cast a shadow over access to land and resources.

88. A case in point is the 2019 olive harvest: the UN Food and Agriculture Organization estimated the olive oil yield to be 27,000 tons, including some 4,200 tons in Gaza,

<sup>50</sup> OCHA, "Record Yield Reported from 2019 Olive Harvest", in *Humanitarian Bulletin*, January–February 2020.

<sup>51</sup> Yesh Din, *Data Sheet, December 2019: Law Enforcement on Israeli Civilians in the West Bank*, 30 January 2020.

<sup>52</sup> OCHA, *West Bank Demolitions and Displacement: An Overview*, December 2019.

<sup>53</sup> OCHA, *West Bank Demolitions and Displacement: An Overview*, February 2020.

<sup>54</sup> OCHA, *West Bank Demolitions and Displacement*, February 2020.

<sup>55</sup> UN Human Rights Council, *Israeli Settlements in the Occupied Palestinian Territory, including East Jerusalem, and in the Occupied Syrian Golan*, A/HRC/43/67, 30 January 2020, para. 32.

<sup>56</sup> UN Human Rights Council, *Israeli Settlements in the Occupied Palestinian Territory*, paras 35 and 44.

representing an increase of over 80 per cent compared to 2018.<sup>57</sup> Nevertheless, the facts on the ground varied for farmers across the West Bank, illustrating both the fragmentation and the instability that exist for the Palestinian workforce. As in previous years, many Palestinian farmers can only access their lands by obtaining access permits or by verbal “prior coordination” allowing individuals to enter only at particular times through agricultural gates and checkpoints operated by the Israeli armed forces. In the northern West Bank, 74 gates and 5 checkpoints were designated for agricultural access in 2019, most of which opened only during the olive season. Of the 18,000 applications for permits, 56 per cent were approved. In comparison, access through the agricultural gates in the Ramallah, Jerusalem and Bethlehem governorates appears to have been less restricted in 2019. For example, all 1,500 farmers who applied for permits or prior coordination to cross the 12 agricultural gates in Ramallah during the permitted hours, all of which are seasonal, were allowed access to their land.<sup>58</sup>

89. The discriminatory effect of planning and zoning laws and policies on Palestinians, including Bedouin communities, in the West Bank has continued. This is illustrated by the fact that less than 1 per cent of the land in Area C, which covers more than 60 per cent of the West Bank, and 13 per cent of the land in East Jerusalem is allocated for the construction of infrastructure for Palestinians.<sup>59</sup> As was the case in the past, Palestinian interlocutors told the mission that the possibility of working fertile agricultural land in the Jordan Valley was under threat from planning and permit restrictions, the confiscation of farming tools and equipment, and violence from settlers and others. In addition, building permits in Area C and East Jerusalem are almost impossible to obtain. Illegally built structures, whether homes or for commerce or farming, are very often subject to demolition or the threat thereof. These policies inevitably affect Palestinians’ ability to work and the exercise of their rights as workers.

90. Bureaucratic obstacles, including permit requirements, to access land in the seam zone<sup>60</sup> have intensified in the last year. In September 2019, a revised version of the procedures and instructions was published, allowing farmers to enter the seam zone only for a restricted number of days per year, determined according to the type of crop grown, and for the first time applying entry quotas to landowners. Landowners growing olive trees have started to receive permits limiting their access to their lands to 40 days a year.<sup>61</sup> During 2019, an Israeli NGO, HaMoked, assisted 243 Palestinians in contesting denials of seam zone permits and challenging new access restrictions, and noted a “severe deterioration” in Palestinian access and a big increase in demand for assistance.<sup>62</sup> This included 20 petitions to the Jerusalem District Court and the High Court of Justice in 2019 on behalf of landowners whose requests for permits to enter the seam zone were rejected

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<sup>57</sup> OCHA, “Record Yield Reported from 2019 Olive Harvest”.

<sup>58</sup> OCHA, “Record Yield Reported from 2019 Olive Harvest”.

<sup>59</sup> UN Economic and Social Council, *Concluding Observations on the Fourth Periodic Report of Israel*, 12 November 2019, para. 50.

<sup>60</sup> The “seam zone” is the area between the Separation Barrier and the Green Line (the Armistice Line between Israel and the West Bank since 1948), designated as closed.

<sup>61</sup> Center for the Defence of the Individual (HaMoked), *Massive Dispossession with no Security Pretext: Israel Sweepingly Prevents West Bank Farmers from Accessing their Lands behind the Separation Wall*, 25 November 2019; Hagar Shezaf, “Israel Limits West Bank Farmers’ Access to Lands Near Green Line”, in *Haaretz*, 24 November 2019.

<sup>62</sup> HaMoked, *HaMoked Annual Activity Report for 2019*, p. 1.

on the ground that their plot of land was too small to cultivate.<sup>63</sup> The mission was informed that Palestinian farmers sometimes refrained from investing in planting or maintaining their land because access to the seam zone could be denied at any time, meaning that there was no certainty that they could harvest what they sowed.

91. Palestinian movement in Hebron, one of the continuing hotspots of confrontation between settlers and Palestinians, remained constrained in 2019. At the same time, living conditions deteriorated as a result of increased harassment by settlers and clashes with Israeli forces, notably affecting schoolchildren.<sup>64</sup> This coincided with the departure of the 65 international monitors of the Temporary International Presence in Hebron, following Israel's decision in January 2019 not to renew its mandate.<sup>65</sup> The area designated as "H2", where Israel maintains direct control and which is home to 33,000 Palestinians and a few hundred settlers, was particularly affected. Some 120 physical obstacles separate this area from the rest of the city, including 21 permanently staffed checkpoints, which restrict the access of people and goods to the area. The fear of harassment at checkpoints particularly limited the access of women living in the closed zone to work opportunities.<sup>66</sup>

92. Commercial activity in Hebron's H2 area has shrunk to several grocery stores and traditional workshops.<sup>67</sup> In interviews conducted by OCHA, residents reported that the unpredictable access situation often discouraged employers in the H1 area of the city and elsewhere from hiring workers residing in the prohibited and restricted areas, and made it difficult for those employed to keep their jobs.<sup>68</sup>

93. The practical impact of continued fragmentation and the uncertainty and fear caused by the expansion of settlements, demolitions and displacement have particularly affected workers in East Jerusalem. The mission was informed of increased pressure on Palestinian communities in East Jerusalem in the past year, and particularly those located within the municipality of Jerusalem but outside the Separation Barrier.<sup>69</sup> Violence in East Jerusalem between Israelis and Palestinian Jerusalemites has continued in a highly charged context.

94. An increasing number of Palestinians work in Israeli settlements. Depending on the source, between 23,000 and 34,000 Palestinian men and women were working in the settlements in 2019.<sup>70</sup> Many Palestinian interlocutors stressed that taking such work was a last resort for Palestinians, particularly Palestinian women, and that working in settlements carried a social stigma. Figures vary, but the mission received information that around 2,500 women in the Jordan Valley work in the settlements, mainly in agriculture and domestic work.

<sup>63</sup> HaMoked, *HaMoked Annual Activity Report for 2019*, p. 1.

<sup>64</sup> OCHA, "[Dignity Denied: Life in the Settlement Area of Hebron City](#)", in *Humanitarian Bulletin*, January–February 2020; *Implementation of Security Council resolution 2334 (2016)*, 12 December 2019.

<sup>65</sup> OCHA, "Dignity Denied".

<sup>66</sup> OCHA, "Dignity Denied".

<sup>67</sup> B'tselem, *Playing the Security Card: Israeli Policy in Hebron as a Means to Effect Forcible Transfer of Local Palestinians*, September 2019, p. 17.

<sup>68</sup> OCHA, *The Humanitarian Situation in the H2 Area of Hebron City: Findings of Needs Assessment*, April 2019, p. 13.

<sup>69</sup> International Crisis Group, *Reversing Israel's Deepening Annexation of Occupied East Jerusalem*, 12 June 2019.

<sup>70</sup> PCBS, "The Labour Force Survey Results 2019"; COGAT, written information received on 29 March 2020.

95. The challenges in enforcing workers' rights in settlements are ongoing. The mission was informed that abuses of Palestinian workers' rights continued in the settlements in 2019, in particular the non-application of the minimum wage and occupational safety and health requirements, as well as harassment and violence by supervisors and Israeli security force personnel. The mission notes that during 2019 the Israeli Ministry of Labour, Social Affairs and Social Services opened two files following complaints by Palestinian workers that minimum wage legislation had been violated in factories located in the settlements. The labour court reached a decision in a further case involving ten Palestinian workers, finding that minimum wage legislation had been violated. In that case, the court fined the company and two of its managers. The total compensation for the Palestinian workers concerned was 190,000 shekels.<sup>71</sup> Generally, however, work in settlements rarely comes under scrutiny from the judicial system or the labour inspectorate.

