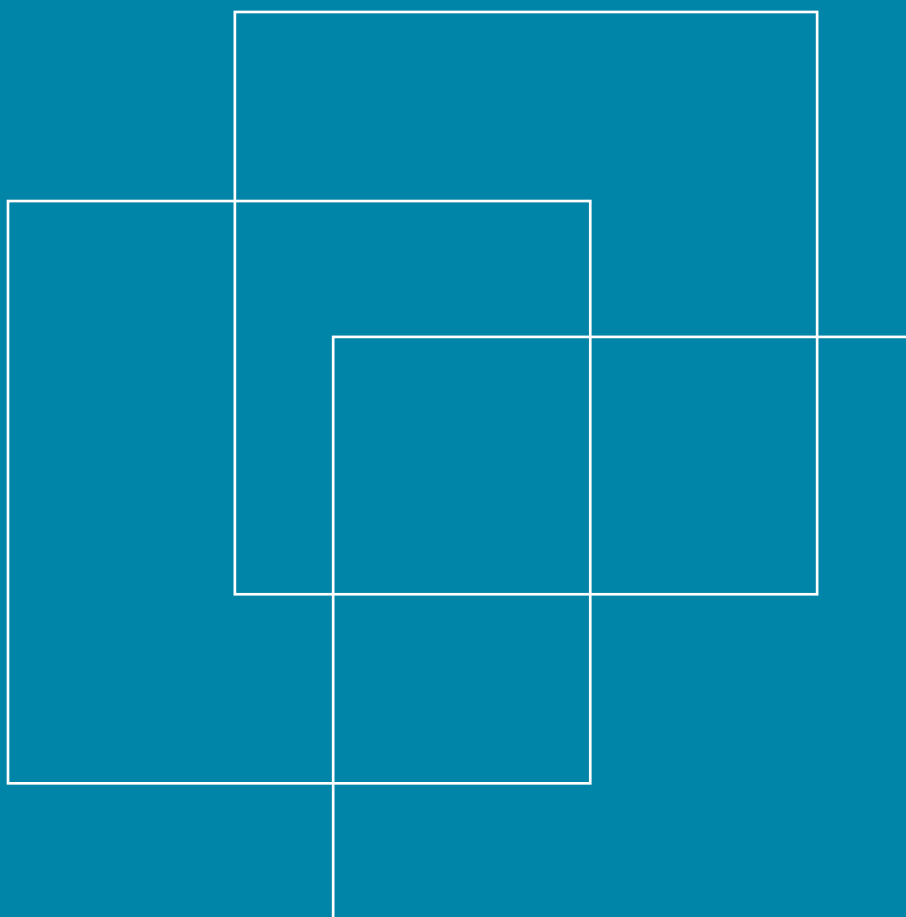




International  
Labour  
Office  
Geneva

REPORT OF THE DIRECTOR-GENERAL  
APPENDIX

# The situation of workers of the occupied Arab territories



INTERNATIONAL LABOUR CONFERENCE  
106th SESSION, 2017

International Labour Conference, 106th Session, 2017

Report of the Director-General

Appendix

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

ISBN 978-92-2-130555-2 (print)  
ISBN 978-92-2-130556-9 (Web pdf)  
ISSN 0074-6681

---

*First edition 2017*

---

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

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

ILO publications and digital products can be obtained through major booksellers and digital distribution platforms, or ordered directly from [ilo@turpin-distribution.com](mailto:ilo@turpin-distribution.com). For more information, visit our website: [www.ilo.org/publns](http://www.ilo.org/publns) or contact [ilopubs@ilo.org](mailto:ilopubs@ilo.org).

---

## Preface

---

In accordance with the mandate given by the International Labour Conference, I again sent this year 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 Gaza, Israel and the occupied Syrian Golan. The mission leader met in Cairo with the Director-General of the Arab Labour Organization and representatives of the League of Arab States.

The mission had in-depth discussions with representatives of the Palestinian Authority, the Government of Israel, employers' and workers' organizations in the Occupied Palestinian Territory and Israel, Syrian citizens in the occupied Syrian Golan, and representatives of the United Nations and other international and non-governmental organizations, as well as focus groups of Palestinian workers. They all provided information which has guided the preparation of this report. The mission also undertook a number of field visits.

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 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 in the occupied Arab territories.

This year marks the 50th anniversary of the Israeli occupation. The second generation born under this occupation has now entered adulthood. The occupation itself has become ever more entrenched, especially with the expansion of Israeli settlements in the areas beyond the 1967 borders. Repeated attempts at finding a negotiated solution have failed. Five decades of occupation have seen both violent conflict and steps for a negotiated settlement follow one another. For about half of this time, the Oslo Accords have served as the roadmap for the way to a two-state solution. Yet this seems now more elusive and threatened than at any time since the direct negotiating partners and the international community agreed on it as a goal. No acceptable alternative scenarios have emerged, and at this moment, the process seems to be suspended in time, nervously waiting for something to happen. Unfortunately, history does not give reason to hope that in the region anything good could come out of such uncertainty and lack of any initiatives towards peace.

Some hope was briefly resurrected in December last year, when the UN Security Council adopted a resolution calling for an end to Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem. Yet as has so often been the case in the past, this hope was soon extinguished. No concrete steps were taken to follow up on the resolution. A few weeks later, announcements were made of further expansion of the Israeli settlement activity and the building of more housing units on the occupied lands.

Consequently, the everyday reality of Palestinian working women and men and their families continues to be dominated as before by the multitude of obstacles arising directly out of the occupation. In the West Bank, the restrictions on movement and economic activity and the overbearing presence of settlements have fragmented the labour market and impeded the development of a viable and vibrant Palestinian economy. Area C, which amounts to most of the occupied West Bank, is barely accessible to Palestinian entrepreneurs and workers. A multitude of checkpoints and closures continue to severely constrain labour market mobility.

A number of important policy initiatives have been undertaken by the Palestinian Authority in the last few months, most notably the finalization of the National Policy Agenda for 2017-2022, but their effect on the ground remains to be seen. The harsh reality facing all efforts to strengthen the Palestinian labour market is the control that the occupation exercises over Palestinian borders and the access to land, water and natural resources. The space for opportunities to work, farm, produce and create jobs in the occupied territories remains severely constrained.

Economic growth does take place in the West Bank and Gaza, but it remains well below its potential. It is not sufficient to improve livelihoods, and it barely translates into any significant employment gains. Unemployment remains pervasive, higher than in any other country in the Middle East and North Africa and more than twice the regional average. Youth and women are the hardest hit: two out of five young persons in the labour force are without a job, and unemployment among women is even higher.

For the close to 2 million Palestinians living in Gaza, the situation has gone beyond a point which common sense would consider untenable. Gaza continues to be sealed off by land, sea and air. Measurable unemployment remains well above 40 per cent. Among economically active youth, the unemployed constitute the majority; among graduates, joblessness is all but universal. However, such data is only a poor indicator of the desperate state of large numbers of Gazan households. The overall economic and labour market situation is suffocating. Gazans are unable to move for work elsewhere. Economists rightly cite the situation in Gaza as a case of de-development.

In these circumstances, it is understandable that an increasing number of Palestinians in the West Bank seek work in Israel and, indeed, aspire to that as a primary solution to their problems. About one quarter of the total wages earned by the Palestinians of the West Bank comes from employment in Israel or the settlements. Wages in Israel are more than twice as high as in the West Bank. Yet many workers face hardship and exploitation, in particular by unscrupulous brokers who make disproportionate and in some cases outright abusive profits out of matching Palestinian jobseekers with Israeli employers. The report of the mission gives striking examples of the disproportionate share of earnings that are taken by the brokers. The fee collected by the broker can in some cases exceed the Palestinian minimum wage. A significant amount of money intended for remuneration of work thus disappears into the pockets of the brokers, to the detriment of not only the Palestinian workers themselves but also of a healthy economy in both Israel and the West Bank.

The mission was given important information on how some of these pressing issues are now being addressed by the Israeli authorities, who intend to introduce reforms to the

permit regime and improve wage payment systems. If such measures are promptly implemented, Palestinian workers will be less vulnerable to exploitation, working conditions will improve, and take-home pay will increase. Continued cooperation between Israeli and Palestinian trade unions is another important way of increasing the economic and occupational security of Palestinian workers. An improved permit system will also provide greater certainty for Israeli employers that they can employ the Palestinian workers, whose input in certain sectors, such as construction, is important for them.

At the very least, these issues demonstrate a growing degree of understanding about the interdependent labour market realities in Israel and the occupied Arab territories. Work for Palestinians in the Israeli economy provides for a degree of improvement. However, in the current circumstances it does little to improve the functioning of a Palestinian labour market in a sustainable way. A two-state solution implies the coexistence of two labour markets, side by side, providing for orderly mechanisms for their interaction. In such a case, Palestinian work in Israel would not be a substitute for the lack of opportunities. Furthermore, while these policy initiatives are welcome, the measures that the authorities take also need to be complemented with urgent action to remedy the often humiliating situations at the crossings arising out of long waiting and travel times. One of the aims of the Oslo agreements was to establish well-functioning labour markets for both Israel and the Palestinians. This remains little more than a distant aspiration.

The “Oslo Generation”, that is, all those born after the 1993 treaty, now account for the majority of Palestinians. Their employment situation and labour market prospects are increasingly bleak. Frustration among youth, as we have seen in the past and elsewhere, can at short notice feed radicalization and violence. Even if the current level of confrontation and violence is lower than during earlier years, the latent tensions are ever-present, and the continuous level of verbal conflict threatens to narrow the distance from words and posturing to action, which more often than not has further violent consequences. Once again, the cycle of violence may start again at any time and escalate.

Whatever the prime responsibilities of the direct parties to the conflict are, the rest of the world cannot afford to disengage from this conflict. Decisions by and assistance from the international community have been crucial both in shaping the conflict and its imbalances and in the attempts to find just solutions to it. The peace process, which to all practical purposes has ground to a halt, must be reanimated with a view to achieving the two-state solution. Its architecture and its very foundations are now being called into question; urgent action is needed while the foundations that have been laid over the last two decades are still intact and not all exchange between Israel and the Palestinian Authority has stopped. While lasting peace needs to be owned by those directly concerned, the Palestinians and Israel, reaching it calls for the international community and its multilateral institutions to be engaged in the process. The promotion and application of social justice and decent work must continue as vital cornerstones of that effort.

May 2017

Guy Ryder  
Director-General



# Contents

---

	<i>Page</i>
Preface.....	iii
Introduction .....	1
1. Rising uncertainty as hope erodes .....	3
2. Economic and labour market trends reflect high barriers to development .....	7
3. Rights of Palestinian workers under occupation.....	18
4. Governance and institution building .....	25
5. Reorientation in the occupied Syrian Golan .....	31
Concluding observations .....	33
References.....	35
Annex: List of interlocutors .....	39





# Introduction

---

1. In accordance with the resolution concerning the implications of Israeli settlements in Palestine and other occupied Arab territories in connection with the situation of Arab workers, adopted by the International Labour Conference at its 66th Session (1980), the Director-General again this year sent a mission to Israel and the occupied Arab territories in order to make as full an assessment as possible of the situation of workers of the occupied Arab territories. As in previous years, the mission sought to gather and assess information on 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 and the ILO Declaration on Social Justice for a Fair Globalization. The representatives were also guided by the resolutions adopted by the International Labour Conference, as well as the principles laid down in the 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 United Nations 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 (ICJ, 2004).
4. The Director-General entrusted Frank Hagemann, Deputy Regional Director of the ILO Regional Office 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 Tariq Haq, Senior Employment Policy Specialist in the Decent Work Technical Support Team for the Arab States; Steven Kapsos, Head of the Data Production and Analysis Unit in the Department of Statistics; Katerine Landuyt, Legal Standards Specialist in the International Labour Standards Department; and Ludek Rychly, Senior Labour Administration and

---

<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 United Nations.

Social Dialogue Specialist in the Governance and Tripartism 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. The mission visited Israel and the occupied Arab territories from 7 to 16 March 2017.

5. The mission leader also held consultations with the Arab Labour Organization and the League of Arab States in Cairo on 28 February 2017.

6. In the course of the mission, the Director-General's representatives held numerous discussions with Israeli and Palestinian interlocutors, as well as those from the occupied Syrian Golan.<sup>2</sup> They met with representatives of various ministries and institutions of the Palestinian Authority and the Government of Israel, Palestinian and Israeli workers' and employers' organizations, non-governmental organizations, research institutions and community leaders. The mission also consulted representatives of the United Nations and other international organizations. In addition, focus group discussions with Palestinian workers were organized.

7. 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.

8. This Report takes full account of written and oral information obtained on the ground by the mission, and also data, studies and reports available in the public domain. 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.

---

<sup>2</sup> A list of interlocutors is contained in the annex of this report.

---

## 1. Rising uncertainty as hope erodes

### The stalled peace process

9. In January this year, foreign ministers and diplomats from some 70 countries came together in Paris to talk about the Middle East. At the centre of their attention was the Israeli–Palestinian conflict. The French Foreign Minister had convoked this assembly in order to make one further attempt to mobilize the international community in support of the peace process. Neither Israel nor the Palestinian Authority participated, though the latter welcomed the French Initiative. The final Joint Declaration reaffirmed once more the two-state solution as the only way to achieve enduring peace.

10. The French Initiative had been long in the making, but it failed to bring together the two sides. The Paris Conference took place a few weeks after the adoption of United Nations Security Council resolution 2334 on 23 December 2016, which called on Israel to cease all settlement activities. Resolution 2334 was considered a breakthrough, both in terms of content and the absence of a veto, but it has not changed anything on the ground. Settlement expansion continues at an accelerated pace.