### Workers' rights in Gaza: Scarce opportunities in a volatile environment

96. The enduring blockade, frequent escalations of violence and a volatile political situation continue to impact negatively on the rights of Palestinian workers of Gaza. In 2019, 108 Palestinians were killed and 11,898 were injured in violence associated with occupation and conflict; in 2018, there were 260 Palestinian fatalities and 25,177 injuries. Ten Israelis were injured in Gaza-related violence in 2019; in 2018, five Israelis were injured and one Israeli was killed.<sup>72</sup> Demonstrations at the perimeter fence, which continued during 2019,<sup>73</sup> were suspended at the end of December 2019, contributing to a reduction in violence in and around Gaza at the beginning of 2020.<sup>74</sup> Nevertheless, the situation remains fragile. The dire humanitarian conditions in Gaza are increasingly being borne by women, who are often required to support their families while men are unemployed and struggle to earn an income.<sup>75</sup>

97. Despite some easing of the blockade during 2019, the movement of people and goods to and from Gaza remained severely constrained.<sup>76</sup> While the Israeli labour market officially remains closed for Gazans, the mission was informed that an increasing number of Palestinians appear to be crossing the Erez terminal to work as day labourers in Israel, ostensibly using commercial permits. Inevitable consequences of working in Israel on commercial permits were a lack of recognition as workers and the resulting lack of rights, including social protection, and the risk of poor working conditions.

98. Agriculture and fishing used to be the backbone of Gaza's economy, but 13 years of blockade and successive wars have decimated these sectors. Access restrictions continue to severely undermine their revival.

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<sup>71</sup> Ministry of Labour, Social Affairs and Social Services, "Supplementary Information and Updates on Palestinian Workers in Israel", 23 March 2020 (unpublished).

<sup>72</sup> OCHA, [Database on casualties](#), accessed on 9 April 2020.

<sup>73</sup> *Implementation of Security Council resolution 2334 (2016)*, 12 December 2019, para. 16. Thousands of Palestinians participated in weekly demonstrations, which began on 30 March 2018, demanding the lifting of the blockade and the right of return of Palestinian refugees to the land that was lost in 1948.

<sup>74</sup> Briefing to the Security Council on the Situation in the Middle East, 21 January 2020.

<sup>75</sup> Briefing to the Security Council on the Situation in the Middle East, 24 February 2020.

<sup>76</sup> OCHA, "Gaza Blockade".

99. The cumulative catch by Gaza fishers between January and August 2019 increased by 34 per cent compared with the same period in 2018. Revenues, however, increased by less than 10 per cent compared with the equivalent period in 2018.<sup>77</sup> At present, the fishing limit for Gaza's fishing sector has been expanded to 15 nautical miles offshore along the southern and central parts of Gaza's coast.<sup>78</sup> Nevertheless, the situation remains unpredictable: between April and October 2019, the fishing limits were changed 14 times, including full naval closure on three occasions in response to escalations of violence.<sup>79</sup> Fishers continue to be at risk of being shot at by Israeli forces enforcing access restrictions, and 19 fishing boats and nets were seized or damaged in the enforcement of fishing limits. In 2019, the Israeli authorities released 66 previously seized boats, although some of those were severely damaged or without engines when returned.<sup>80</sup>

100. Much of Gaza's cultivable land is situated in the buffer zone along the perimeter fence. Palestinian interlocutors informed the mission that difficulties persisted in relation to farming in these areas. Sporadic and unpredictable incursions from Israeli security forces continued even where restrictions had been lifted on farming activities, impacting on the economic viability of the land.

## Decent work for Palestinians in the Israeli labour market

101. A growing number of Palestinian men and women work in the Israeli labour market. A number of interlocutors reiterated the structural disadvantages that these workers face. These include limited opportunities and prospects, movement restrictions and low awareness of rights, compounded by a permit system binding the Palestinian worker to a specific employer, cash wages and fictitious reporting of social benefits. Whether or not they have permits, few Palestinians have written or oral employment contracts, and only just over 40 per cent receive wage slips.<sup>81</sup>

102. Bottlenecks continue at major crossings, and especially in Qalqilya and Tulkarem, where workers still have to wake up in the early hours to arrive at work on time. However, the mission learned that there had been a significant improvement in the length of checking procedures in two of the seven major crossings: digitization now allows workers with magnetic cards to pass through the Bethlehem and Qalandia crossings reportedly in less than 30 minutes. Nevertheless, many Palestinian workers continue to face obstacles in relation to the mandatory security clearance, without which permits can be withheld. The mission was informed that a new mobile phone application, introduced by the Coordination of Government Activities in the Territories (COGAT), allows workers to verify if their permit was withdrawn on security grounds and to send a request, once a year, to the Civil Administration for removal from the "blacklist". Israeli NGOs are

<sup>77</sup> OCHA, "Gaza's Fisheries: Record Expansion of Fishing Limit and Relative Increase in Fish Catch; Shooting and Detention Incidents at Sea Continue", in *Humanitarian Bulletin*, October 2019.

<sup>78</sup> OCHA, "Gaza's Fisheries"; Briefing to the Security Council on the Situation in the Middle East, 24 February 2020.

<sup>79</sup> OCHA, "Gaza's Fisheries".

<sup>80</sup> OCHA, "Gaza's Fisheries".

<sup>81</sup> Histadrut, "Report of the Inter-Ministerial Team regarding Palestinian Workers Lawfully Employed in Israel", letter from the Chairman dated 19 June 2019; Palestinian Authority, "Israeli Violations Report for 2019"; Palestine General Federation of Trade Unions (PGFTU), presentation by the General Secretary on the situation of Palestinian workers, 3 March 2020; PCBS, microdata tabulations, 2020.

continuing to help blacklisted Palestinian workers to obtain or recover their entry permits to Israel through communications with the Israeli District Coordination and Liaison Offices or petitions in Israeli courts.<sup>82</sup>

103. An estimated 26,000 Palestinians work without permits in Israel and the settlements, mainly in small establishments. Their situation makes them extremely vulnerable to exploitation, abuse and serious occupational safety and health hazards. Unsurprisingly, informal employment among undocumented Palestinians is high and social protection is virtually non-existent.

104. Long-announced reforms to the permit system, in the making since 2016, aim to address the disproportionate power of employers and brokers over Palestinian workers and eventually to eliminate broker practices and improve respect of workers' rights. Implementation of the reform has been slow. The mission was informed that, under the proposed new system, the allocation of permits would be based on economic criteria<sup>83</sup> and Palestinian workers would no longer be tied to one predefined Israeli employer. An online job matching platform developed by COGAT would allow employers to recruit Palestinian workers directly, after they have obtained security clearance, undergone training and registered on the platform. Workers would also be given a certain period of time to find new employment in Israel.<sup>84</sup> After a successful small-scale pilot in the Atarot industrial zone, the online platform was to be rolled out in the construction sector. These plans were delayed by the absence of a new Israeli Government with an approved budget and by measures to contain the spread of the COVID-19 pandemic.

105. While the proposed permit reform could significantly reduce the trade in permits,<sup>85</sup> there is concern that the reform does not adequately address the structural disadvantages faced by Palestinian workers in the Israeli labour market, including the binding of the worker to the employer designated on the permit.<sup>86</sup> This would necessitate systematic cooperation between the Palestinian Authority and Israel in line with the 1994 Paris Protocol on Economic Relations.<sup>87</sup> At present, such cooperation appears to be almost non-existent. Neither the online platform nor the pre-departure health and safety and skills training planned by various Israeli institutions involve their Palestinian counterparts. On the Palestinian side, a decision was made in October 2019 to criminalize Palestinian contractors trading in work permits.<sup>88</sup>

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<sup>82</sup> MachsomWatch, "Invisible Prisoners", 12 February 2020.

<sup>83</sup> Wifag Adnan and Haggay Etkes, "Illicit Trade in Work Permits for Palestinian Workers in Israel: Current Conditions and Approved Reform" (Bank of Israel, 2019).

<sup>84</sup> Adnan and Etkes.

<sup>85</sup> Adnan and Etkes.

<sup>86</sup> Letter from Histadrut Chairman to Government of Israel dated 19 June 2019, "Re: Report of the Inter-Ministerial Team Regarding Palestinian Workers Lawfully Employed in Israel".

<sup>87</sup> Gaza–Jericho Agreement, Annex IV, Protocol on Economic Relations between the Government of the State of Israel and the PLO, representing the Palestinian people, Paris 1994. The Protocol provides that the placement and employment of Palestinian workers in Israel should be organized through the Israeli employment service and in accordance with Israeli law. The Protocol clarifies that "the Palestinian side has the right to regulate the employment of Palestinian labor in Israel through the Palestinian employment service, and the Israeli Employment Service will cooperate and coordinate in this regard" (Article VII, para. 1).

<sup>88</sup> Council of Ministers, Resolution No. (8) of 2019 regarding amending the regulation of private employment offices, unofficial translation, 28 October 2019; *Al-Monitor*, "PA Seeks to Protect Rights of Palestinians Working in Israel", 30 October 2019.