11. Both the initiative and the resolution endeavoured to put the peace process and the issue of occupation and settlements back on the international agenda, from which they had been slipping over the last few years. Overshadowed by other emergencies in the region, especially the combination of war in the Syrian Arab Republic, the fight against terrorism and the refugee crisis, neither the UN Security Council resolution nor the Paris meeting could inject, as of now, new momentum into a largely stalled Israeli–Palestinian peace process.

12. The gradual disengagement of the international community is also reflected on the financial side. Donor-funded budget support to the Palestinian Authority dropped by 16 per cent in 2016, continuing a sharply declining trend. Some donor funding was shifted to project-based financing, but significant amounts were re-oriented towards other targets, such as the Syrian refugee crisis. Financial support from the Gulf Cooperation Council countries also decreased.

13. There have been no peace talks between both sides since 2014; instead, high-level dialogue appears to have been replaced by increasingly inflammatory rhetoric and violent acts. Throughout 2016 and early 2017, the cycle of violence continued, with car rammings, shootings and knife attacks against Israelis on the one side, and settler violence as well as the disproportionate use of force by the Israeli military, which entailed the loss of life of a number of Palestinians, including children, on the other side.

### Occupation intensified

14. Half a century of Israeli occupation of the West Bank and Gaza has produced a finely tuned and highly complex system of institutions and controls. An array of measures, ranging from land fragmentation, checkpoints and barriers, through to the control of borders and natural resources, serves the interests of the occupier and provides the agility to block or close territory at any moment in time. As a result, movement in an ever more parcelled West Bank is severely limited for Palestinians by both administrative restrictions and physical control by the occupying authorities and forces.

15. Set against this backdrop, Israeli settlement activities in the Occupied Palestinian Territory continue without any visible political will to halt them; indeed, there appears to have been an intensification since the beginning of 2017. In January, two announcements

were made to build more than 5,000 new housing units in Area C, which the Oslo Accords saw as the backbone of the Palestinian economy. A few weeks later, in February, the Regularization Bill was adopted, retroactively legalizing close to 4,000 units in settlements and outposts. Moreover, in March, for the first time in more than 25 years, Israeli Government approval was given to establish a new settlement. Settlements are considered illegal under international law and present key obstacles to peace. Since the Oslo Accords, the number of settlers has more than doubled to over 600,000, and judging by statements made by the Israeli political leadership, there is an intention to employ political, legal and administrative means to intensify settlement activities.

16. Meanwhile, in East Jerusalem and the occupied Syrian Golan, whose annexation is considered illegal under international law, de facto integration into Israel is being accelerated. In East Jerusalem, the dynamics are such that Palestinians may soon become a minority.

17. Along with increased settlement activity and the rise in public statements in Israel about the possibility of further annexations, especially of areas adjacent to East Jerusalem, the fragmentation of the West Bank has accelerated. In Area C, which constitutes more than 60 per cent of Palestinian land in the West Bank, Israeli settlers now outnumber Palestinians. In 2016, more Palestinian-owned structures were demolished in the West Bank than in any other year. The trend increased further in the first few months of 2017: in January and February alone, 147 structures were demolished. In his report to the Human Rights Council in March 2017, the UN Secretary-General highlighted that “Israel’s policies relating to settlement activities remain at the core of a range of human rights violations in the West Bank, including East Jerusalem” (UN, 2017a).

## Stubbornly high unemployment

18. Perhaps no other indicators mirror the vulnerable situation of Palestinian livelihoods as dramatically as those related to the labour market. More than a quarter of the Palestinian labour force is unemployed; joblessness among youth remains above 40 per cent. Fewer than half of Palestinians above 15 years of age are economically active, and two thirds of youth now remain outside the labour force. Less than one in five women work.

19. The economy grew by 4.1 per cent in 2016, an improvement over the previous year, but this mainly resulted from one-off transfers and was insufficient to meaningfully lift income per capita or to have a real effect on unemployment. Growth remains too capital-intensive to create the jobs needed. The almost complete dependence on the Israeli market does not help, and international trade opportunities are few and far between. This is unlikely to change in 2017, for which growth expectations have already been lowered.

20. Where will the jobs of the future come from? The public sector has reached its limit in terms of absorptive capacity and the private sector remains too weak to stimulate employment. Most enterprises are small and unable to grow in the access-controlled and unpredictable environment resulting from the occupation. Self-employment and entrepreneurship are often heralded as promising options, but it is unlikely that the next wave of young labour force entrants will turn en masse to entrepreneurship opportunities. For female jobseekers, obstacles to becoming entrepreneurs remain particularly high.

## The effect of working in Israel and in the settlements

21. At no point in time in the last 15 years have so many Palestinians worked in Israel and the settlements. They now number close to 120,000. Most cross over on a daily basis. Crossings and checkpoints remain inadequate to handle such a vast number every day. Conditions there were described to the mission as inhumane and humiliating. Many workers have to queue for long hours in crowded surroundings before reaching their workplaces in Israel. In spite of the conditions at the crossings and considerable broker fees paid by many Palestinians to secure a work permit, employment in Israel remains attractive to Palestinians, especially for young jobseekers. Average wages of Palestinians working in Israel are more than twice as high as in the West Bank. The stagnating labour market in the West Bank pushes Palestinians to take up work wherever it is to be found. A job in Israel, no matter how difficult the conditions, is considered better than no job at all.

22. Israel has often used the permit system as a valve for releasing social pressures in the Occupied Palestinian Territory. Permit rules have recently been relaxed somewhat, and a reform of the system is under way to reduce the workers' dependence on their employers and diminish the power of brokers. Whether this will increase Palestinian workers' mobility within the Israeli labour market and put an end to the exploitation and profiteering by unscrupulous intermediaries remains to be seen.

## Gaza: A decade of division and blockade

23. Ten years into the almost total blockade by land, sea and air, Gaza is inching ever closer to humanitarian collapse. When the mission crossed the Erez checkpoint from Israel into Gaza, it was greeted by donkey-drawn bullock carts, empty roads and dusty, dry fields. The contrast to the green pastures and well-developed towns and villages of southern Israel could hardly have been starker. The debilitating livelihood situation of the majority of Gazans cannot be exaggerated. The 2014 conflict was the most destructive in the long series of wars with Israel. Three years later, more than 3,000 homes are still in ruins and their reconstruction remains unfunded (UNRWA, 2017a). The Egyptian border remains closed most of the time, and the tunnel economy has almost ceased to exist. Exports increased during the last year, but remain only a pale shadow of the pre-blockade trade volumes. Imports also grew, especially of construction materials, which have helped the rebuilding effort. Yet, many indicators are worsening. Food insecurity affects half of all Gazans (UNRWA, 2016); Gaza's water supply is now unfit for human consumption, and electricity supply is sporadic and unreliable.

24. Economic activity remains severely constrained by the siege, and living conditions are worse than before the turn of the millennium. Unsurprisingly, the labour market mirrors the general destitution: unemployment remains above 40 per cent, and youth unemployment is over 60 per cent. The situation of women is particularly dire: female youth unemployment, for instance, stands at 85 per cent. There are also a few glimmers of hope, such as new investments in an industrial park and the ambitious Gaza Gateway project, but their effect remains largely symbolic.

## Continued state-building without national reconciliation

25. While the peace process remains stalled and the two-state solution is increasingly being called into question, state-building continues on the Palestinian side. It should be reiterated that 24 years after Oslo, Palestinian institutions are still considered sufficiently robust to support the emerging state. What is missing in governance capacity should be invested in and should not be used as a pretext for holding back the reactivation of the peace process.

26. Continued state-building remains significantly constrained by the divide between Fatah and Hamas and the resulting political split between developments in the West Bank and Gaza. There were some international mediation efforts in 2016 and early 2017, most notably by Qatar and the Russian Federation, but with no tangible results. Municipal elections spanning the divide had been announced for October 2016, but were then cancelled following a court ruling without a new date having been fixed.

27. In December 2016, Prime Minister Rami Hamdallah presented the National Policy Agenda, a comprehensive planning document for the next six years aimed at restoring donor confidence and showcasing governance capacity. Also in 2016, the social security law for private sector workers was finally promulgated. The corresponding institution is now being set up but donor funds are insufficient thus far to follow through fully on this important institutional development. External support has been declining over the years, but donors need to be conscious that the Palestinian Authority and indeed a viable Palestinian state cannot stand on their own financially. They require substantial budget support and continued development and humanitarian assistance, particularly to alleviate the suffering in Gaza.

28. Together with any material and financial assistance, there is a continuing and simultaneous need to strengthen democratic institutions and the rule of law. Social dialogue and tripartite cooperation are accepted as a principle, and institutions are being developed both for promoting them and making use of cooperation involving the social partners and civil society. But such institutions and processes require continuous use, and the practice of genuine participative democracy needs to be incorporated into the social and political fabric of Palestinian society at all levels.

### “Wait and see” approach prevailing

29. The Palestinians need the engagement of the international system and its key actors, including multilateral institutions; the peace process cannot be reactivated without international involvement. For now, the roadmaps have been clouded by the uncertainties of the day, both in the region and globally, and the Israelis and Palestinians appear to be drifting in unknown directions. Clearly, continuing with the status quo is not an option. Increased settlements, tension and destitution of Palestinians will not pave the way for peace. The mood in Ramallah during the mission’s visit was subdued, and a “wait and see” approach prevailed. As often earlier, the outside world is being looked to for new impetus. Wherever the mission met with young Palestinians, be it at the wall in Bethlehem or next to settlements in the Jordan Valley, there was a deep sense of frustration about the injustice of the occupation and lack of progress, coupled with a general sense of disillusionment both with the international community and with their own leaders. This is a dangerous sign and should be taken seriously. The “Oslo Generation”, born after the peace accords, accounts for the majority of the population. It needs hope and direction. The price of tension is simply too high. The world community must stay engaged with a view to fostering peace in the Middle East and full statehood for the Palestinians.

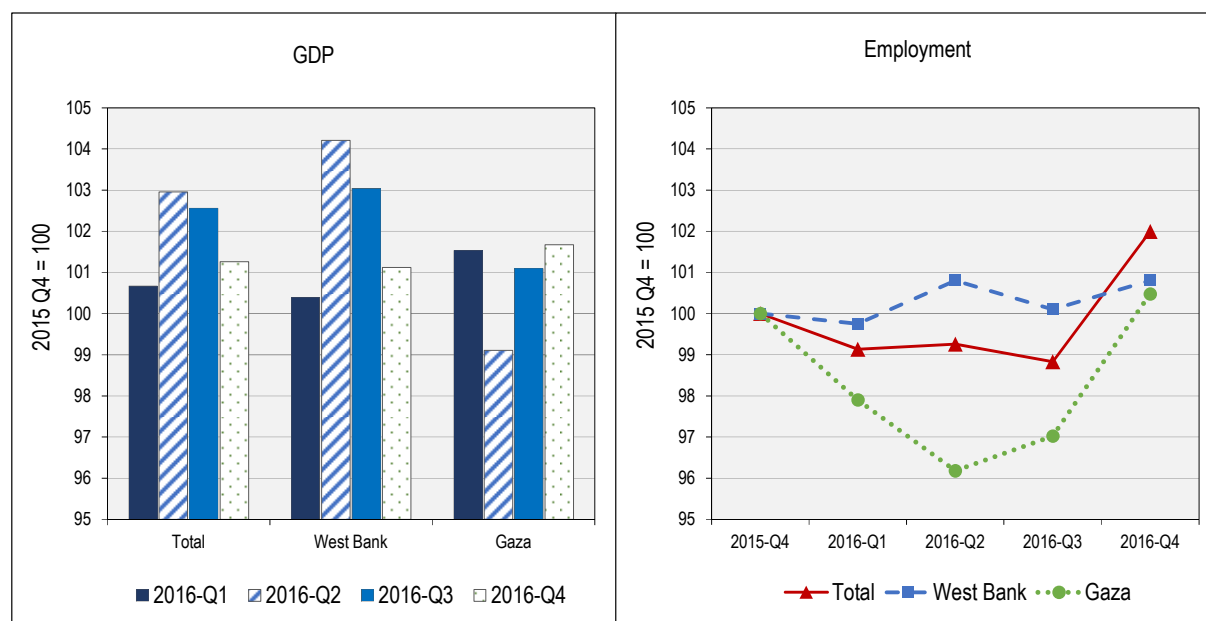
## 2. Economic and labour market trends reflect high barriers to development

### Macroeconomic developments

30. Output in the Occupied Palestinian Territory remains constrained due to restrictions on trade and on the movement of workers, ongoing political uncertainty and curbs on Palestinian construction (PNA, 2017a). The Palestinian economy grew by 4.1 per cent in 2016 (PCBS, 2017a), a moderate improvement compared with the rate of 3.4 per cent registered in 2015. In Gaza, output grew by 7.7 per cent in 2016, compared with 6.1 per cent in 2015. Despite this reconstruction-fuelled growth, Gaza's gross domestic product (GDP) remains below the level in 2013. In the West Bank, GDP grew by 3 per cent, up slightly from 2.6 per cent in 2015.<sup>1</sup>

31. In per-capita terms, growth remained weak in 2016, with real GDP per capita growing by only 1.2 per cent, comprised of a 4.2 per cent gain in Gaza and only 0.5 per cent growth in the West Bank. Not surprisingly, this economic growth performance did not lead to a large boost in employment levels, with total Palestinian employment expanding by 1.9 per cent for the year (figure 2.1). Excluding workers in Israel and the settlements, Palestinian employment grew by only 1.3 per cent. This fell significantly short of the 3.3 per cent growth in the working-age population.

**Figure 2.1. Indices of quarterly real GDP (constant 2004 prices) and employment (2015 Q4 = 100)**



Source: ILO calculations based on the Palestinian Central Bureau of Statistics (PCBS), National Accounts (2017a) and Quarterly Labour Force Survey (2017b).

Note: For GDP, the total is given for the Occupied Palestinian Territory. For employment, the total includes all Palestinian workers, including those employed in Israel and the settlements.

32. In terms of sectoral output performance, the agriculture, fishing and forestry and commerce, restaurants and hotels sectors contracted in 2016, with a particularly sharp

<sup>1</sup> Restrictions on Area C alone are estimated to suppress Palestinian GDP and employment by some 35 per cent, while GDP losses in Gaza since the blockade of 2007 are estimated at above 50 per cent (World Bank, 2016).



decline of 11 per cent in agriculture, fishing and forestry (table 2.1). These sectors together account for more than 21 per cent of total Palestinian GDP and more than 28 per cent of total Palestinian employment. The manufacturing, mining and quarrying and construction sectors fared better, with notably strong growth in manufacturing, mining and quarrying of 8.2 per cent. Yet agriculture and manufacturing today contribute less than 15 per cent of GDP, compared to over a third at the time of the signing of the Paris Protocol in 1994.

**Table 2.1. Year-on-year growth, share in GDP and share in employment, by industry, 2016**

	Growth (2015–16) (%)	Share in GDP (%)	Share in employment (%)		
			Total	Male	Female
Agriculture, fishing and forestry	-11.0	3.0	7.4	7.0	9.0
Manufacturing, mining and quarrying	8.2	11.4	13.4	13.8	11.0
Construction	5.9	7.4	16.5	19.5	0.6
Commerce, restaurants and hotels	-1.4	18.1	20.9	22.6	12.0
Transport, storage and communication	4.1	7.8	6.3	7.1	2.0
Services and other branches	5.6	52.3	35.5	30.0	65.4
<b>Total</b>	<b>4.1</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: ILO calculations based on PCBS, National Accounts (2017a) and Quarterly Labour Force Survey (2017b).  
Note: The figure for the share in GDP of services and other branches includes customs duties, financial intermediation services indirectly measured, and VAT on imports. Excluding these, the share in GDP of services and other branches is 39 per cent.

33. While the financial sector remains healthy overall, credit has been expanding rapidly, largely concentrated in consumption, real estate, construction and trade finance. Significantly, in 2016, overall credit provided for consumption breached the 20 per cent concentration threshold set by the Palestinian Monetary Authority, raising the risk of pressures building in the financial sector (IMF, 2016). The trade balance deteriorated during the course of 2016. Exports rose by 6.3 per cent, reaching US\$1.59 billion while imports rose further, by 7.3 per cent, to US\$4.97 billion (PNA, 2017a). This coincided with continued appreciation in the real exchange rate, which remains a key factor weighing on competitiveness (IMF, 2016). In contrast, the fiscal situation of the Palestinian Authority improved significantly in 2016, with the total budget deficit declining by more than a quarter, to 4.16 billion new Israeli shekels (NIS) (approximately US\$1.16 billion). However, this improvement, rather than being structural, was largely due to one-off transfer payments received in 2016, which included arrears from Israel related to the clearance revenues to the Palestinians, such as health insurance fees, the equalization levy, border and crossing fees, as well as telecom license fees (PNA, 2017a). These one-off payments helped offset a decline in direct donor budget support, which fell to US\$614 million in 2016, from US\$725 million in 2015 and around US\$1 billion in 2014. In this context of large declines in donor support and a growing financing gap, avoiding a deterioration in the Palestinian Authority's budget balance in 2017 will require a broadening of the tax base and improved tax collection. Gaining access to Area C is also essential for improving the long-term outlook for the Palestinian Authority, as it is estimated that this would increase public revenues by US\$800 million, which would significantly reduce reliance on donor funding (World Bank, 2016).

## Labour market developments

34. The long-standing problem of insufficient employment generation in the Palestinian labour market remains, with little meaningful progress observed over the past year. The Palestinian labour force grew to 1.34 million in 2016, an increase of 42,000 or 3.2 per cent, roughly tracking the growth rate in the working-age population (table 2.2). Accordingly, the labour force participation rate (the share of the working-age population that is either in employment or unemployed) remained unchanged at 45.8 per cent. The large gender participation gap was little changed, with a slight decline in male participation, to 71.6 per cent, and a marginal increase in the female participation rate, to 19.3 per cent. The latter remains among the lowest in the Arab region. Overall, women accounted for only 15.7 per cent of employed Palestinians in 2016, though they comprised 34.5 per cent of the unemployed. While the unemployment rate among men declined slightly, from 22.5 per cent to 22.2 per cent, among women, it rose substantially, by 5.5 percentage points, to 44.7 per cent.

**Table 2.2. Key labour market indicators, 2015–16**

	2015	2016	2015–16
			<b>Percentage change</b>
Population aged 15+ ('000)	2 836	2 930	3.3
Labour force ('000)	1 299	1 341	3.2
Employment ('000)	963	980	1.9
West Bank	573	574	0.1
Gaza	277	290	4.4
Israel and settlements	113	117	4.0
Unemployment ('000)	336	361	7.3
			<b>Percentage point change</b>
Labour force participation rate (%)	45.8	45.8	0.0
<i>Male</i>	71.9	71.6	-0.3
<i>Female</i>	19.1	19.3	0.2
<i>Youth</i>	32.7	32.7	0.0
Unemployment rate (%)	25.9	26.9	1.0
<i>Male</i>	22.5	22.2	-0.3
<i>Female</i>	39.2	44.7	5.5
<i>Youth</i>	40.7	41.7	1.0
West Bank	17.3	18.2	0.9
<i>Male</i>	15.0	15.5	0.4
<i>Female</i>	26.7	29.8	3.1
<i>Youth</i>	28.6	29.8	1.3
Gaza	41.0	41.7	0.7
<i>Male</i>	35.9	34.4	-1.5
<i>Female</i>	59.6	65.2	5.6
<i>Youth</i>	61.0	61.4	0.4

Source: PCBS, Quarterly Labour Force Survey, 2015 and 2016.

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

35. The youth population aged 15 to 24 stood at 1.03 million in 2016, representing 35 per cent of the total working-age population. However, youth comprise only 25 per cent of the total labour force, as less than a third of Palestinian youth participate in the labour market. Among the youth population as a whole, more than 330,000 (32.3 per cent) were not in employment, education or training in 2016. This high share of idle youth represents a threat to the future employability and productivity of the Palestinian workforce, which could adversely affect growth and development prospects. High and worsening youth unemployment rates, which stood at 41.7 per cent in 2016 (29.8 per cent in the West Bank and 61.4 per cent in Gaza), keep many young people out of the labour market, given the very bleak employment prospects they face.

36. With an increase of only some 18,000 persons, employment growth in the Palestinian labour market in 2016 was very weak. This was largely due to poor employment trends in the West Bank, where employment levels were nearly unchanged over the previous year. The bulk of Palestinian employment growth occurred in Gaza, which saw a 4.4 per cent increase, albeit from a very low base, and in Israel and the settlements, where employment expanded by 4 per cent. Importantly, employment in Israel and the settlements did not expand over the first three quarters of 2016, but grew sharply in the fourth quarter, with an increase of 17,900, as demand for labour in the construction sector grew and additional work permits were issued by the Israeli Government to Palestinian jobseekers. Work permits for Israel increased from 60,900 at the end of 2015 to 74,400 by the end of 2016 (of which 67,000 were in active use). There was a further increase in the quota by some 7,000 permits in the first three months of 2017. Work permits for the settlements rose from 27,000 to 29,700 during 2016 (COGAT, 2017). As employment levels in Gaza and in Israel and the settlements are subject to significant volatility, the weak employment growth trends observed during 2016 in the West Bank, where nearly 60 per cent of Palestinians work, are especially worrisome.

37. In terms of employment trends across industries, the construction sector added more than 12,000 jobs in 2016, driven by growth in Gaza and in Israel and the settlements. It now employs 16.5 per cent of Palestinian workers, up from 15.5 per cent in 2015. Nearly 6,000 jobs were added in the commerce, restaurants and hotels sector, 5,700 in manufacturing, mining and quarrying and 5,200 in transport, storage and communications. The sector with the largest decline was agriculture, fishing and forestry, which saw an employment reduction of 11,300 or 13.6 per cent. Women were particularly affected and the sizeable increase in the female unemployment rate is partly attributed to this sector's contraction.

38. In conjunction with employment growth figures, it is also important to assess growth in labour productivity. In the long run, labour productivity is a key determinant of employment quality and overall economic development. Palestinian labour productivity increased by 2.2 per cent in 2016. This followed two consecutive years of negative productivity growth of -3.2 per cent in 2015 and -5 per cent in 2014.<sup>2</sup> The recent productivity upturn is a positive development, however it is important to note that productivity growth has been very low for the past decade, averaging only 0.6 per cent annually between 2005 and 2016, with essentially no growth since 2010.

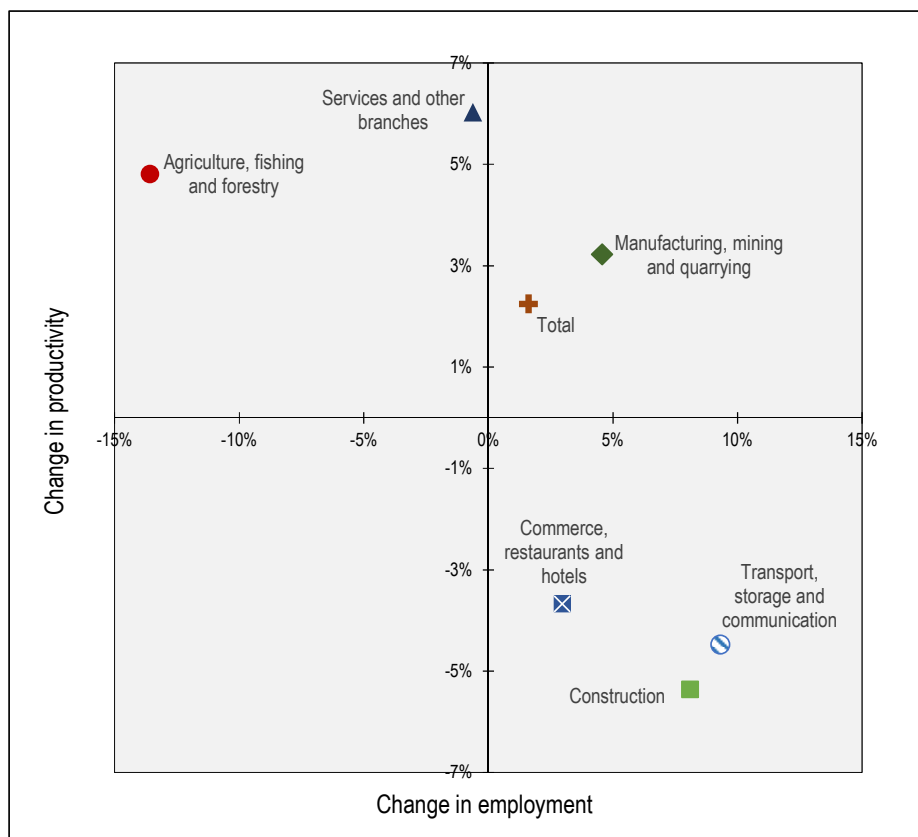
39. Figure 2.2 provides a picture of employment and productivity growth by economic sector in 2016. The figure excludes Israel and the settlements, and therefore describes employment and productivity growth in the local Palestinian labour market. The upper

---

<sup>2</sup> ILO estimates based on PCBS, National Accounts (2017a) and Quarterly Labour Force Survey (2017b). Productivity is calculated as output per employed person. Output for this purpose is total GDP net of customs duties, financial intermediation services indirectly measured, and VAT on imports.

right quadrant shows industries where both employment and productivity grew in 2016. Of the six major economic sectors, only one – manufacturing, mining and quarrying – registered both positive employment and productivity growth in 2016. In contrast, three industries saw increases in employment, but declines in labour productivity: construction; commerce, restaurants and hotels; and transport, storage and communication. In the agriculture, fishing and forestry sector, productivity grew alongside the steep drop in employment and output. The services sector registered the fastest productivity growth, but employment declined. While year-on-year employment and productivity indicators demonstrate volatility, the long-term trend is clear for the Palestinian labour market as a whole: there has been and is insufficient growth in both employment generation and workers' productivity.