106. In 2019, the mission noted some positive steps to address the high incidence of safety and health hazards in the Israeli construction sector in the framework of a tripartite agreement signed in November 2018. In implementing the agreement, the Israeli Ministry of Labour, Social Affairs and Social Services increased the number of inspection visits (approximately 8,000 in 2019 in comparison to 7,215 in 2018) and ordered the closure of 1,635 construction sites, compared to 187 in 2018.<sup>89</sup>

107. The majority of accidents occurred in the building industry. According to the Israeli Ministry of Labour, Social Affairs and Social Services, 17 Palestinians died due to accidents on construction sites in 2019;<sup>90</sup> the Palestinian Ministry of Labour recorded 28 fatal accidents on Israeli work sites in 2019, but did not break them down by sector.<sup>91</sup>

108. A number of Israeli institutions have taken steps to improve awareness of health and safety standards among Palestinian workers, for example through a national hotline, a mobile training unit providing occupational safety and health training at crossings, field visits and the distribution of information and safety equipment.<sup>92</sup> The General Federation of Labour in Israel (Histadrut) also intensified its assistance to Palestinian workers, changing its constitution so that Palestinian workers in Israel are now entitled to full union membership.<sup>93</sup> The Grievance Committee established under the collective agreement for the construction industry handled more than 1,000 cases in 2019.

109. Concerns about the increasing protection gaps for Palestinian workers have become particularly acute. Recommendations were made in May last year by an inter-ministerial committee (set up in December 2016) to abolish the intermediating function of the Payments Division of the Population, Immigration and Border Authority regarding payment of social benefits.<sup>94</sup> Instead, Palestinian workers, like Israeli workers, would receive their benefits, such as continued wage payments and payments for untaken annual leave and sick leave, directly from the employer designated on their permit; pension contributions would be paid directly into the pension fund.

110. The mission already noted last year that, as of January 2019, the Payments Division had ceased to collect employers' contributions for sick leave, which were instead transferred into a government-managed fund to which Palestinian workers could apply in case of sickness. However, it is reported that this fund remains little used.<sup>95</sup> This is corroborated by PCBS data for 2019, which confirm that very few Palestinian workers had received social benefits related to sick leave.<sup>96</sup> This points to critical gaps in protection,

<sup>89</sup> Ministry of Labour, Social Affairs and Social Services, "Supplementary Information and Updates on Palestinian Workers in Israel".

<sup>90</sup> Ministry of Labour, Social Affairs and Social Services, "Supplementary Information and Updates on Palestinian Workers in Israel".

<sup>91</sup> Palestinian Authority, "Israeli Violations Report for 2019".

<sup>92</sup> Ministry of Labour, Social Affairs and Social Services, "Supplementary Information and Updates on Palestinian Workers in Israel"; Israeli Institute for Occupational Safety and Hygiene, "Overview for the ILO Mission: 2019"; Histadrut, "Meeting with ILO Annual Mission on Situation of Palestinian Workers", 12 March 2020, presentation.

<sup>93</sup> Histadrut presentation of 12 March 2020.

<sup>94</sup> Tali Heruti-Sover, "Israel Seeks to Increase Enforcement and Protection for Palestinian Workers in Israel", in *Haaretz*, 1 May 2019; Histadrut position paper, 10 June 2019. This also implied that the Payments Division would cease to centralize and collect deductions for various bodies and organizations, such as the Tax Authority, the National Insurance Institute, pension insurance, workers' and employers' organizations, the Fund for the Encouragement and Development of the Construction Sector, and the Palestinian Authority.

<sup>95</sup> Histadrut position paper, 22 December 2019.

<sup>96</sup> PCBS, Quarterly Labour Force Surveys, 2019.



even though Israeli and Palestinian workers enjoy equal rights under Israeli labour law. These gaps are likely to persist unless the structural disadvantages of Palestinian workers are addressed and a strong monitoring and enforcement mechanism is put in place.

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## 4. Governance and institution-building in an increasingly fragile context

111. Efforts by the Palestinian Authority to build governance institutions continued throughout 2019 and early 2020, on the basis of the Oslo Accords. These included the establishment and strengthening of policy and regulatory frameworks, including labour-related initiatives, in line with human rights treaties and good practice.<sup>97</sup> In 2019, the Palestinian Authority acceded to four optional protocols to international human rights instruments specifically relating to the rights of women, children, persons with disabilities and, more broadly, civil and political rights.<sup>98</sup> Yet the Palestinian Authority's ability to ensure effective governance, enforce its international commitments and protect citizens' rights remained constrained by deadlocked political processes, related to both the occupation and internal division.

112. Decreasing foreign aid, the stand-off over clearance revenues and the introduction of austerity measures created severe financial constraints, further challenging the Palestinian Authority's ability to govern. Its emergency budget relied heavily on borrowing from banks and on enhancing tax collection, notably from the liberal professions (such as lawyers, notaries and doctors) and the self-employed,<sup>99</sup> coupled with a strategy of decreasing its dependency on Israel and of strengthening its relationships with donors in order to restore former levels of foreign aid.<sup>100</sup>

113. Several of the mission's interlocutors, civil society organizations and UN human rights treaty bodies continued to express concern over declining levels of citizens' trust in governance and over shrinking civic space.<sup>101</sup> With no elections for over 12 years and with the Palestinian Legislative Council not functioning since 2006, the Palestinian Authority continued to legislate using presidential decree-laws, which are not recognized or applied in Gaza, leading to multiple sets of laws.<sup>102</sup> In December 2019, the majority of Palestinian political parties in the West Bank and the de facto authorities in Gaza agreed to hold legislative and presidential elections within four months of the issuance of a

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<sup>97</sup> The Palestinian Council of Ministers decided on 7 March 2017 to form a Legislation Harmonization Committee and mandated it to effectively align legislation in Palestine with international conventions. Source: Palestinian National Authority (PNA), Ministry of Foreign Affairs, "Palestinian Legislation Harmonization Committee" (personal communication), n.d.

<sup>98</sup> Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women, Optional Protocol to the Convention on the Rights of the Child on a communication procedure, Optional Protocol to the Convention on the Rights of Persons with Disabilities, and Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty; UN Committee on the Rights of the Child (CRC), *Concluding Observations on the Initial Report of the State of Palestine*, 6 March 2020, CRC/C/PSE/CO/1, para. 3.

<sup>99</sup> World Bank Group, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 26 September 2019; PNA, *National Policy Agenda: Putting Citizens First* (unofficial translation), December 2016.

<sup>100</sup> UNSCO, *Report to the Ad Hoc Liaison Committee*, 26 September 2019, p. 9.

<sup>101</sup> CRC, *Concluding Observations on the Initial Report of the State of Palestine*; Committee on the Elimination of Racial Discrimination, *Concluding Observations on the Combined Initial and Second Periodic Reports of the State of Palestine*, 20 September 2019, p. 4; UN Human Rights Council, "High Commissioner Updates the Human Rights Council on Human Rights Concerns, and Progress, Across the World", 27 February 2020; *Al-Haq*, "Al-Haq Submission to the Committee on the Rights of the Child on the First Periodic Review of the State of Palestine", January 2020.

<sup>102</sup> CRC, *Concluding Observations on the Initial Report of the State of Palestine*, 6 March 2020, para. 8(a).

presidential decree calling for general elections. At the time of writing, however, no such decree had been issued.

## Labour market governance and labour administration: Little progress observed

114. Three interlinked documents set out a vision for labour market governance in the Occupied Palestinian Territory: the National Policy Agenda,<sup>103</sup> the Labour Sector Strategy 2017–2022<sup>104</sup> and the Palestinian Decent Work Programme 2018–2022.<sup>105</sup> A mid-term review of the National Policy Agenda and sector strategies was initiated in late 2019. The revised Agenda is expected to incorporate the “cluster approach” to development announced by the Prime Minister, and to drive structural reforms through regional specializations in key sectors (agriculture, industry, tourism, services and technology).<sup>106</sup> Employment creation, especially for youth, will be a focus area of the forthcoming revised National Policy Agenda, with reforms aimed at enhancing the provision of vocational training.<sup>107</sup>

115. Despite the commitment by all parties to engage in revising the current Palestinian Labour Law (No. 7 of 2000), the reform process has remained sluggish. During the second half of 2019, the social partners and the Ministry of Labour held numerous meetings to bridge disagreements on proposed amendments. Further, a national consultative process was initiated to integrate into the ongoing reform the newly adopted ILO Violence and Harassment Convention, 2019 (No. 190). Finalizing the reform is considered to be crucial for aligning the law with ratified international human rights treaties and relevant international labour standards, and incorporating gender-equality requirements.<sup>108</sup>

116. The Ministry of Labour has continued to modernize its labour inspection system, with full digitization of its databases and procedures expected by mid-2020. A new Occupational Safety and Health Department is to become operational during 2020. Preparations are continuing for the establishment of training by certified institutes of future workplace “safety and health supervisors” as stipulated by Decree-Law No. 3 of 2019 on Occupational Safety and Health Committees and Supervisors in the Enterprises. The Ministry of Labour’s 90 labour inspectors, including 46 women, received training and conducted over 16,300 inspections in 2019 (up from 14,358 in 2018) in some 10,600 workplaces. Inspections led to roughly 7,000 measures being taken against non-compliant workplaces, including 300 referrals to court.<sup>109</sup> There was a net increase in 2019 in both reported work injuries (880, up from 776 in 2018) and fatal injuries (20, up from 7 in 2018). Further, in the West Bank, over one third of workers – men and women – in the private sector still receive less than the minimum wage; similarly, one third have

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<sup>103</sup> PNA, *National Policy Agenda, 2017–2022: Putting Citizens First*, December 2016.