**Figure 2.2. Labour productivity growth and employment growth, major industries, 2016**

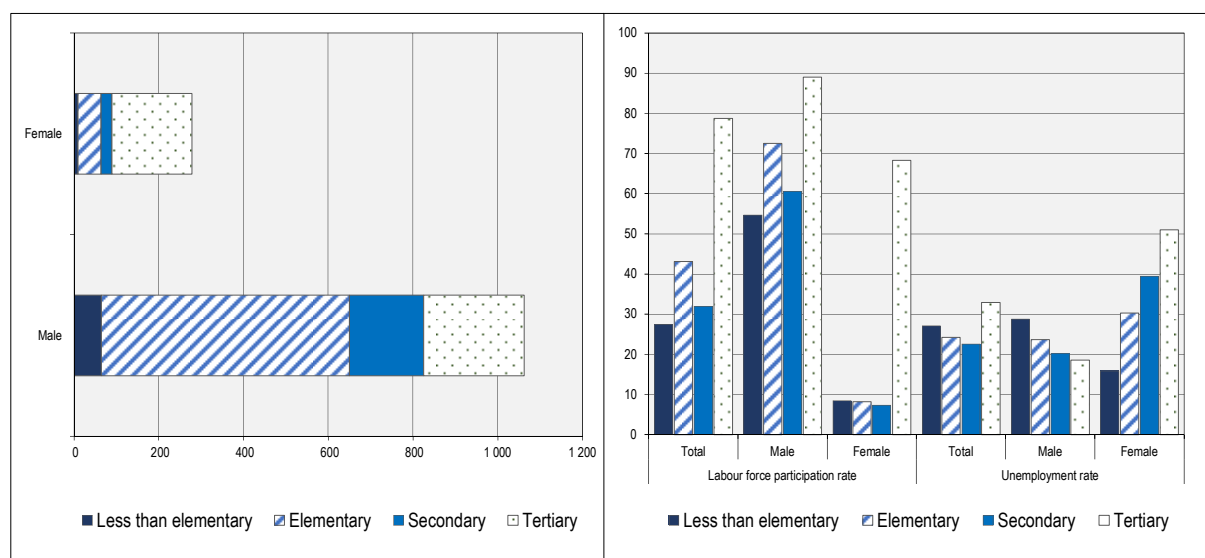


Source: ILO calculations based on PCBS, National Accounts (2017a) and Quarterly Labour Force Survey (2017b).

40. Understanding the characteristics of the employed and unemployed persons, including their educational profile, helps to identify structural problems and mismatch in the labour market. Education is an important determinant of labour force participation, with highly educated Palestinians more likely to enter the labour market. Among all Palestinians in the labour force, nearly 32 per cent have a tertiary education, 15 per cent have a secondary-level education, 48 per cent have an elementary or preparatory-level education and approximately 5 per cent have less than elementary education. However, the educational profile of women in the labour force differs substantially from that of men. Among Palestinian women who are either employed or seeking work, 68 per cent have a tertiary education. The corresponding share for men is only 22.3 per cent (figure 2.3). For both men and women, the highest labour force participation rates are among those with a

tertiary education. For Palestinian women, the labour force participation rate among those with a tertiary education is more than 65 per cent, while among women with less than a tertiary education it is below 10 per cent.

**Figure 2.3. Labour force participation and unemployment by education, population aged 15+, 2016**

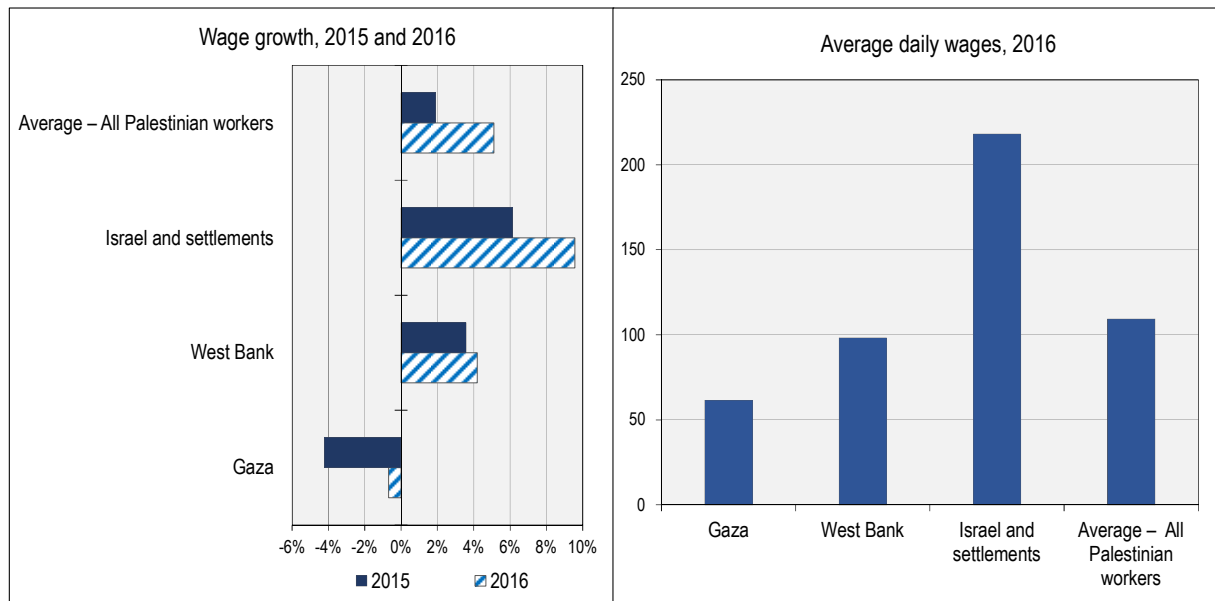


Source: PCBS, Quarterly Labour Force Survey (2017b).  
 Note: Elementary includes elementary and preparatory.

41. Although the most educated Palestinians are more likely to enter the labour market, those with the highest levels of education are also the least likely to find employment overall, a trend driven by the bleak labour market situation among highly educated women. Palestinian women with a tertiary education face an astounding 51 per cent unemployment rate, nearly three times the rate among tertiary-educated Palestinian men. In contrast, among men, it is the least educated who face the highest unemployment rates. The unemployment rate of Palestinian men with less than an elementary education is nearly 29 per cent, and nearly 24 per cent among those with an elementary/preparatory level education. These figures underscore that the Palestinian labour market is simply not providing enough employment opportunities across the educational and skills spectrum. This, in turn, is disproportionately affecting women, and particularly the most educated of them.

42. The most direct measure of employment quality is the level and growth rate of workers' wages. Palestinian wage growth accelerated significantly in 2016, with average daily wages rising by 5.1 per cent, up from 1.9 per cent growth in 2015 (figure 2.4). This was driven by strong wage growth among workers in Israel and the settlements, where daily wages rose by 9.6 per cent, and in the West Bank, where wages rose by 4.2 per cent. In Gaza, average daily wages fell by 0.7 per cent, which followed an even larger decline of 4.2 per cent in 2015. On average, Palestinian workers earned NIS109 per working day in 2016. This average is boosted by the significantly higher average wages in Israel and the settlements, where Palestinian workers earn an average of NIS218 per day. This is more than 3.5 times the average wage earned in Gaza and more than 2.2 times the average wage earned in the West Bank. At NIS4,144 per month, the average monthly wage earned by Palestinians working in Israel and the settlements is 2.9 times the Palestinian minimum wage of NIS1,450. This compares with an average monthly wage of NIS1,856 in the West Bank.

**Figure 2.4. Annual growth in daily wages among Palestinian workers, 2015 and 2016, and average daily wages, 2016**



Source: ILO calculations based on PCBS, Quarterly Labour Force Survey (2017b).

43. Importantly, average wages do not convey information on differences in wage levels among various groups of workers. For instance, they do not capture gender pay gaps, which are significant across all sectors of activity. Overall, women earn an average of NIS83 per day, compared with NIS114 for men. Thus, Palestinian men earn on average 37 per cent more per day than the average Palestinian working woman. The largest gender-based wage differential is in the manufacturing sector, where men earn 90 per cent more per day on average than women (NIS97 versus NIS51 for women). Overall the highest wages are earned by workers in the construction sector, with an average wage of NIS173 per day. This average is heavily influenced by the higher wages in Israel, as around half of all Palestinian construction workers are employed in Israel and the settlements.

44. Average wages also hide other labour market inequities. For example, though average Palestinian wages grew in 2016, more than 126,000 Palestinians working in the private sector – 38.8 per cent of all private sector workers – earn less than the statutory minimum wage. Once again, this disproportionately affects women; 47.1 per cent of women employed in the private sector earned less than the minimum wage in 2016. One area in which women are faring comparatively better than men is the likelihood of contributing to a pension fund. Nearly 63 per cent of female employees contributed to a pension fund in 2016, whereas the corresponding share of male employees was 45.6 per cent. These figures reflect the much higher shares of public sector workers contributing to a pension fund than in the private sector. In sectors with few public sector workers, the shares are only 13.7 per cent in commerce, hotels and restaurants, 18.2 per cent in manufacturing and 25 per cent in construction.

45. The significantly higher wages in Israel together with depressed local job prospects have resulted in high demand among Palestinians to work in Israel. This strong demand, coupled with the existence of an employment permit system that ties each Palestinian worker in Israel to a specific Israeli employer, has led to the emergence of powerful intermediaries, the permit brokers, who extract payments from Palestinian jobseekers while helping them to obtain Israeli work permits. The mission was informed repeatedly

that the practice of obtaining permits through brokers is widespread, with workers often paying NIS2,000 per month or more to brokers for the right to work in Israel.<sup>3</sup>

46. While the precise share of Palestinian workers in Israel and the settlements who obtain their permits through brokers is unknown, the scenarios presented in table 2.3 demonstrate that even if only 10 per cent of workers are affected, the economic costs are substantial. In this lower scenario, which also applies an average permit cost at the bottom range of estimates, this would still amount to NIS232 million per year paid to brokers, 3.6 per cent of total Palestinian wages earned in Israel. At 20 per cent of workers affected and an average broker fee of NIS1,850 per month (middle scenario), the “broker tax” would be NIS572 million per year, nearly 9 per cent of all wages earned.

**Table 2.3. Estimating the “broker tax” through three scenarios**

	Lower scenario	Middle scenario	Upper scenario
<i>Scenario assumptions</i>			
Broker tax per month per brokered permit	1 500	1 850	2 200
Workers affected (per cent of total)	10	20	40
<i>Broker tax estimates</i>			
Broker tax (millions of shekels)	232	572	1 360
Broker tax as a percentage of total wages	3.6	8.9	16.9
Source: ILO estimates based on PCBS, Quarterly Labour Force Survey (2017b), and Kav LaOved, 2016, for the range of broker fees.			

47. A critical point to emphasize is that even in the case of a broker tax as high as NIS2,200 per month as shown in the upper scenario, an average Palestinian worker would still earn more in Israel net of the broker tax than by working for the average wage in the West Bank. And with job opportunities so scarce in the West Bank, the choice may often be one of either being unemployed or paying the broker tax. The mission was informed that the recent decision taken by Israel to revise the permit allocation system (expected to be implemented in mid-2017) was a direct response to the broker problem (see Chapter 3). The above scenarios indicate that if this initiative is effective in reducing payments by Palestinians to brokers, the economic and welfare benefits to Palestinian workers and their families will be considerable.

## Restrictions continue to severely constrain growth and development in the West Bank

48. Labour market prospects in the West Bank are directly and significantly affected by the occupation, as the myriad restrictions on movement and limitations on access to land and natural resources and on construction all constrain economic growth and employment prospects. Restrictions on movement include checkpoints, roadblocks, metal gates, earth mounds and trenches, and the Separation Barrier, some 85 per cent of which is being built inside the West Bank.<sup>4</sup> As of mid-December 2016, there were 472 obstacles to movement scattered across the West Bank, including 44 permanently staffed checkpoints, and a

<sup>3</sup> The market price for permits is estimated at between NIS1,500 and NIS2,500 per month (Kav LaOved, 2016).

<sup>4</sup> Upon completion, the Separation Barrier will be approximately 700km in length. The Advisory Opinion of the ICJ 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 A/RES/ES-10/15 of 20 July 2004.

further 110 obstacles in the Hebron H2 district (OCHA, 2016a).<sup>5</sup> A critical way in which this network of restrictions harms the local labour market is by raising uncertainty, which depresses investment and holds back employment growth. The extent of access can change significantly from one day to the next, and these changes are at the sole discretion of the Israeli authorities. In addition, markets in East Jerusalem are increasingly becoming severed from the West Bank, which further threatens the livelihoods of its employers and workers.

49. Area C comprises more than 60 per cent of West Bank land as well as the majority of its natural resources and is critical for economic development, particularly for agriculture and agro-industries. Yet, this Area continues to be under full Israeli security and administrative control. Nearly three-quarters of it is under the jurisdiction of the regional councils of Israeli settlements and is therefore not accessible for Palestinian development. Restrictions on Palestinian access to critical natural resources from the Dead Sea remain in place, eliminating the potential for tourism revenues, severely curbing livelihood opportunities for Palestinians and reducing the overall development potential in the West Bank. As it often lies between Areas A and B, restrictions in Area C have other wide-reaching impacts in the West Bank.

50. The Allenby (King Hussein) Bridge, the only international land gateway into or out of the West Bank, continues to see increased traffic, which is rising by an average of 10 per cent per year. Despite increased investment by Israel, the facilities remain inadequate for the volume of traffic and processing and waiting times remain a significant problem, leading to wastage and diminished productivity (OQ, 2016).

51. Exports remain limited as Palestinian products are relatively uncompetitive in global markets and the restrictions in place effectively increase Palestinian reliance on trade with Israel. Production costs are inflated by a number of factors, including the inability to import a wide array of essential raw material inputs, such as agricultural fertilizer. This and other critical inputs feature on “dual-use” lists – goods that Israel regards as security threats. In addition, delays at crossings lead to waste and increased costs. These factors directly reduce productivity and Palestinian competitiveness. Without a broad lifting of these and other restrictions that directly and indirectly impede trade, there is little hope of a meaningful and sustained increase in exports, and overall growth and labour market prospects will remain well below potential.

## The situation in Gaza remains dire

52. The blockade of Gaza by Israel has now been in effect for a decade. While economic growth accelerated in 2016 from its much depleted base, feedback from the mission’s interlocutors and its own direct observations, as well as hard data from a range of labour market indicators, all reveal a dire situation. Only around a quarter of Gaza’s working age population is employed, ten percentage points lower than the corresponding share in the West Bank (table 2.4). The overall unemployment rate in Gaza reached nearly 42 per cent in 2016, and the rate among youth was more than 61 per cent. Both of these figures are double the corresponding unemployment rates in the West Bank. The average unemployed jobseeker in Gaza remains unemployed for 15 months, nearly triple the average time among jobseekers in the West Bank. Nearly 37 per cent of Gaza’s youth are not in

---

<sup>5</sup> The special Hebron Protocol signed between Israel and the Palestinian Authority on 17 January 1997 created a separate zone, H2, covering roughly 20 per cent of Hebron city, for which the Palestinian Authority would provide administrative services, but Israel would retain full security control. Israeli settlers in this area are protected by a heavy Israeli military presence, in the midst of some 40,000 Palestinians (and roughly 200,000 Palestinians in Hebron city as a whole).



employment, education or training. Wages in Gaza are nearly 40 per cent lower than in the West Bank, and more than three quarters of Gaza's private sector workers earn less than the statutory minimum wage.

**Table 2.4. Key indicators, Gaza and the West Bank**

	Gaza	West Bank
Population aged 15+	1 076 582	1 853 245
Population aged 15–24 (per cent of working age population)	37.2	33.7
Labour force with a tertiary degree (per cent of total)	38.7	27.8
Employment-to-population ratio	27.0	37.3
Public sector employment (per cent of total)	36.4	15.4
Unemployment rate	41.7	18.2
Youth unemployment rate	61.4	29.8
Average unemployment duration (months)	15.2	5.7
Rate of youth not in employment, education or training	36.6	29.5
Average daily wage (shekels)	61.6	98.1
Percentage of private sector workers earning less than minimum wage	76.5	19.4

Source: PCBS, Quarterly Labour Force Survey (2017b).  
Note: Labour market data for the West Bank excludes Palestinian workers employed in Israel and the settlements.

53. In addition to these bleak labour market figures, additional metrics also reflect a severely depressed situation. Gaza's sole power plant was forced to shut down temporarily in April 2016, triggering blackouts lasting 18 to 20 hours per day. This situation improved somewhat over the remainder of 2016, with up to eight hours of power offered at a time. However, in early 2017 there was a further deterioration whereby only around two hours of electricity per day was available to Gaza's residents (UNRWA, 2017b). In addition, while access to water is critical for Gaza's livelihoods, more than 95 per cent of the water extracted from the aquifer in Gaza is unfit for human consumption. The opening of Gaza's largest seawater desalination plant in January 2017 is expected to bring only marginal relief, as the vast majority of Gazans will remain dependent on expensive trucked water (OCHA, 2017a). Out of a total of 1.9 million people in Gaza, 1.3 million are refugees, 960,000 of whom are dependent upon food rations from the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). Despite receiving aid, nearly 40 per cent of Gazans live below the poverty line. There are only 267 schools for some 262,000 students. Many of these children are struggling outside school, with UNRWA estimating that at least 30 per cent of Gaza's refugee children require psychological care as a result of the traumatic impact of repeated exposure to violence and armed conflict.

54. Trade and access to outside markets remain critically important to Gaza's economic prospects. The Israeli policy of permitting a limited re-establishment of commercial links between the West Bank and Gaza continued in 2016, although the volume of transfers of commercial goods remained only a very small fraction of its level prior to the blockade of Gaza in 2007. Exports rose to 837 truckloads in 2016, from 621 truckloads in 2015. However, these totals remain negligible in comparison with annual truckloads ranging from 5,000 to 15,000 between 2000 and 2007 (OCHA, 2017b). Imports rose to 122,600 truckloads, from 96,100 in 2015, largely due to an increase in imported construction materials through the Kerem Shalom crossing. This, along with increased

cement imports from Egypt through the Rafah crossing, led to a significant reduction in the price of cement during 2016, which bodes well for continued growth in the construction sector. However, the agricultural and industrial sectors, which were decimated in the recent wars, remain severely constrained by the blockade and the attendant restrictions. In this regard, application of the “dual-use” list of items which cannot be imported to Gaza stifles both production and more rapid infrastructural development. Over time, these severe restrictions have crippled the productive capacity of Gaza’s private sector and fundamentally altered the structure of the economy. These factors, coupled with the limited access of traders and the denial of access of workers to outside markets, remain the principal barriers to growth and employment prospects.

---

### 3. Rights of Palestinian workers under occupation

#### Israeli settlement expansion intensifies

55. After 50 years of Israeli occupation, the construction and expansion of settlements in the West Bank, including in East Jerusalem, remain a fundamental obstacle to the realization of the rights of Palestinian workers. Settlements are organized communities of Israeli civilians established on occupied land with the approval and direct or indirect support of the Israeli Government (OCHA, 2007). There are currently some 150 settlements in the West Bank, including East Jerusalem. In addition, some 100 outposts have been established without government approval and are considered illegal under Israeli law (OCHA, 2017a).

56. Although sources vary, estimates on the total number of settlers range between around 600,000 and 750,000, including over 200,000 settlers living in East Jerusalem. Excluding East Jerusalem, in 2015 the growth rate in the number of settlers in the West Bank was 4.1 per cent, more than double the growth rate of the population inside Israel. In comparison, population growth among Palestinians in the West Bank was only 2.5 per cent (B'Tselem, 2017a; PCBS, 2016). In Area C, settlers outnumber Palestinians.

57. The UN has consistently maintained that Israeli settlements in the territory occupied since 1967 are contrary to international law and an obstacle to peace and social and economic development.<sup>8</sup> The most recent UN Security Council resolution on the matter, 2334 (2016), condemns “the construction and expansion of settlements, transfer of Israeli settlers, confiscation of land, demolition of homes and displacement of Palestinian civilians, in violation of international humanitarian law and relevant resolutions”. Recalling Israel’s commitment under the Quartet Roadmap of 2003 to freeze all settlement activity and dismantle all outposts erected since March 2001, the resolution reiterates the Security Council’s demands that Israel “immediately and completely cease all settlement activities in the occupied Palestinian territory, including East Jerusalem” (UN, 2016a).

58. However, a number of official Israeli initiatives during the course of 2016 and early 2017 signal that further settlement expansion is being pursued. The approval of new building projects continued during 2016 and accelerated in the first months of 2017. There were 2,630 housing construction starts in West Bank settlements during 2016, an almost 40 per cent increase compared to the previous year, and the second highest number of construction starts since 2001 (Peace Now, 2017a; CBS, 2017).<sup>9</sup> In January 2017, two government announcements were made to signal the building of a total of 5,500 housing units in settlements in Area C of the West Bank, and were rapidly followed by approval and tendering (UN, 2017b).

59. On 6 February 2017, the Knesset passed the Law for the Regulation of Settlement in Judea and Samaria No. 5777-2017, or Regularization Law. The new law aims to regulate Israeli settlements in the West Bank that were built or expanded by Israeli citizens in good faith or with the consent of the state, and to enable the continued establishment and development of settlements (Knesset, 2017). It contains a broad definition of Israeli settlements and provides for the expropriation of privately owned land. There are concerns

---

<sup>8</sup> The illegality of the settlements under international law has been confirmed by the International Court of Justice (ICJ, 2004), the High Contracting Parties the Fourth Geneva Convention (HCP, 2001), and the United Nations Security Council (resolution 465 (1980) and resolution 2334 (2016)).

<sup>9</sup> The only year which saw more construction starts was 2013, when there were 2,874.

that the new legislation could retroactively regularize 3,921 housing units through the expropriation of 8,183 dunams<sup>10</sup> of private Palestinian lands. More specifically, it could result in the gradual legalization of 55 outposts (including 797 housing units) located deep in the West Bank, and regularize 3,125 housing units located on Palestinian private lands in 72 settlements, 50 of which are east of the Separation Barrier (Peace Now, 2016). According to the UN Special Coordinator for the Middle East Peace Process, the Regularization Law “marks a significant shift in the long-standing Israeli position concerning the legal status of the occupied territory” (UN, 2017b). Israeli human rights organizations have petitioned against the Law to the High Court of Justice (ACRI et al., 2017).

60. Concerns have also been raised over the approval in March 2017 for the establishment, for the first time in over 25 years, of a new settlement, for residents of the illegal Amona outpost, following its demolition by order of the Israeli High Court of Justice in early February. Various non-contiguous plots of land in the Nablus governorate, amounting to nearly 1,000 dunams, were declared as state land for the establishment of the new settlement and three already existing settlement outposts were legalized. The decision is expected to affect access to land by farmers from four adjacent villages, with further negative effects on their agricultural livelihoods (UN, 2017b; OCHA, 2017c). At the same time, new guidelines on settlement construction were announced by the Israeli Prime Minister allowing future building within existing settlement boundaries, adjacent to them or, as the case may be, as close to them as possible (Haaretz, 2017; Peace Now, 2017b).

## Violence and continued displacement in the West Bank

61. Although the wave of violence and tensions that began in October 2015 declined over the course of 2016 and early 2017, serious concerns remain. During 2016, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) recorded the killings of 97 Palestinians and 13 Israelis in the West Bank, including East Jerusalem, and in Israel. In addition, more than 3,200 Palestinians were injured by Israeli forces, and close to 200 Israelis were injured by Palestinians. The vast majority of the Palestinian injuries occurred during demonstrations and clashes (OCHA, 2016a; OCHA, 2017c). In the first three months of 2017, 13 Palestinians were killed and 319 injured by Israeli forces, including during attacks, purported attacks, clashes and security operations. In the same period, four Israeli soldiers were killed and at least 70 other Israelis were injured in attacks by Palestinians. Palestinian children being injured or killed in clashes and attacks remains a serious concern (UN, 2017b; OCHA, 2017c).

62. Palestinian communities in the West Bank continue to be vulnerable to settler-related incidents. These include verbal or physical harassment of farmers attempting to access their lands; attacks resulting in injuries or casualties; and damage to property, especially olive trees. During 2016, more than 1,500 Palestinian-owned olive trees were vandalized or uprooted. Despite the reduction in settler-related incidents in recent years, possibly due to preventive measures adopted by the Israeli authorities, concerns remain that few complaints by farmers result in investigation, let alone indictment (OCHA, 2017a; Yesh Din, 2016). Israeli settlers have also been injured or incurred property damage in incidents caused by Palestinians (OCHA, 2017c).

<sup>10</sup> One dunam equals 0.1 hectares.

63. The year 2016 saw the highest number of demolitions and displacements recorded in the West Bank, including East Jerusalem since OCHA began collecting related data in 2009. The vast majority of the structures were destroyed or seized for lack of Israeli-issued building permits, which are almost impossible to obtain. Most demolitions occurred in Area C and mainly affected herding and Bedouin communities. Among the hardest hit was the herding community of Khirbet Tana (Nablus) which is located within an area designated as a firing zone for the Israeli military. In 2016, 875 Palestinian-owned structures were demolished in Area C, 190 in East Jerusalem and 28 in Areas A and B, displacing over 1,600 people, around half of them children, and affecting the livelihoods of more than 7,000 people (OCHA, 2017c; OCHA, 2017d). Nearly 30 per cent of the demolitions in 2016 were of donor-funded structures. At the end of 2016, there were over 12,500 final demolition orders outstanding against Palestinian-owned structures in Area C. These orders have no expiry date and can be executed at any time (OCHA, 2017d). Demolition practices accelerated in the first three months of 2017 with the destruction of 200 structures in Area C and in East Jerusalem, displacing over 400 people (OCHA, 2017c). Punitive demolitions targeting family homes of perpetrators or suspected perpetrators of attacks against Israelis reportedly also continued (HaMoked, 2017).

## Impact on land and resources

64. While the vast majority of West Bank Palestinians live in Areas A and B, almost all the land which would be required for the economy and livelihoods of a viable Palestinian state is located in Area C. However, only 1 per cent of Area C land is available for Palestinian development.

65. There are concerns that the recent settlement expansion, infrastructure development and demolitions of Palestinian homes and structures in Area C will accelerate the fragmentation of the West Bank (UN, 2017b). Additional movement restrictions may further impede Palestinians' access to workplaces and land and infringe on their ability to sustain their livelihoods. Recent research by OCHA, for instance, highlights the manner in which de facto expansion of settlement areas in the Hebron, Ramallah and Nablus Governorates has been a key driver of vulnerability. The combined effect of settler-related violence and intimidation, movement restrictions, and loss of access to land and water resources previously used for irrigation and livestock, as well as recreational space, has had a major impact on the living conditions and food security of affected families (OCHA, 2017a).

66. Also in the Bethlehem Governorate, which the mission visited, settlement expansion has resulted in further land fragmentation, a shrinking space for development and separation of urban areas from the rural hinterlands. Palestinian farmers in some 22 communities across the governorate require permits or prior coordination to access their lands which are located behind the Separation Barrier or in the vicinity of settlements (OCHA, 2015). Without such access, this land will be neglected and livelihoods reduced.

67. Previous Reports of the Director-General have highlighted the discriminatory effects of Israel's planning and zoning policy for the West Bank and East Jerusalem. Construction of any kind by Palestinians in Area C of the West Bank or East Jerusalem – whether for commercial, agricultural or other income-generating purposes, or infrastructure improvements, including schools, water and sanitation – is subject to approval by the Israeli authorities. During the first half of 2016, 91 per cent of the 428 applications for building permits in Palestinian communities in Area C were rejected (OCHA, 2017d). As approval is rarely granted, some Palestinians continue to build their homes and other structures without permits at constant risk of demolition and their eventual displacement.