<sup>104</sup> PNA, *Labour Sector Strategy 2017–2022: Path to Decent Work and Eliminating Unemployment*, 2017.

<sup>105</sup> ILO, *The Palestinian Decent Work Programme 2018–2022*, April 2018.

<sup>106</sup> For instance, Qalqilya, Tubas and Jericho would constitute “agricultural clusters”.

<sup>107</sup> UNSCO, *Report to the Ad Hoc Liaison Committee*, 26 September 2019; World Bank Group, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 26 September 2019, para. 11; PNA Ministry of Labour, “National Employment Strategy”, 27 February 2020 (personal communication).

<sup>108</sup> PNA Ministry of Foreign Affairs and Expatriates, Multilateral Relations Sector, “Palestinian Legislation Harmonization Committee”, personal correspondence, n.d.

<sup>109</sup> PNA Ministry of Labour, “General Directorate of Labour Inspection and Protection: Annual Report 2019”.

been denied severance pay, and less than one third receive employment benefits, such as participation in a pension fund to which an employer contributes, paid annual leave, sick leave or maternity leave. In Gaza, 92 per cent of private sector workers earn less than the minimum wage and they rarely, if ever, receive employment benefits.<sup>110</sup>

117. The Ministry of Labour, the Legislation Harmonization Committee and the Palestinian General Federation of Trade Unions (PGFTU) have underscored the need to establish specialized labour courts as a means to improve and expedite labour litigation.<sup>111</sup> By mid-2019, roughly 21,000 unresolved employment-related cases remained before the Palestinian civil courts.<sup>112</sup> The Ministry of Labour is in talks with the High Judicial Council on the possibility of establishing dedicated labour courts.

## Social dialogue and tripartism: Few tangible outcomes

118. Tripartite social dialogue on adjusting the national minimum wage progressed, albeit slowly. At the request of the Ministry of Labour and the social partners, the ILO undertook a study on the minimum wage in the Occupied Palestinian Territory, and its findings were presented to the National Wages Committee in July 2019.<sup>113</sup> The study forms the basis for tripartite dialogue on policy measures that could improve the current minimum wage system. While there is broad tripartite consensus on the need to raise the minimum wage (which has remained at 1,450 shekels per month since 2012), five meetings of the National Wage Committee in 2019 and early 2020 failed to bring clarity or a common position, notably within the ranks of the employers and chambers of commerce.<sup>114</sup>

119. Bipartite and tripartite social dialogue on a draft trade union organization law continued in 2019 and early 2020, with little progress made. While the Ministry of Labour and the PGFTU have expressed full commitment to finalizing the draft law in 2020 and to aligning it with the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), disagreements have persisted. Employers continue to object to their organizations being subject to the law, on the grounds that it could potentially undermine existing laws on membership of the chambers of commerce and the right of employers to form sectoral committees within these chambers.<sup>115</sup> The latest draft law was discussed in July 2019 by only the PGFTU and the Ministry of Labour and, in the absence of tripartite consensus, was put on hold.

120. Sectoral collective bargaining agreements do not exist in the Occupied Palestinian Territory. However, there are a number of enterprise-level agreements. For instance, in the health, banking, private education and communications sectors, several agreements have been reached between trade unions and individual large enterprises. In most cases, these agreements are the outcome of processes facilitated by the Ministry of Labour,

<sup>110</sup> PCBS, Quarterly Labour Force Surveys, 2019.

<sup>111</sup> PNA, “General Directorate of Labour Inspection and Protection: Annual Report 2019”; PNA, “Palestinian Legislation Harmonization Committee”; PGFTU, presentation of 3 March 2020.

<sup>112</sup> Ahmad Melhem, “Palestinian Workers Might Finally Have Labor Courts To Settle Their Cases”, in *Al Monitor*, 23 May 2019.

<sup>113</sup> ILO, “Technical Review of the Minimum Wage in the OPT”, July 2019.

<sup>114</sup> PNA Ministry of Labour, “Labour Policy Unit: Annual Report 2019”, p. 2.

<sup>115</sup> ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.108/DG/APP, 2019, para. 119.

following requests by trade unions for assistance in addressing labour disputes. In 2019, 18 such requests were registered, but only two collective agreements were concluded.<sup>116</sup>

121. One reason for the absence of more comprehensive collective bargaining at the sectoral level is that employers and chambers of commerce (some 90 organizations in 2019) are often structured by region rather than by sector. Without clearly identifiable sectoral employer counterparts, the chances for trade unions (537 bodies in 2019)<sup>117</sup> to engage in sectoral dialogue, let alone reach agreement, are limited. The PGFTU launched a campaign in October 2019 to enable women workers in private schools and private kindergartens to organize and negotiate with employers on a fully fledged sectoral collective agreement on wages and working conditions. The five bodies that represent most school owners (employers) are organized by governorate and see their role more as lobbying groups than as industrial relations actors.<sup>118</sup>

122. Against the backdrop of the COVID-19 pandemic, in mid-March 2020 the Minister of Labour and the leadership of the Private Sector Coordination Council and the PGFTU signed a tripartite social pact to mitigate the impacts of the state of emergency declared by the Palestinian Authority. The pact authorizes private employers affected by the crisis to pay only 50 per cent of wages (or at least 1,000 shekels) to their employees for March and April 2020 in exchange for not dismissing staff. The 50 per cent balance would be paid at the end of the crisis. The pact also commits the signatories to work on establishing an emergency fund for compensating employers and workers who may have been harmed by the state of emergency.<sup>119</sup>

## Social protection: Concerns and opportunities

123. The Social Security Law of 2016, which, among other things, helped establish the Palestinian Social Security Corporation in 2018, was suspended by presidential decree on 28 January 2019, after widespread protests against it that erupted in the West Bank in late 2018. Protesters criticized the law for requiring high contributions without providing sufficient guarantees for delivery, and for not appropriately covering workers outside the formal labour market. However, the creation of a social security scheme providing old-age, disability and death benefits, as well as employment injury and maternity benefits, to private sector workers and their families remains a key priority for the Palestinian Authority and the social partners. It is also an important component of the National Policy Agenda and the Labour Sector Strategy.<sup>120</sup> The mission was informed of ongoing consultations between the Ministry of Labour, the Palestinian Social Security Corporation and the social partners aimed at adopting a road map for an inclusive national dialogue on any future reforms concerning social security for private sector workers.

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<sup>116</sup> PNA, “General Directorate for Labour Relations: Annual Report 2019”.

<sup>117</sup> PNA, “General Directorate for Labour Relations: Annual Report 2019”.

<sup>118</sup> Amer Madi, “Study on Current Industrial Relations and Working Conditions in Private Schools and Kindergartens”, 2019 (unpublished).

<sup>119</sup> PNA Ministry of Labour, Coordination Council for the Private Sector and PGFTU, “Agreement between the Tripartite Constituents during the State of Emergency”, Ramallah, 16 March 2020 (personal communication; unofficial translation).

<sup>120</sup> PNA Ministry of Social Development, “Sector results and responsibilities: Results we want to achieve and the role of partners”, n.d. (personal communication).

124. Meanwhile, only public sector workers – roughly one quarter of all employed Palestinians<sup>121</sup> – receive social security benefits. On the basis of an ILO actuarial valuation of the public pensions schemes presented in February 2020, the board of the Palestinian Pension Agency – the body responsible for administering these schemes – decided to establish a technical committee to work jointly with the ILO on options to strengthen the immediate and long-term financial sustainability of the schemes.

## Employment promotion, skills and entrepreneurship: Rebooting the system

125. In late 2019, the Palestinian Authority began a formal process to develop the first National Employment Strategy, to create an integrated framework for all employment-related programmes and interventions, whether short-, medium- or long-term. A tripartite inter-ministerial task force headed by the Minister of Labour was mandated by the Cabinet to develop the strategy, using the policy recommendations of the employment diagnostic study conducted by the ILO in 2018.<sup>122</sup>

126. Public employment services will play a key role in the implementation of the National Employment Strategy. A review of such services is currently under way with a view to providing recommendations for improving services and active labour market programmes offered to jobseekers.<sup>123</sup> The review concerns both the policy dimension of services and programmes and the capacity of public institutions in delivering, monitoring and evaluating public employment services. A strategic plan for modernizing and strengthening the capacity of public employment services is expected to be developed on the basis of the review's recommendations.

127. The Palestinian Fund for Employment and Social Protection continues to support job creation through public–private partnerships. Based on its strategic plan for 2018–22, in 2019 the Fund financed some 470 projects concerning micro and small enterprises proposed, among others, by unemployed young graduates and cooperatives. The projects helped generate around 2,400 jobs, mostly of a temporary nature, including for a number of persons with disabilities. Around two fifths of these income-generating projects targeted women.<sup>124</sup>

128. In parallel, a multi-donor-funded Palestinian Families Economic Empowerment Programme, administered by the United Nations Development Programme (UNDP) and the Ministry of Social Development, focuses on linking social protection with economic empowerment strategies to improve the livelihoods of poor and vulnerable households, and to enable them to generate sustainable income. Since 2006, the Programme has benefited some 16,000 families<sup>125</sup> and, according to the Ministry of Social Development, has generated about 52,000 jobs.

<sup>121</sup> PCBS, Quarterly Labour Force Surveys, 2019 and 2020.

<sup>122</sup> ILO, *The Occupied Palestinian Territory: An Employment Diagnostic Study*, Beirut, 4 April 2018.

<sup>123</sup> Such services and programmes include employment counselling and vocational training, guidance on entrepreneurship and support in searching for and applying for jobs.

<sup>124</sup> PNA, Palestinian Fund for Employment and Social Protection, *A Summary of Achievement of the Palestinian Fund for Employment, 2018–19*.

<sup>125</sup> UNDP, *Palestinian Families Economic Empowerment Programme (DEEP)*.

129. Cooperatives and social entrepreneurship can be important means for enhancing employment and livelihood opportunities for Palestinian women and men, in line with the Palestinian Cooperative Sector Strategy 2017–22.<sup>126</sup> Further to policy and regulatory gaps identified since the adoption of the Cooperative Law in 2017, the Cooperative Works Agency was mandated to make proposals for revising the Cooperative Sector Strategy and amending the Law, with a view to strengthening the institutional and regulatory environment for cooperatives. The establishment of the Cooperative Development Institute and the Cooperative Development Fund and the strengthening of the Cooperative Works Agency remain key priorities.

130. Supporting entrepreneurship in technology start-ups is widely regarded as an important stepping stone towards lowering youth unemployment in the West Bank and Gaza. Yet on average, only around 20 new start-ups are created annually, with a median of just three jobs per start-up. Few are founded by women.<sup>127</sup> Accelerators and incubators, such as Gaza Sky Geeks, Flow and the Palestine Information and Communications Technology Incubator, some of whose representatives the mission met, support these domestic start-ups in their early stages of development by providing office space and administrative support, and mentoring for business skills. However, they all depend very heavily on financing from donors and public funds. A revised draft of the Companies Law and a draft Competition Law for creating an environment conducive to business start-ups are being finalized.<sup>128</sup>

## Promoting women's economic empowerment

131. Palestinian women face multiple barriers to accessing jobs, controlling resources and enforcing their rights. Key barriers have been identified in the National Strategy for Promoting Gender Equality, Justice and Empowerment of Women 2017–2022.<sup>129</sup> Gender discrimination in the workplace is still common, in both formal and informal settings. Working women earn on average 25 per cent less than their male counterparts in the private sector. A joint study by the Ministry of Labour, the Federation of Palestinian Chambers of Commerce, Industry and Agriculture and the PGFTU on working conditions in the private education sector, notably kindergartens and schools, where women workers predominate, revealed poor wages and serious compliance gaps in respect of annual leave and sick leave.<sup>130</sup> In 2019, the Ministry of Labour launched a campaign to enforce the minimum wage in kindergartens and schools and other sectors with high women's participation, such as secretarial, textile and dressmaking facilities.<sup>131</sup>

132. In line with the observations of the UN Committee on the Elimination of Discrimination against Women (CEDAW), the Palestinian Authority continues to review and harmonize legislation so as to ensure compliance with the Convention on the

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<sup>126</sup> PNA Ministry of Labour, "The Cooperative Sector Strategy in the Framework of the Labour Sector Strategy: Reform and Development", 2017.

<sup>127</sup> World Bank, *Tech Startup Ecosystem in West Bank and Gaza: Findings and Recommendations*, 2019.

<sup>128</sup> World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, September 2019, para. 33.

<sup>129</sup> PNA Ministry of Women's Affairs, "National Strategy for Promoting Gender Equality, Justice and Empowerment of Women 2017–2022", 2017.

<sup>130</sup> Madi, 2019.

<sup>131</sup> PNA, "General Directorate of Labour Inspection and Protection: Annual Report 2019".

Elimination of All Forms of Discrimination against Women.<sup>132</sup> By early 2020, the Family Protection Law and amendments to the Penal Code, the Personal Status Code and the Labour Law remained in draft form, while the new Social Security Law (with important implications for maternity protection) had been suspended. In this context, the National Committee for Women's Employment, the PGFTU and women's organizations continued to advocate for the inclusion of comprehensive provisions on non-discrimination, equal pay for work of equal value, maternity protection and protection from gender-based violence. Demands have also been made for the development of a cross-sectoral strategic plan for improving the status of women.<sup>133</sup>

133. Women remain under-represented in decision-making in the public and private spheres, including in government, trade unions and employers' organizations. In the new government sworn in on 13 April 2019, only 3 out of 18 ministries were led by women, the same number as in the previous government. After a PGFTU awareness-raising campaign on women's rights in 2019, some 1,700 women joined its ranks. However, women's membership in unions remains low, and women occupy less than 20 per cent of union leadership positions. Women also remain severely under-represented in chambers of commerce, and no woman sits on the managing board of the Federation of Palestinian Chambers of Commerce, Industry and Agriculture. Overall, the quota set by CEDAW for a minimum of 30 per cent representation of women in all institutions,<sup>134</sup> including in appointed and elected positions of local governments and trade unions and employers' organizations, has not been reached.

134. Women still face significant legal and cultural barriers to doing business. This prevents them, for instance, from exercising basic property ownership rights indispensable to entrepreneurship.<sup>135</sup> A World Bank database that captures legal differences between women and men in doing business ranks the West Bank and Gaza last among 190 economies (based on indicators that capture such legal differences in the areas of mobility, workplace, pay, marital status, parental status, entrepreneurship, assets and pensions).<sup>136</sup> CEDAW has expressed concern over the Constitutional Court's Decision No. 4 (2017) of 19 November 2017, which ruled that international conventions such as the Convention on the Elimination of All Forms of Discrimination against Women take precedence over national law only insofar as they are consistent with the national, religious and cultural identity of the Palestinian people.<sup>137</sup>

## Groups in vulnerable situations

135. The Palestinian Labour Law (No. 7 of 2000) prohibits the employment of children under the age of 15 years, and hazardous or long hours of work for children between 15 and 17 years of age. According to available household survey data, child labour among

<sup>132</sup> CEDAW, *Concluding Observations on the Initial Report of the State of Palestine*, 25 July 2018, paras 14–15; PNA, "Palestinian Legislation Harmonization Committee".

<sup>133</sup> General Union of Palestinian Women, "Palestinian Women: Resilience and Steadfastness in the Face of Critical National and Social Challenges", briefing submitted to the fact-finding mission assigned by the ILO Director-General, 4 March 2020.

<sup>134</sup> CEDAW, *Concluding Observations on the Initial Report of the State of Palestine*, para. 30.

<sup>135</sup> World Bank, *Enhancing Job Opportunities for Skilled Women in the Palestinian Territories*, 20 September 2018, p. xii.

<sup>136</sup> World Bank, *Women, Business and the Law 2020*, p. 48.