68. Improving access to water resources is vital for Palestinian livelihoods. More than 70 per cent of Palestinian communities located in Area C are not connected to the water network and thus face serious water shortages. In June 2016, the Israeli water company Mekorot, which is the largest supplier of piped water in the West Bank, substantially reduced the quantity of water delivered to 14 Palestinian communities in four governorates, forcing 150,000 people to increase their reliance on expensive tankered water (OCHA, 2016b). In January 2017, the Coordinator of Government Activities in the Territories (COGAT) and the Palestinian Authority signed an agreement to revive the Joint Water Committee, which had been inactive for six years and is an important mechanism for deciding on water allocation. It is too early to assess the outcome of this agreement.

69. Many herding and Bedouin communities depend on access to land and resources located in Area C for their livelihoods. The mission met with members of the Bedouin community in Az Zubeidat Village in the Jericho Governorate. The community relies on farming and livestock as its primary sources of income, and it is suffering from limited access to grazing land due to restrictions. Demolition orders are pending against nine residential and 21 animal-related structures. In addition, the community has been facing confiscation and requisition of land and services, military operations and arrests. The lack of alternatives has obliged families to rely on work in nearby Israeli settlements (OCHA, 2017e). There are also renewed concerns regarding the involuntary relocation of Bedouin communities in and around the area designated by the Israeli authorities for the E1 corridor plan and the expansion of the Ma'ale Adumim settlement in the Eastern Jerusalem Governorate (OCHA, 2017a).

## East Jerusalem under pressure

70. Palestinians in East Jerusalem continue to be subject to discrimination, movement restrictions, insecure residency rights and a severe housing shortage. For instance, only 15 per cent of building permit requests by East Jerusalem Palestinians were approved in 2016. At the same time, construction in at least four East Jerusalem settlements was enabled by the granting of building permits for over 900 housing units (UN, 2017b).

71. The Separation Barrier cuts off a number of East Jerusalem localities from the city. An estimated 160,000 Palestinians live in these localities, and they must cross checkpoints to reach their workplaces and health and education services. These residents continue to pay municipal taxes, but the related infrastructure and services have degraded significantly; water and sewage systems are failing to keep pace with demographic growth, and massive demand for housing has led to unauthorized construction and dangerous building practices (OCHA, 2016b).

72. The situation for Palestinians living and working inside the Old City remains bleak, with regular tensions and incidents. Shop owners continue to face harassment and pressure to leave or sell their properties. Others fear eviction or demolition of their homes and shops due to intensified pressure from settlers on the basis of land ownership claims. Reportedly, shopkeepers are increasingly closing down their businesses due to accumulated debts.

## Gaza: Impact of separation

73. The desperate humanitarian situation in Gaza continues. While a number of business people can get permits to leave the area, workers are trapped due to tight restrictions on movement, access-restricted areas and limited resources, which seriously affect their basic human rights and livelihoods.

74. Contrary to the West Bank, seeking work in Israel is not an option as the Israeli labour market remains closed to workers from Gaza. Only a minority remain eligible for exit permits, subject to security clearance: business people, medical patients and their companions, employees of international organizations, and specific humanitarian cases. In 2016, there was a 13 per cent decrease in the number of Palestinian exits from Gaza through the Erez crossing compared to 2015, when there had been a substantial increase in movements (OCHA, 2017d). Business people from Gaza were particularly affected, witnessed by a 20 per cent decline in the number of crossings. Only 900 commercial permits were available, down from 5,000 in 2015, and this has prevented a substantial number of entrepreneurs from engaging in trade or commercial activities outside Gaza. The quota for “Businessman Gaza” permits dropped to only 175.

75. Access to agricultural land and maritime resources remains extremely limited. Access-restricted areas along the borders account for a significant part of Gaza’s cultivable land. Areas several hundred metres beyond the restricted 300 metres of the perimeter fence with Israel are unsafe, inhibiting agricultural activities. Palestinian farmers and fishers risk injury or death when approaching the access-restricted areas. During 2016, OCHA recorded eight Palestinian fatalities and 178 injuries caused by Israeli forces in Gaza. In that year, the Israeli military forces reportedly arrested 113 fishers. The de facto authorities have also reportedly been preventing fishers from going out to sea, thus further undermining their livelihoods, which have already been seriously affected by the access limit imposed by Israel (OCHA, 2017c; B’Tselem, 2017b).

## Palestinian workers in Israel: Increasing demand

76. Work in Israel remains an important source of income for many Palestinians and is again on the increase. However, despite a recent increase in the quota for the employment of Palestinian workers for most sectors – with the overall quota reaching 81,500 in March 2017 – not all of the permits are utilized. Ninety-eight per cent of the permits are issued to male workers. At the same time, the mission heard from various interlocutors that a considerable number of Palestinian men and women are working in Israel without permits, with estimated numbers varying between 35,000 and 42,000, depending on the source.

77. In Israel, Palestinian workers are covered by Israeli labour law and collective agreements, although their effective application in practice remains a concern. Practical problems include incomplete payslips and the absence of labour contracts (PNA, 2017b; Macro, 2017). To address some of the concerns that were raised in the 2014 report of the State Comptroller relating to payslips and the issuing of permits, the Population and Immigration Authority published on its website, in Arabic, additional information for workers, as well as updated samples of monthly payslips and permit report forms for employers.

78. Employer applications for permits to employ Palestinian workers are filed with the Payment Division of the Population and Immigration Authority. Under the current permit system, a Palestinian worker can only work for the employer specified in the permit, which creates a situation of vulnerability vis-à-vis, and dependency on, the employer. Obtaining a permit does not automatically guarantee access to the Israeli economy, as permits can be confiscated or entry denied without reason or explanation. The practice of blacklisting Palestinian workers by the Israeli security authorities continues, including so-called “administrative deterrence” by which workers with valid permits are denied passage at checkpoints because they had the same family name or originated from the same village as people accused of attacks against Israelis. Israeli non-governmental organizations (NGOs) consider that for many blacklisted workers, no real security concerns exist. While

the appeals procedure can be complicated, and there has been an increase in negative decisions, some workers have succeeded in being removed from the blacklist or have had their permits returned (MachsomWatch, 2017).

79. Due to the difficulty of obtaining a work permit, many Palestinian workers are ready to pay monthly broker fees ranging from NIS1,500 to NIS2,500 to connect them to an employer. Recruitment through unregulated brokers is reportedly widespread and for many Palestinian workers creates an additional layer of vulnerability to exploitation and abuse. There are workers who take considerable risks crossing into Israel without a permit. The mission received information that many of these workers are employed at workplaces where they lack protection, including treatment in the event of work injuries.

80. The mission was informed by its Israeli interlocutors that reform is under way to curb abusive practices by employers and brokers. This will include an electronic pay transfer system and a substantial change to the permit regime for Palestinian workers to be implemented over time (Government of Israel, 2016). The new procedure should allow a worker to change employers more easily, and is expected to enter into force in the construction sector as of July 2017. It may in future be extended to other sectors. Under the new permit system, Palestinian workers who receive work permits will be able to work for any Israeli-registered contractor who is allowed to employ Palestinian workers. Consequently, they will not be tied to the contract with only one employer.

81. The conditions at crossings remain inadequate. Over the years, this has been well documented by a number of Israeli NGOs and the Palestine General Federation of Trade Unions (PGFTU), which monitor checkpoints on a regular basis. Earlier missions sent by the Director-General of the ILO have frequently observed the conditions at crossing points. Palestinian workers continue to undergo strict security checks at overcrowded crossings, where they often stand in long lines for hours. Workers continue to be subjected to humiliating treatment and harassment, including an increased risk of sexual harassment of women. At some crossings, separate lanes are created for women but often these may not provide for more speed or security. In addition, workers may have to travel long distances to and from checkpoints, or their workplaces. The long journey to work, including time spent at the crossings, results in workers arriving at work tired, being less productive and facing an increased risk of work injury.

82. As mentioned in Chapter 2, the share of Palestinian workers in the Israeli construction industry is significant. Construction is an activity with frequent work-related accidents. In 2016, 48 workers were killed in work accidents in this sector in Israel, of whom 21 were Palestinians (Macro, 2017). The number of work-related injuries is also significant, although many injuries, especially minor ones, are not reported due to workers' fear of losing their jobs, the lack of awareness of their rights or because of their irregular status. Furthermore, workers face difficulties in claiming compensation and accessing health care in practice (Kav LaOved, 2015; PNA, 2017b; Macro, 2017). Labour conditions of Palestinian workers depend, to a large extent, on the capacity of the Israeli inspection services to enforce the applicable labour legislation. The Israeli Government has been working on improving its labour inspection system through the addition of new full-time labour inspection positions (OECD, 2015).

83. In the construction industry, the General Collective Agreement between the Israel Builders Association and the Histadrut Federation of Builders and Wood Workers remains in force. The mission was informed that since April 2016, the Grievance Committee, in which both Histadrut and a PGFTU representative can participate, has handled over 900 cases, the majority of which concerned Palestinian workers. Most grievances related to payment of wages and pay deductions, and 88 per cent of the cases have been settled



by the Committee. The handling of grievances received directly by the PGFTU and transmitted to Histadrut for follow-up remains an issue to be addressed; many could not be dealt with because they fell outside the scope of the collective agreement or the necessary documents were lacking. Steps are also being taken by Histadrut to raise awareness among Palestinian workers on occupational safety and health issues.

## Rights of Palestinian workers in Israeli settlements

84. Work in the settlements, though officially highly discouraged by Palestinians, remains an important means for thousands of them to sustain their families and improve their livelihoods. The quota for work permits in the settlements was recently increased by 2,900, reaching a total of 29,795 in March 2017 (COGAT, 2017). A majority of men are employed in construction, while women workers are often engaged in agricultural work or services, such as domestic work. Data is hard to obtain. Recent ILO research on the subject suggests that domestic workers are hesitant to reveal their occupation due to the negative connotations associated with working in Israeli settlements. They often work in deeply insecure conditions, are subject to harassment and can be refused entry to their workplace at any moment (ILO, 2016a).

85. In Az Zubeidat Village in the Jordan Valley which was visited by the mission, many women are engaged in seasonal agricultural work in nearby settlements. Brokers mediate jobs for most of these workers and direct contact between workers and employers is rare. Women reported earning NIS70 per seven-hour working day. Occupational safety and health hazards were reported to be common during transport and working hours. Child labour was also reported. Nonetheless, the prospect of an income, as low as it is, has reportedly resulted in many young people dropping out of school to work in settlements.

86. Addressing Palestinian workers' rights in the settlements raises complex issues. Information on the labour conditions of these workers is often anecdotal or incomplete. Workers often lack awareness about their rights (Kav LaOved, 2016; Macro, 2017). Under the Oslo Agreements, the Palestinian Authority has no standing to deal with complaints concerning settlements in Area C. The Israeli High Court of Justice ruled, in 2007, that Israeli employers in the West Bank must abide by Israeli labour laws with respect to all their workers. Until now, Israel is only applying a small part of its legislation, including the minimum wage, through military orders, and labour inspection activities in the settlements remain largely absent. Interlocutors from the Israeli Ministry of Economy and Industry informed the mission that the labour inspection services addressed only one violation concerning the application of minimum wage legislation involving ten Palestinian workers in a company located in the settlements. No decisions had been taken on the recommendations made in 2014 by the inter-ministerial task force that had identified a set of Israeli labour laws for application in the settlements in the West Bank through military orders (ILO, 2016b).

---

## 4. Governance and institution building

### Institution building: Crafting a realistic strategy

87. Public institutions are at the foundation of every government; however, for the Palestinian Authority and society to go on building these institutions without an imminent prospect for an independent state is a very particular challenge. Indeed, in recent years, progress in institutional capacity building has slowed due to external challenges, notably the effects of the occupation and reduced donor contributions, as well as internal factors such as lack of political unity.

88. Within this context, it is particularly important that the 2017-2022 National Policy Agenda, approved by the Cabinet of the Palestinian Authority in December 2016, proposed a pragmatic and grounded vision. It focuses on the concrete steps required to strengthen the Palestinian institutions and improve the services they provide. In light of the chronic impediments to effective Palestinian institution building and governance, the National Policy Agenda intends to be more politically, fiscally and operationally implementable than previous plans (PNA, 2016a).

89. While efforts over the past decade have centred on establishing the full range of state institutions, the National Policy Agenda focuses on ensuring that government is functioning effectively. It highlights the need for accountability and transparency of government institutions, introduces a new performance management system and includes strong provisions against corruption. A future code of conduct and ethics for the Palestinian civil service is intended to provide an institutional foundation for ethical government.

90. For a Palestinian worker or employer, confronted with acute day-to-day problems, the UN 2030 Agenda for Sustainable Development may seem a distant or even abstract concept. However, concrete progress on the ground towards achieving the corresponding Sustainable Development Goals is of direct relevance to improving Palestinian institutions and livelihoods. It is therefore significant that the authorities have incorporated major elements of the Goals in national policy documents, such as the National Policy Agenda and its associated sector strategies.

### New Decent Work Programme

91. The occupation restricts the capacity of the Palestinian people to move freely within their homelands, to search for jobs, to commute for work, to conduct trade and to enter into economic transactions. These factors, which undermine the fundamental economic and social preconditions of the Decent Work Agenda, limit the capacity of the Palestinian Authority and social partners to implement it. As the mission witnessed during its field visits, the occupation has a dire impact on the everyday lives of people working and seeking work in the West Bank – and even more so in Gaza – as well as those workers who commute to work in Israel.