<sup>137</sup> CEDAW, *Concluding Observations on the Initial Report of the State of Palestine*, para. 12.



children aged 10–14 is very rare.<sup>138</sup> In 2019, labour inspectorate visits of 10,601 facilities (employing some 60,000 workers) detected 106 working children aged 8–15, notably in the manufacturing and commerce sectors.<sup>139</sup> Child labour appears to be most prevalent in family businesses and among informal street vendors.<sup>140</sup> According to the Ministry of Labour, the numbers of children working as informal street vendors at traffic intersections and of those engaged in begging are rising.<sup>141</sup>

136. In October 2019, the National Child Council was reactivated to design and monitor policies on protecting children’s rights, including the elimination of child labour.<sup>142</sup> The Ministry of Social Development decided as of 2020 to involve children as members of the technical committees of Child Protection Networks responsible for detecting exploited children and referring them to protection and rehabilitation services. In its concluding observations, the UN Committee on the Rights of the Child recommended that the Palestinian Authority prepare a comprehensive policy and implementation and monitoring strategies on children’s rights.<sup>143</sup>

137. In 2014, the Convention on the Rights of Persons with Disabilities entered into force in the Occupied Palestinian Territory. Persons with disabilities – especially women with disabilities – still face social exclusion and barriers in accessing employment and social protection. Current policies and laws, including Law No. 4 of 1999 on the Rights of Persons with Disabilities, fail to ensure, for example, effective monitoring and implementation of the obligation on employers to provide reasonable accommodations for persons with disabilities so that they can carry out their work in dignity, or to protect persons with disabilities from violence and harassment.<sup>144</sup>

138. A fourth draft amendment of Law No. 4 of 1999 was produced in 2019. It was circulated for a final round of feedback through public consultation coordinated by the Palestinian Disability Coalition, a body composed of several civil society organizations and the Ministry of Labour.<sup>145</sup> The draft Law is due to be transmitted for review to the Council of Ministers in 2020, before final endorsement by the President. A national policy on the rights of persons with disabilities is also under preparation, to be aligned with the National Policy Agenda and Labour Sector Strategy.<sup>146</sup> The national policy is expected to emphasize public awareness of the rights of persons with disabilities to decent work,

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<sup>138</sup> ILO, *The Situation of Workers of the Occupied Arab Territories*, 2019, para. 134.

<sup>139</sup> PNA Ministry of Labour, “General Directorate of Labour Inspection and Protection: Annual Report 2019”.

<sup>140</sup> Defence for Children International – Palestine et al., *Children’s Rights in Palestine: Joint Alternative Report to the State of Palestine’s Initial Report to the Committee on the Rights of the Child*, 20 April 2019, pp. 48–50.

<sup>141</sup> PNA Ministry of Labour, “General Directorate of Labour Inspection and Protection: Annual Report 2019”.

<sup>142</sup> United Nations Country Team, “State of Palestine – Update”, personal communication, November 2019.

<sup>143</sup> CRC, *Concluding Observations on the Initial Report of the State of Palestine*, 6 March 2020, para. 11.

<sup>144</sup> Palestinian Alliance for the Employment of People with Disabilities, “Strategic Plan”, n.d.; United Nations Population Fund, *Women and Girls with Disabilities: Needs of Survivors of Gender-based Violence and Services Offered to Them*, March 2019, section 4.2.4; Palestinian Disability Coalition, “Developing and Approving a National Policy Regulating the Right of the Persons with Disabilities to Decent Work in Palestine”, policy paper, 20 March 2020.

<sup>145</sup> Palestinian Disability Coalition policy paper.

<sup>146</sup> Palestinian Alliance for the Employment of People with Disabilities, “Strategic Plan”.

improved access to technical and vocational education and training, and measures for recruitment and monitoring of post-recruitment practices in the workplace.<sup>147</sup>

## Gaza on life support

139. Gaza’s public sector and labour administration continue to operate under difficult and precarious conditions. Of the roughly 60,000 Gaza-based civil servants who appear to still be on the Palestinian Authority payroll, 4,000 are not allowed to work in public agencies controlled by the de facto authorities.<sup>148</sup> Additionally, since 2017 some 6,400 Palestinian Authority civil servants have been forced to retire early. They still work, while receiving as little as 50 per cent of their salary, which is drawn against their pensions.

140. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) is the second-largest employer in Gaza, with some 13,000 staff members. With donor funding declining, it has also applied austerity measures, including downsizing by attrition and the introduction of part-time work. With jobs extremely scarce, over 260,000 Gazans are on a waiting list for a short-term job in one of the numerous “cash-for-work” programmes administered by UNRWA, the UNDP or the World Bank.

141. The Gaza Reconstruction Mechanism provides raw material inputs for construction activities and supports some job opportunities in the sector. Around 160 homes destroyed during military operations were rebuilt in 2019, while 1,268 entirely destroyed homes are waiting to be rebuilt and roughly 56,000 partly damaged homes await repair. More complex infrastructure projects are hindered by the short supply of materials and frequent delays in approval and delivery.<sup>149</sup>

142. Labour laws and regulations adopted by the Palestinian Authority, especially those on occupational safety and health and on minimum wages, are very difficult to enforce. With only 12 labour inspectors, including four women hired in 2020, inspection of many workplaces in Gaza remains problematic and the attendant risks are increasing. An explosion in a bakery in the Nusseirat refugee camp in central Gaza that occurred during the mission’s visit in March 2020 tragically exemplifies this: it killed nine, including six children, and injured sixty.<sup>150</sup> Meanwhile, on 28 October 2019, a court ruled that the Gaza Electricity Distribution Company must pay its 1,050 contract workers the minimum wage in line with the Palestinian Labour Law (No. 7 of 2000), and also a hardship allowance.<sup>151</sup> Overall, however, virtually all Gazan workers receive much less than the legal minimum wage, while their access to justice remains very limited.

143. Bipartite and tripartite social dialogue remains a rarity, even though the Palestinian Ministry of Labour and social partners continue to invite Gazan representatives to participate in social dialogue processes on draft laws or planned amendments to laws under consideration. Although in previous years, representatives of Gaza’s chambers of commerce took part in tripartite social dialogue in the West Bank, in 2019 their participation was reportedly minimal. Furthermore, the restrictions on trade union rights

<sup>147</sup> Labour Sector Strategy Mid-Term Review 2020, undated matrix.

<sup>148</sup> According to the PCBS, overall public sector employment in Gaza is 110,600. However, the exact number, status and wages of civil servants on the payroll of the Palestinian Authority are currently being assessed following announcements by the Prime Minister in early 2020.

<sup>149</sup> World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, September 2019, para. 35.

<sup>150</sup> *Haaretz*, “Nine Killed in Gaza As Bakery Fire Spreads through Packed Market”, 5 March 2020.

<sup>151</sup> Democracy & Workers Rights Center – Palestine, “DWRC Obtains Court Decision That Improves Labor Rights of 1050 Contract Based Workers in Gaza Electricity Distribution Company”, n.d.

imposed by the de facto authorities continue to severely affect the PGFTU, which is being prevented from using its infrastructure, visiting workplaces or recruiting members in Gaza. In parallel, the de facto authorities support the creation of new unions and syndicates of contractors and self-employed workers, generating uncertainty among workers and employers on the true nature and motivations of such bodies.

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## 5. The occupied Syrian Golan disconnected from its roots

144. Occupied for more than half a century and annexed 39 years ago, the occupied Syrian Golan is trying to preserve its identity. Ties to the Syrian Arab Republic are being maintained by many of the Syrian citizens, in spite of the restrictions on travel and trade. The Quneitra border crossing closed in 2013 in the context of the armed conflict in the Syrian Arab Republic. It reopened in 2018, but only for personnel of the United Nations Disengagement Observer Force, which has monitored the ceasefire since 1974 on the basis of Security Council resolution 242.

145. The exercise of Israeli sovereignty over the occupied Syrian Golan contravenes international law. Security Council resolution 497 (1981) stipulates that the Israeli decision to impose its law, jurisdiction and administration in the occupied Syrian Golan is null and void and without international legal effect.<sup>152</sup> In March 2019, the United States “recogniz[ed] the Golan Heights as part of the State of Israel”.<sup>153</sup> No other country has made a similar move.

146. The overall size of the population of the occupied Syrian Golan remains small – around 50,000 – in spite of Israeli settlement efforts over the last decades. The numbers of Israeli settlers and Syrian citizens are roughly equal. There are five Syrian villages and 35 Israeli settlements, including a settlement that was inaugurated by the Israeli Prime Minister in June 2019 on which construction has not yet begun.<sup>154</sup>

147. The labour force participation rate of the Syrian citizens of the occupied Syrian Golan stands at 42.8 per cent, which is low by global and Arab regional standards. It had been steadily rising from 38.4 per cent in 2013 to 50.6 per cent in 2018. In 2019, according to the Israeli Central Bureau of Statistics, it dropped by almost 8 percentage points, almost fully accounted for by male labour force participants. The labour force participation rate also declined sharply among young people aged 15–24. By contrast, female participation has been continuously increasing in recent years and now stands at 28.8 per cent, which is about 10 percentage points higher than the regional average.<sup>155</sup>

148. The importance of agricultural employment has been declining over the last decade, constrained by the loss of the Syrian market, which, as a result of the closure of the Quneitra crossing, could no longer buy apples and other produce from the occupied Syrian Golan. Most households, however, have kept a foothold in small-scale farming, often as a secondary activity. The cultural attachment to land and agriculture reportedly remains high.

149. One in five Syrian citizens in the occupied Syrian Golan now work in construction. Many are employed in Israeli settlements and in Israel, sometimes on a seasonal basis.