92. The Palestinian Decent Work Programme for 2013–16 has concluded and was subject to an independent evaluation, which found it eminently relevant to constituent needs and national development objectives, and that it had achieved success in realizing most of its objectives (ILO, 2016c). The new Decent Work Programme for 2017–20 has been developed in close collaboration with the ILO, drawing on priorities and achievements of the 2013–16 period and placing further emphasis on governance issues, including the strengthening of social dialogue and the promotion of freedom of association.

## Achieving effective labour governance

93. The Labour Sector Strategy 2017–2022 is a key planning document establishing strategic goals for the labour sector, such as the reduction of unemployment, development of technical and vocational education and training (TVET), empowering of cooperatives, strengthening of the sector’s institutional capacities and reform of its underlying legal framework. Importantly, it also signals the intention of the Palestinian authorities to promote decent work by establishing a well-developed labour administration system, enhancing tripartism, promoting freedom of association and social dialogue as a means for developing and regulating the labour sector, and combating child labour (PNA, 2017d). This strategy is built on an extensive partnership between the national labour administration system and its multiple governmental and non-governmental partners.

94. The Palestinian Ministry of Labour, which employs some 900 officials in its Ramallah headquarters and in 14 regional labour offices in governorates, is in charge of key policy areas such as employment promotion, labour legislation (including enforcement through labour inspection), working conditions and labour relations.

95. The reform of labour legislation concerning the revision of Labour Law No. 7/2000 as well as other pieces of legislation is based on a broad consultative process aiming at achieving consensus among all parties involved. The Ministry of Labour and the social partners are committed to advance reform in 2017. A number of technical tripartite committees have been established to deal with key aspects of the reform, such as labour conditions, occupational safety and health, and labour inspection. There are also ongoing discussions and consultations, with ILO support, among key stakeholders concerning the trade union law with the objective of bringing the draft law into full compliance with relevant international labour standards. Furthermore, the National Wage Committee is expected to work on revising the level of the minimum wage, which has stood at NIS1,450 (\$375) per month since 2012, following several requests by trade unions.

96. The legal framework does not in itself guarantee that workers’ rights are respected in practice: effective labour inspection services and unfettered access to justice are needed to ensure compliance with the law. Palestinian labour inspection services have progressed since 2010, when an ILO assessment concluded that there was considerable room for improvement in areas such as policy development, coordination, planning, management procedures, training and transport. Most importantly, the number of labour inspectors has been increased to 57, from 42 in 2016, with the ILO providing related capacity-building support.

97. In addition to the investment in staff development, efforts have been made to upgrade and improve the information system for labour inspection statistics and the collection and recording of data on work-related injuries. The new information system should ideally be integrated into the Labour Market Information System of the Ministry of Labour. In 2016, a new labour inspection checklist was also developed and field tested. A new national policy and programme for occupational safety and health was approved by the Cabinet in 2016, but without any financial commitments as yet.

98. The investments in the Ministry’s institutional capacities enabled an increase in the number of inspection visits, which reached 6,530 in 2016, representing 5.6 per cent of establishments subject to inspection. This is compared to 5,180 visits in 2015 and 4,727 in 2014. A total of 682 cases of work injuries were recorded, of which 15 were fatal, mainly in the construction sector. As a follow-up, more than 6,500 legal actions were taken against the violating establishments (PNA, 2016b).

99. In the absence of specialized labour courts, and in a context of reportedly deteriorating labour relations, the Palestinian authorities have been emphasizing out-of-court settlement of labour conflicts, both individual and collective (PNA, 2017c). In 2016, the Ministry of Labour's Department of Labour Relations dealt with 970 individual complaints, of which 371 have been resolved and 264 were referred to the civil courts. The same department, at the request of one of the parties to a conflict, dealt with 45 cases of enterprise restructuring and 25 collective labour disputes, including four strikes.

## Social dialogue below its potential

100. Social dialogue is central to effective and efficient Palestinian institution building; its institutional basis is strong, but, according to most interlocutors, social dialogue can now be used more effectively to this end.

101. In recent years, a number of standing or ad hoc tripartite committees have promoted a participatory approach to legislative and policy changes, including in the areas of occupational safety and health, child labour, wages, disability, women's employment and rights, and social security. The Palestinian Authority has adhered to tripartism in these processes, including in the adoption of the National Policy Agenda, the implementation of the Sustainable Development Goals and the adoption of the first social security law for private sector workers; however, the social partners have raised concerns over the composition of the committees and the extent of the social partners' participation.

102. The year 2016 was marked by disruptions of the tripartite process due to a range of issues between the Palestinian Authority and the PGFTU which effectively prevented the PGFTU from accessing its financial assets for much of the year. As a result, meetings of the main tripartite body, the Labour Policies Committee, were put on hold. The dispute was largely resolved in December 2016, and progress is now evidenced by recent meetings of the tripartite board of directors of the Social Security Institution and other tripartite technical bodies.

103. While productive tripartism depends largely on the will of the parties involved, relations between social partners are also inhibited by the structure of the Palestinian economy, in which small and micro-sized enterprises dominate and a high proportion of the labour force is in temporary and seasonal jobs. Collective bargaining is thus more prevalent in less fragmented sectors such as telecommunications, public services and the food industry. According to the PGFTU, more than 400 collective agreements have been concluded over the past four years (PGFTU, 2016). Total trade union membership in 2015 exceeded 236,000 workers (some 190,000 men and 46,600 women). Trade union density is relatively high in the health and social services sector, education and public administration, but it is much lower in most of the private sector (PCBS, 2015).

## Employment promotion and skills development

104. Considering the changes in population size and structure that the Occupied Palestinian Territory is expected to undergo, a report by the National Population Committee of the Prime Minister's Office and the United Nations Population Fund (UNFPA) has projected that the number of jobs that need to be created each year to absorb new labour market entrants will increase from 58,000 currently to 72,000 in 2030–35. This compares with an increase in employment of only 18,000 from 2015 to 2016. In addition, the large stock of unemployed persons will also need to be absorbed (PNA and UNFPA, 2016c). This presents a major challenge for employment creation and skills development.

105. Even the most qualified workers – and especially women – have difficulties in finding jobs corresponding to their skills. In order to address this, the Ministry of Labour and employers’ and workers’ organizations have all confirmed their commitment to reforming TVET. The National Policy Agenda emphasizes aligning TVET and higher education with labour market needs and development objectives and upgrading and expanding the TVET infrastructure and facilities. To this end, curricula must be modernized, digitalization integrated and overall standards raised (PNA, 2016a).

106. The Ministry of Labour together with the Ministry of Education and Higher Education took steps to improve TVET governance by reactivating the TVET Higher Council, which will be supported by an Executive Council and the Development Centre. The latter is in charge of developing a law on TVET and an implementation plan for the coming years (PNA, 2017e).

107. Recognizing the urgency of finding solutions to the employment crisis, the National Policy Agenda prioritizes the creation of job opportunities. These include expanding the Palestinian Fund for Employment and Social Protection (PFESP), boosting job creation through public–private partnerships, and developing employment promotion programmes for graduates, while ensuring a safe work environment.

108. The PFESP is being revitalized as a key vehicle for job creation. It mainly provides entrepreneurship support services, including small loans, and targets young graduates, women, underprivileged and unemployed people, and cooperatives by means of subsidies and soft loan credit facilities (PFESP, undated). It should be noted that this focus on business development services is somewhat limited in relation to the original mandate of the PFESP, which also included policy development, coordination and monitoring.

109. The Minister of Labour informed the mission of his aim to raise US\$1 billion in order to provide some 70,000 loans to support entrepreneurship and to combat unemployment. A first contribution of €20 million has been received from the Italian Government in the form of a loan.

## Progress in expanding social protection

110. The past year has seen important steps towards broader social protection coverage. The first ever law on social security for private sector workers and their family members was adopted in March 2016. It then underwent revisions due to the concerns raised by representatives of the civil society, and the amended law was signed by President Mahmoud Abbas on 29 September 2016. The legislation provides for defined benefits for old age, disability and death, as well as employment injury. It also includes maternity protection insurance, with a view to encouraging employers to hire more women and thus contributing to an increase in women’s labour force participation (UN, 2016b). The new Social Security Law requires the establishment of a social security institution for the administration of the social insurance schemes provided for by the law. This is currently under way and the first contributions are expected to be collected by January 2018. The new system is projected to cover over 300,000 workers by 2025.

111. The new social security institution will be built on a solid technical and analytical foundation. Underpinning its establishment are a number of actuarial and legal studies carried out by the ILO, as well as a comprehensive ILO report providing guidance on the investment policy of the social security system. In order to increase knowledge of the benefits and obligations arising from the new legislation, the Palestinian Authority is now preparing a national information campaign. There will be a need for further international support for the building up of the social security institution. To this end, an initial financial

contribution has been pledged by the Government of Qatar. Further support is required urgently to fill the funding gap and assist the institution in making its first steps towards operational sustainability.

112. In addition the Palestinian Authority is developing a national social protection floor, in coordination with the ILO and other UN agencies, and is carrying out a study to assess the fiscal space for its progressive establishment. Furthermore, it is undertaking a comprehensive assessment, gap analysis and an administration study on existing cash transfer programmes.

## Women's empowerment: A long way to go

113. The mission observed exactly the same phenomenon in the West Bank, including East Jerusalem, and Gaza: women are particularly affected by the adverse economic and social conditions. Despite high levels of educational attainment, women's labour force participation is extremely low by both global and regional standards (ILO, 2016d). Women are often poorly paid and have precarious jobs in which they are exposed to various health hazards, and they commonly work without adequate legal protection. They often have no work contract, are not aware of their rights, and suffer from weak law enforcement in such sectors as agriculture and services (Birzeit University, 2016).

114. The Palestinian Authority is aware of this situation. While the Labour Sector Strategy for 2017–2022 underlines the importance of creating an enabling environment for the integration of women into the labour market, the National Policy Agenda puts a strong emphasis on the role women should play in the Palestinian civil service. It calls for the elimination of all barriers to recruitment and promotion as well as for increased access for women to senior management positions and important decision-making roles. While the overall representation of women in the Palestinian civil service is relatively high at 45 per cent, women represent only a small minority in senior ranks (12 per cent) (PNA, 2016a). In early 2017, a new Cooperative Sector Strategy was launched with a special focus on women.

115. Since 2010, the Ministry of Labour has received advice and support on gender equality issues from the National Committee for Women's Employment (NCWE), which has also been responsible for the coordination and promotion of the participation of women in the economy. This Committee is chaired by the Minister of Labour, and its General Assembly is composed of social partners, various government departments and NGOs, and with several UN organizations as observers (NCWE, undated). In early 2016, following the publication of a guidebook on the rights of women in the workplace, the NCWE, with the support of the ILO, launched a campaign to improve the status of Palestinian women workers. The campaign was carried forward by the PGFTU which conducted a series of thematic workshops. The NCWE also prepared position papers to ensure that the rights and concerns of women workers will be taken into account in the labour law reform.

116. A recent ILO assessment of domestic workers in the West Bank found that the workforce is mostly female and suffers from inadequate working and living conditions. Almost none of the domestic workers interviewed had a written agreement with their employers. They had no sick leave, rest days or public holidays, and were rarely provided with health insurance, despite the fact that their work often involved dangerous tasks and was physically difficult. Few were aware of their rights. However, in 2013 the Minister of Labour issued Directive No. 2 to provide legal protection to domestic workers with a view to addressing the legislative gaps to some extent (ILO, 2016e).

## Gaza: Governance gaps

117. Some 48 per cent of the budget of the Palestinian Authority is devoted to Gaza, yet governance of its labour market is at best characterized by ambiguity. Governance of labour affairs in Gaza is complicated by the control of the de facto authorities in the area. Former civil servants of the Palestinian Authority are still on its payroll despite no longer being in active service. Any institutional improvement will have to tackle this question of double staffing, which is one of the practical impediments to achieving Palestinian unity. While Palestinian labour law prevails, generally it appears that minimum wage legislation is not applied. Also, workers' access to justice is limited. For example, local authorities have prevented workers from filing claims concerning labour conflicts that are more than one year old.

118. Social dialogue in Gaza remains weak. According to local social partners, it is limited to occasional activities organized by international agencies. However, ad hoc conflict resolution takes place at the bipartite level. Trade unions and employers express solidarity in the context of the overall bleak situation which they jointly face. Freedom of association is affected by the restrictive trade union regulation issued in 2013 by the de facto authorities. This was strongly criticized by the PGFTU officials whom the mission met in Gaza. Generally, trade union activities are also limited due to travel restrictions and a severe lack of funds; contacts with trade union representatives in the West Bank can rarely be conducted in person.

119. Under these dire circumstances, UNRWA remains a central pillar in the economy and – with almost 12,500 staff members – the most important employer paying regular salaries. Apart from its role in the labour market, it is also a crucial provider of education and health services, covering a total of almost 1 million beneficiaries. According to local entrepreneurs, although project-based employment, funded by donors, is critically important under the present circumstances, it does not create stable and sustainable job opportunities. In sum, the social partners and NGOs that the mission met in Gaza maintain that hopes for Gaza can be realized only through reconciliation between the Palestinian political factions and the reopening of Gaza's borders.

---

## 5. Reorientation in the occupied Syrian Golan

120. Occupied in 1967, together with the West Bank and Gaza, and annexed 36 years ago, the occupied Syrian Golan is now completely cut off from its motherland. Until the Syrian conflict, a number of links with the Syrian Arab Republic had functioned. This included trade, especially in apples, the main export crop, and education, which was provided for a significant number of Syrian citizens free of charge by Damascus University. Since 2013, both opportunities have ceased.