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<sup>152</sup> Reiterated by UN General Assembly [resolution 74/90](#) of 26 December 2019: “1. *Calls upon* Israel, the occupying Power, to comply with the relevant resolutions on the occupied Syrian Golan, in particular Security Council resolution 497 (1981), in which the Council, inter alia, decided that the Israeli decision to impose its laws, jurisdiction and administration on the occupied Syrian Golan was null and void and without international legal effect and demanded that Israel, the occupying Power, rescind forthwith its decision; 2. *Also calls upon* Israel to desist from changing the physical character, demographic composition, institutional structure and legal status of the occupied Syrian Golan and in particular to desist from the establishment of settlements”.

<sup>153</sup> “Proclamation on Recognizing the Golan Heights as Part of the State of Israel”, 25 March 2019.

<sup>154</sup> BBC, “Golan Heights: Israel Unveils ‘Trump Heights’ Settlement”, 16 June 2019.

<sup>155</sup> CBS, Labour Force Survey, 2019; ILOSTAT.

Reliable data related to unemployment and other forms of labour underutilization are not available.

150. Working conditions and relative wage levels of Syrian workers are also difficult to assess due to lack of data. There are indications that Syrian citizens are less aware of their rights than their Israeli counterparts and, as a consequence, rarely seek legal recourse on labour issues. They are also more vulnerable to exploitation in the workplace; the mission was informed about cases of non-compliance with the minimum wage and social security regulations.

151. There are continued reports of discriminatory practices with regard to Syrian citizens' access to water and land, and widespread concern about Israeli plans to build wind turbines, some of them more than 200 metres high, atop Syrian agricultural lands and in close proximity to Syrian villages.<sup>156</sup> In this context, the UN Committee on Economic, Social and Cultural Rights expressed concern about the lack of consultation of affected communities and the prohibition of Syrian citizens in the occupied Syrian Golan from "accessing, controlling and developing their natural resources".<sup>157</sup>

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<sup>156</sup> Al-Haq and Al-Marsad, "Joint Parallel Report on Israel's Violations of the International Covenant on Economic, Social and Cultural Rights on the Occasion of the United Nations Committee On Economic, Social And Cultural Rights' Review of the Fourth Periodic Report Of Israel", 6 September 2019, p. 6.

<sup>157</sup> Committee on Economic, Social and Cultural Rights, *Concluding Observations on the Fourth Periodic Report of Israel*, E/C.12/ISR/CO/4, 12 November 2019, para. 14.

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## Concluding observations

152. Conflict and injustice have dominated the Israeli–Palestinian relationship over the last 75 years. The West Bank, including East Jerusalem, and Gaza have now been occupied for more than half a century. Occupation of Palestinian lands has steadily intensified over the years. Today, there are six times as many settlers in the West Bank as there were some 40 years ago when the International Labour Conference adopted a resolution on the occupied Arab territories, which is at the basis of this annual report. But the opportunities for achieving a just peace are not lost; the way forward has been available since Oslo. Road maps do not need to be redrawn. Meaningful negotiations between the two sides, with multilateral support, would ensure a better future for both Arab workers and their Israeli neighbours. Lasting peace can only be achieved by resuming the process towards the two-state solution.

153. Stifled by occupation, the Palestinian labour market is still unable to deliver. Labour force participation is low and unemployment and labour underutilization are rife. The employment situation of young people and women remains grim; young women suffer most. Few of them stand a chance of finding work. It is not surprising that in the context of occupation, workers' rights are often in jeopardy.

154. Gaza represents the culmination of labour market misery. As unemployment approaches the 50 per cent mark, incomes are declining. Donor-driven humanitarian life support keeps the enclave from imploding and provides a few, often short-term, jobs. There is a risk that the prolonged absence of prospects for jobs and a better life will fuel radicalism. Any revival in employment would require a comprehensive lifting of the blockade.

155. The labour situation in the occupied Syrian Golan remains difficult to assess. Annexed decades ago, it has remained in the shadow of the Palestinian–Israeli conflict. Employment has shifted from agriculture towards construction and services. There are continued reports that Syrian citizens face disadvantages and discriminatory practices. Marketing of produce in the Syrian Arab Republic ceased a few years ago, but links to the homeland remain strong among the Syrian citizens of the Golan.

156. Israel needs workers and Palestinians have responded in increasing numbers. More than 130,000 Palestinian workers are now employed on Israeli building sites, in kitchens and in fields. For most, it presents a welcome respite from the constrained Palestinian labour market. Pay is on average two-and-a-half times the wages at home. But conditions often remain poor and occupational hazards all too present. Moreover, in spite of reforms having been promised for years, little has been done to end the abusive and underperforming permit regime. Permit brokers continue their business unabated and, as this report has shown, make at least US\$119 million in annual profits. This is money lost for Palestinian workers.

157. Meanwhile, on the Palestinian side, efforts have continued to strengthen labour governance and administration. Important policy initiatives are under way, such as in the employment policy arena. Yet, in other areas, such as labour legislation and social security, progress is hampered by a lack of momentum and results. Social dialogue and tripartism will need to be boosted in order to allow the social partners to fulfil their role as drivers of social peace and equity.

158. At the time of writing, the COVID-19 pandemic risks wreaking havoc on both the Palestinian and Israeli labour markets. In order to effectively address its impact, there is a need for dialogue and coordination between both sides. This concerns in particular the

situation of Palestinian workers in Israel. As such, the current crisis harbours opportunities to work together across the Separation Barrier and arrive at mutually beneficial solutions by way of bilateral and tripartite coordination. Progress in the labour area could blaze the trail for enhanced dialogue on broader economic and social issues across the divide.

# Annex

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## List of interlocutors

### Palestinian institutions

#### Ministry of Labour

Nasri Abujaish, Minister of Labour  
Samer Salameh, Deputy Minister  
Abdel Kareem Daraghme, Deputy Assistant, Labour Sector Policies  
Bilal Thawabeh, Deputy Assistant, Labour Administration  
Amin Almatour, Deputy Assistant, Directorates' Affairs  
Ali Al Sawi, Director-General, Inspection and Labour Protection Directorate  
Rami Mehdawi, Director-General, Employment Directorate  
Salim Nakhleh, Director-General, Labour Relations Directorate  
Yousef Zaghoul, Director-General, Labour Policy Committee  
Nidal Ayesh, Director-General, Vocational Training Directorate  
Hani Shanti, Director-General, Minister's Bureau  
Buthaina Salem, Head, Legal Unit  
Lama Awwad, Head, Gender Unit  
Asma Hanoun, Head, External Employment Unit

#### Ministry of Foreign Affairs

Omar Awadallah, Ambassador, Multilateral Affairs, Head of United Nations and its Specialized Agencies Department  
Mohammad Ayyad, Third Secretary  
Ayoub Ayoub, Diplomatic Attaché

#### Ministry of Social Development

Ahmed Majdalani, Minister  
Daoud Al Deek, Deputy Minister  
Anwar Hamam, Deputy Assistant  
Taghrif Kishek, Director-General of Minister's Bureau



**Palestine Liberation Organization (PLO)/  
Palestinian Legislative Council (PLC)**

Saeb Erakat, Secretary of Executive Committee of PLO, Chief of Palestinian Negotiation and Member of the Central Committee of Fateh

Ashraf Khatib, Policy and Communication Advisor, Negotiations Affairs Department, Palestinian Negotiations Support Project

Nabeel Shaath, Advisor to the President of Palestine for Foreign Affairs and International Relations, Chairperson, Department of Expatriate Affairs, PLO

Mustafa Barghouthi, Secretary-General of Palestine National Initiative, President of the Palestinian Medical Relief Society and PLC Member

**Workers', employers' and other  
civil society organizations**

**Palestine General Federation of Trade Unions (PGFTU), Nablus**

Shaher Sae'd, Secretary-General

Rasem Al Bayari, Deputy Secretary-General

Aysha Hmouda, Head of Gender Unit, Member of General Secretariat

Mohammad Jad Allah, Advisor

Nasser Damaj, Head of Media Unit

Khawla Elayyan, Member of Executive Committee

Yasir Taha, Member of Executive Committee

Saher Sarsour, Member of General Secretariat

Bassam Yaish, Member of General Secretariat

Khaled Abdelhadi, Member of General Secretariat

Imad Awajneh, Member of General Secretariat

Mahmoud Amer, Member of General Secretariat

Kayed Awwad, Member of General Secretariat

Mohammad Kamil, Member of General Secretariat

Abdel Hadi Abu Taha, Member of General Secretariat

**Palestine General Federation of Trade Unions (PGFTU), Gaza**

Wael Khalaf, Member of General Secretariat, Deputy Head of Public Sector Employees Union

Yahya Abu El Atta, Member of General Secretariat, Deputy Head of Public Transportation Union

Bashir Al Sisi, Member of General Secretariat, General Secretary of General Union of Public Service and Commercial Workers

Salameh Abu Zeiter, Member of General Secretariat, Head of General Union for Health Services

**Federation of Palestinian Chambers of Commerce, Industry and  
Agriculture (FPCCIA), Ramallah**

Omar Hashem, Chairman of the Board of Directors for FPCCIA, Chairman of Nablus Chamber

Jamal Jawabreh, Secretary-General

Akram Hijazi, Director of Public Relations Unit

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Nazeh Merdawi, Director of Information Unit

Moussa Salameh, Director of Gender Unit

*Hebron Chamber*

Ihab Hassouneh, Secretary

*Qalqilya Chamber*

Mohammad Qatqat, Director

*Salfit Chamber*

Fawaz Shehada, Chairman

*Tubas Chamber*

Wajeh Abu Khayzaran, Board of Directors

*Gaza Chamber*

Walid Al Hosary, President of Gaza Chamber and Vice-Chairman of the Board of Directors for FPCCIA

Bassam Mourtaja, Managing Director

Hani Attallah, Board of Directors

*North Gaza Chamber*

Imad Al Ghoul, Director General

*Rafah Chamber*

Haitham Abu Taha, Chairman

**Palestinian Federation of Industries, Gaza**

Khader Ishnirwah, Executive Manager

Mohammad AlMansi, Board of Directors

**Palestinian Information Technology Association of Companies, Gaza**

Reem El Dabbagh, Executive Manager

Osama Abu Zebia, Board of Directors

**Palestine's Information and Communications Technology Incubator, Gaza**

Majd Abu Mudallala, Executive Manager

**Palestinian Contractors Union, Gaza**

Osama Kuhail, Chairman

**Paltrade, Gaza**

Mohammed Skaik, Programme Manager

**Independent Commission for Human Rights, Ramallah**

Ammar Dwaik, Director General

**Palestinian Fund for Employment and Social Protection, Gaza**

Mohammed Abu Zaiter, Deputy CEO

**Municipal Development & Lending Fund, Gaza**

Mohammad Abu Shaaban, Area Engineer

**NGO Development Center, Gaza**

Alaa Ghalayini, Program Manager, Gaza Emergency Cash for Work and Self-Employment Support Project

**Governorate of Nablus**

Anan Atteereh, Deputy Governor of Nablus

**Women's Center for Legal Aid and Counselling, Ramallah**

Randa Siniora, General Director

**General Union of Palestinian Women, Ramallah**

Ghazaleh Arab, Member of General Assembly

Khitam Saafeen, Member of General Assembly

**Women's Studies Centre, Ramallah**

Sama Aweidah, Director General

**Women's Affairs Technical Committee, Ramallah**

Areej Odeh, Chairwoman of the Board of Directors

Buthaina Daqmaq, Secretary

Amal Jumaah, Media Coordinator

**Palestine Association of Visually Impaired Persons, Ramallah**

Ziad Amro, President

**YMCA, Ramallah**

Shatha Abu Srour, Advocacy Supervisor

**Palestinian General Union of People with a Disability, Ramallah**

Hamzeh Nasser, Advocacy Officer

**Stars of Hope, Ramallah**

Safiyeh Khaled, Chairman

**Palestine Red Crescent Society, Ramallah**

Anji Abed, Sign language expert, member at the Palestinian General Union of People with Disability

**PALTEL Group, Ramallah**

Ammar Aker, Chief Executive Officer

Rania Merie, Brand Strategy and Marketing, Communication Department Head

**Sinokrot Holding, Ramallah**

Mazen Sinokrot, Chairman and CEO

**Pharmacare**

Bassem Khoury, Executive Director

**Flow Incubator & Accelerator, Ramallah**

Majd Khaliefeh, Co-Founder  
 Ahmad Ramahi, CEO and Co-founder  
 Imam Hithnawi, CEO  
 Al Jamil Ismail, Programme Manager  
 Rand Safi, Programme Officer, Gaza Sky Geeks

**Other meetings**

Atallah Hanna, Archbishop, Head of the Sebastia Diocese of the Greek Orthodox Church in Jerusalem  
 Wael Qraiem, Lawyer

**Israeli institutions****Government of Israel and other public institutions****Ministry of Foreign Affairs**

Alon Bar, Ambassador, Deputy Director General for the United Nations and International Organizations

**Ministry of Labour, Social Affairs and Social Services**

Avigdor Kaplan, Director General  
 Revital Karin Sela, Chief Labour Relations Officer  
 Maya Miller Meshi, Division of Labour  
 Avner Amrani, Senior Research Director for the Department of Labour Relations  
 Shiri Lev-Ran Lavi, Ombudswoman for Foreign Workers' Labour Rights  
 Hezi Schwartzman, Director of the Occupational Health and Safety Administration and Chief Labour Inspector  
 Rivka Werbner, Chief Labour Relations Officer  
 Ibrahim Kilani, Legal Advisor for the Department of Labour Relations  
 Gali Levi, Chief Prosecutor

**Israeli Institute for Occupational Safety and Hygiene**

Sami Saadi, Head of Northern District

**Population, Immigration and Border Authority**

Efrat Lev-Ari, Legal Department

**Ministry of Finance**

Michael Ritov, Senior Economist – Chief Economist Department Research Division

**Coordination of Government Activities in the Territories (COGAT)**

Ltc. Alon Shacham, Head of Foreign Relations Branch  
 Maj. Moti Stolovicj, Deputy Head of Economic Branch

## Workers', employers' and other civil society organizations

### Histadrut – General Federation of Labour in Israel

Peter Lerner, Director General of International Relations

Avital Shapira, Director of International Relations

Giyora Walle, Enforcement Manager, Policy and Economy Division

Tamar Freadman-Seibold, Enforcement Office, Policy and Economy Division

Adv. Tehila Benishu, Trade Union Legal Service

Wael Abadi, Director of Information and Call Center

### Center for Political Economics–MACRO

Roby Nathanson, General Director

Yanai Weiss, Research Director

### Machsom Watch – Women against the Occupation and for Human Rights

Sylvia Piterman, Volunteer

### Kav LaOved

Abed Dari, Field Coordinator, Palestinian Workers Department

## United Nations and international organizations

### Office of the United Nations Special Coordinator for the Middle East Peace Process

Jamie McGoldrick, Deputy Special Coordinator and United Nations Resident/Humanitarian Coordinator

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

Sarah Muscroft, Head of Office

Melissa Fernandez, West Bank Field Coordinator

Ray Dolphin, Researcher

### United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)

Gwyn Lewis, Director of UNRWA Operations, West Bank

Matthias Schmale, Director of UNRWA Operations, Gaza

### Office of the United Nations High Commissioner for Human Rights (OHCHR)

James Heenan, Head of Office

### International Monetary Fund, West Bank and Gaza

Robert Tchaidze, Resident Representative, West Bank and Gaza

Hania Qassis, Economist

**World Bank**

Samira Hillis, Program Leader, Human Development Portfolio and Task Team Leader (TTL)

Cristobal Ridao-Cano, Lead Economist and Co-TTL

Friederike Rother, Senior Social Protection Specialist and Co-TTL

Javier Sanchez-Reaza, Senior Economist

Maha Bali, Operations Analyst

**Occupied Syrian Golan****Al-Marsad Arab Human Rights Centre in Golan Heights**

Wael Tarabieh, Programme Manager

Karama Abu Saleh, Lawyer

**Regional meetings****Meetings in Damascus, Syrian Arab Republic*****Ministry of Social Affairs and Labour – Damascus***

Rima Al Qadiri, Minister

Mahmoud Al Kawa, Head of International Cooperation and Planning

Lujain Younes, Head of Arabic Relations Section

Hanaa Deeb, Press Office

Naser Al-Ahmad, Press Office

***Ministry of Industry – Damascus***

Mohammad Maan Zain El-Abidine Jazbi, Minister

***Ministry of Foreign Affairs and Expatriates – Damascus***

Ammar Awad, Deputy Director, Organization Management

Shaker Zaitoon, Expert, International Organizations Department

***General Federation of Trade Unions – Damascus***

Jomaa Hijazi, General Director of Labour Observatory for Studies and Research

***Chamber of Industry of Damascus and its Countryside***

Obay Roshn, Head of the Labour Affairs Unit

Mohammad Ayman Moulawy, Member of the Board

***Chamber of Commerce***

Abulhuda Lahham, Member of the Board

***Quneitra Governorate***

Hassein Eshak, Deputy Governor

Mohamed Hisham al Tabaa, Member of the Investment Committee

Saleh Swed, Member of the Executive Office

Meetings in Cairo, Egypt

*Arab Labour Organization, Cairo*

Fayez Al-Mutairi, Director-General

Marwan Othman, Office of the Director-General

Emad Sherif, Director of External Relations and International Relations Department

*League of Arab States, Cairo*

Said Abu Ali, Assistant Secretary General, Sector of Palestine and Arab Occupied Territories

Haider Tareq Aljoubouri, Minister Plenipotentiary, Sector of Palestine and Arab Occupied Territories, Director of Palestine Affairs Department

Mohammed Fathi Shaqoura, Responsible for the Section of the Development and Reconstruction of Palestine, the Social Affairs and the Palestinian Official Institutions, Sector of Palestine and Arab Occupied Territories