121. There are attempts to foster the overall integration of the occupied Syrian Golan into Israel. Israeli settlement activities are increasing. There are six times more Israeli settlements than Syrian villages. About 21,000 Israeli settlers are distributed across some 32 settlements, whereas 25,000 Syrians are concentrated in five localities, the largest of which is Majdal Shams (CBS, 2016).

122. The labour market situation of the Syrian citizens is difficult to assess, since relevant labour force data is not readily available. Farming, which forms the traditional backbone of Syrian citizens' employment in the occupied territory, has been undergoing rapid change. As apple sales in the Syrian Arab Republic are no longer possible, there is now complete dependence on the Israeli market. While production increased in 2016, sales dropped. Market prices for apples in Israel are low, covering only around 60 per cent of the production cost of Syrian farmers. Moreover, there appear to be plans to open the Israeli market to apple imports from other countries, which is likely to put further pressure on retail prices. Hence, apple farming is becoming increasingly unprofitable. As a consequence, Syrian farmers are switching to higher-value-added crops, and have planted some 200,000 cherry trees to replace uprooted apple trees. They are also increasingly moving into other activities.

123. In the production of both apples and cherries, there is significant competition from the Israeli settlers, who often benefit from higher yields and lower costs due to more capital-intensive farming methods and advantageous conditions in terms of water supply and pricing. Access to the water supply, which is essential for the occupied Syrian Golan's agricultural activities, is limited for Syrian farmers due to the Israeli prohibition on building new wells. Half of the water needed for farming therefore has to be purchased from the Israeli water company. Settlers used to enjoy subsidized access to this resource and paid only about a third of what Syrian farmers have to spend on water. However, the mission was informed during its visit to the occupied Syrian Golan that this discriminatory practice is expected to end this year. This could bring significant benefits to Syrian farmers, as water accounts for 40–50 per cent of their production costs.

124. Farming is now often combined with other occupations, such as teaching or providing tourist accommodation, and is increasingly becoming a secondary activity. Few Syrians, however, would completely abandon it, since there is reportedly a risk that unused Syrian land will be confiscated by the authorities.

125. Constrained access to building permits, for which the cost is high and procedures complicated, poses an important obstacle to Syrian citizens benefiting from the expanding tourism sector. Some farmers are reported to have built tourist cottages on agricultural land without the necessary permit, at risk of demolition by the authorities. In September 2016, a house was demolished in Majdal Shams for the first time.

126. The Syrian citizens of the occupied Golan are reportedly also engaging increasingly in manufacturing and construction. However, there appears to be very little benefit to the



economy of the five Syrian villages, as most of these workers commute to towns and villages in Israel or work in the settlements.

127. As the above demonstrates, the occupied Syrian Golan is now increasingly being absorbed by Israel and becoming delinked from the Syrian Arab Republic. Many young Syrian citizens of the annexed territory study in Israel or work for and with Israelis. Unlike in the West Bank, there are few open conflicts between Arabs and Israeli settlers. However, discrimination and disadvantages of the Syrian citizens persist, and the prospects for an end to occupation and annexation seem more remote than ever.

---

## Concluding observations

128. The peace process has not produced new initiatives for quite some time, and contacts between Israel and the Palestinian Authority remain at the minimum level needed for at least maintaining uneasy coexistence and avoiding human catastrophe. New paths and directions and corresponding maps are needed to put any meaningful negotiations on a new trajectory. Neither a standstill nor a return along the same route is a tenable longer run option. The destination of two states living peacefully side by side must be reconfirmed.

129. Hope can only be resurrected once meaningful negotiations between the Israelis and Palestinians are restarted and support by the key actors of the international community has been restated. People need to feel that the occupation, together with the settlement activity, which are stifling the economy and the labour market in the occupied Arab territories, will eventually come to an end. Only then can social justice and decent work begin to flourish.

130. There is a social crisis in the West Bank, including East Jerusalem. Unemployment remains at alarmingly high levels, and opportunities for young people to secure a much-coveted first job are dim. Women, whose labour force participation is marginal, are among the most disadvantaged.

131. Gaza faces a bleak situation of impoverished entrapment. There are few jobs, and many economic and social indicators are only worsening. Humanitarian aid is keeping most of its inhabitants above water, but it is difficult to estimate how long such destitution can continue or which kind of reactions it will produce.

132. The political divide in the Palestinian political landscape does not help governance. While the occupation leaves little room, state-building needs to continue. It is a *sine qua non* for strengthening the Palestinian position. There are encouraging signs that holes in the state fabric are being mended now, for instance with the new social security institution, but there are also indications of significant governance shortcomings. The international community needs to provide continued support, both technical and financial.

133. More than 100,000 Palestinians work in Israel and the settlements. The pay there is attractive, but the conditions, especially those related to access, are not. There are humiliating incidents at the daily crossings, and brokers on both sides benefit disproportionately. This is one area where cooperation between the parties could bring rapid and significant improvements. Reforms are now being put in place by Israel to diminish the power of the brokers, and it is to be hoped that this will improve the rights and conditions for Palestinian workers. Regulating the abuses of brokers and facilitating access and conditions is necessary, but at the same time, it needs to be recognized that work in Israel cannot be the solution to Palestinian labour market problems.

134. Meanwhile, the occupied Syrian Golan is left with few options. Severed from the Syrian Arab Republic and now also physically isolated from its motherland, its integration into Israel continues. Agriculture, which used to be the backbone of employment, is being called into question as the main livelihood provider. The labour market is in transition and, with it, the lives of Syrian citizens who live and work in the occupied Syrian Golan.



## References

---

- Association for Civil Rights in Israel (ACRI), Peace Now and Yesh Din. 2017. “Petition the High Court against the Expropriation Law”, 5 Mar.
- Birzeit University. 2016. Policy paper, “Towards a Decent Work Environment to Overcome the Challenges, Bitterness and Reality of Palestinian Women Working in Agriculture & Small Services”, Oct.
- B’Tselem – The Israeli Information Center for Human Rights in the Occupied Territories. 2017a. *Statistics on Settlements and Settler Populations*, 2 Apr.
- . 2017b. *Israel destroying Gaza’s fishing sector*, 29 Jan.
- Central Bureau of Statistics (CBS). 2016. *Statistical Abstract of Israel 2016*.
- . 2017. *Monthly Bulletin of Statistics*, Table N.4: Dwellings, by stage of construction and district, Apr.
- Conference of High Contracting Parties to the Fourth Geneva Convention (HCP). 2001. *Declaration*, 5 Dec.
- Coordinator of Government Activities in the Territories (COGAT), Israel. 2017. Presentation to the ILO delegation, Mar.
- Government of Israel. 2016. *Increasing the employment of Palestinian workers in Israel from West Bank, improving the manner of issuing work permits, and ensuring fair employment conditions for Palestinian workers*. Cabinet Decision No. 2174, 18 Dec.
- Haaretz. 2017. “Netanyahu Announces Policy of Restrained Settlement Construction in ‘Show of Good Will’ to Trump”, 31 Mar.
- HaMoked. 2017. *Punitive Home Demolition – Timeline*.
- International Court of Justice (ICJ). 2004. “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.
- International Labour Office (ILO). 2016a. *A first look at Palestine’s domestic workers and how to better protect them* (forthcoming), Domestic Work Policy Brief, Dec.
- . 2016b. *The situation of workers of the occupied Arab territories*, Report of the Director-General, Appendix, International Labour Conference, 105th Session, Geneva, 2016.
- . 2016c. *Review of the Palestinian Decent Work Programme, 2013–2016: Evaluation Report*.
- . 2016d. *Effects of gender inequality in employment and pay in Jordan, Lebanon and the Occupied Palestinian Territory: Three Questions Answered*, Z. Tzannatos, Aug.

- . 2016e. *Assessment of the Domestic Work Sector in West Bank Governorates*, Key Findings Report, prepared by A.S. Madi, ILO consultant.
- International Monetary Fund (IMF). 2016. *West Bank and Gaza – Report to the Ad Hoc Liaison Committee*, 26 Aug.
- Kav LaOved – Worker’s Hotline. 2015. *Violations of the Right to Medical Care for Palestinian Workers Employed in Israel*.
- . 2016. *Position paper on the Government decision to promote economic cooperation by granting work permits to Palestinians (Decision 1236, March 8 2016)*, 4 Apr.
- Knesset. 2017. Law for the Regulation of Settlement in Judea and Samaria, 5777-2017, 6 Feb. Translation by Library of Congress, available at <https://www.loc.gov/law/help/israel-settlement/judea-and-samaria.php#Translation>.
- MachsomWatch. 2017. “Invisible Prisoners”, 12 Jan.
- Macro Center for Political Economics (Macro). 2017. *The Working Conditions of Palestinian Wage Earners in Israel*, Feb.
- National Committee for Women’s Employment (NCWE). Undated. *Palestine*.
- Office of the Quartet (OQ). 2016. *Report for the Meeting of the Ad-Hoc Liaison Committee*, 19 Sep.
- Organisation for Economic Co-operation and Development (OECD). 2015. *Second Progress Report on the Implementation of the OECD Recommendations: Labour Market and Social Policies, Israel*, Aug.
- Palestinian Central Bureau of Statistics (PCBS). 2015. *Labour Force Survey*.
- . 2016. *Statistical Yearbook*.
- . 2017a. *Preliminary Estimates of Quarterly National Accounts (Fourth Quarter 2016)*, press report, Mar. and various years.
- . 2017b. *Labour Force Survey (October-December, 2016) Round*, press report, 13 Feb. and various years.
- Palestine General Federation of Trade Unions (PGFTU). 2016. *Report of the General Secretary presented to the Fifth Conference*, 16 Apr.
- Palestinian National Authority (PNA). 2016a. *National Policy Agenda 2017-2022: Putting Citizens First*, Dec.
- . 2016b. *Annual Report 2016*. Ministry of Labor, General Directorate of Inspection and Labor Protection.
- and United Nations Population Fund (UNFPA). 2016c. *Palestine 2030 – Demographic Change: Opportunities for Development, Summary Report*, Dec.
- . 2017a. *Fiscal Developments & Macroeconomic Performance – Full Year Report 2016*, Ministry of Finance, Jan.
- . 2017b. *Report on the effects of Israeli settlements on the conditions of employers and labourers*, Jan.
- . 2017c. *Labour Sector Strategy 2017-2022: Path to Decent Work and Eliminating Unemployment*.
- . 2017d. *2016 Annual Report of Collective Conflicts Department*. Ministry of Labor, General Directorate of Labor Relations, 22 Jan.

- 
- . 2017e. Ministry of Labour, Technical Working Group for TVET and Employment. *Minutes of the 3rd Meeting of the Technical Working Group for TVET and Employment*, 25 Jan.
- Peace Now. 2016. *The Grand Land Robbery: Another Step toward Annexation – 55 Outposts and 4,000 structures to be legalized through the Regulation Law*, Settlement Watch, Nov.
- . 2017a. *40% Increase in Construction Starts in West Bank Settlements in 2016*. 22 Mar.
- . 2017b. *The New Declared Settlement Policy – Not a Restraint at all*, 31 Mar.
- Palestinian Fund for Employment and Social Protection (PFESP). Undated. *More Employment, Brighter Future*.
- United Nations (UN). 1980. Resolution 465 (1980), adopted by the Security Council at its 2203rd meeting, document S/RES/465 (1980), 1 Mar.
- . 2016a. Resolution 2334 (2016), adopted by the Security Council at its 7853rd meeting, document S/RES/2334 (2016), 23 Dec.
- . 2016b. *Situation of and assistance to Palestinian women: Report of the Secretary-General*, E/CN.6/2017/6, 19 Dec.
- . 2017a. *Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem, and the occupied Syrian Golan: Report of the Secretary-General*, A/HRC/34/39, 16 Mar.
- . 2017b. Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO). *Briefing to the Security Council on the situation in the Middle East*, 24 Mar.
- United Nations Office for the Coordination of Humanitarian Affairs (OCHA). 2007. *The Humanitarian Impact on Palestinians of Israeli Settlements and Other Infrastructure in the West Bank*, July.
- . 2015. *Bethlehem Governorate: Fragmentation and Humanitarian Concerns*, Jan.
- . 2016a. *Record number of demolitions in 2016; casualty toll declines: 2016 trends affecting the humanitarian situation in the Occupied Palestinian Territory*, 29 Dec.
- . 2016b. *Humanitarian Bulletin: occupied Palestinian territory*, July.
- . 2017a. *Humanitarian Bulletin: occupied Palestinian territory*, Feb.
- . 2017b. *Gaza Crossings Operations Status: Monthly update*, Feb.
- . 2017c. *Protection of Civilians*, 21 Mar.–3 Apr.
- . 2017d. *Humanitarian Bulletin: Monthly report*, Jan.
- . 2017e. *Az Zubeidat Village, Jericho Governorate*, 28 Mar.
- United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). 2016. *Occupied Palestinian Territory: Emergency Appeal 2017*.
- . 2017a. *Gaza Situation Report 177*, 19 Jan.
- . 2017b. *Gaza Situation Report 179*, 5 Feb.
- World Bank. 2016. *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 19 Sep.
- Yesh Din. 2016. *Disruptions to the olive harvest in the West Bank*, Nov.



# Annex

---

## List of interlocutors

### Palestinian institutions

#### Ministry of Labour

Mamoun Abu Shahla, Minister of Labour

Abdel Kareem Daraghme, Deputy Assistant for Social Dialogue

Yousef Al Turk, Deputy Assistant for Cooperation, Policies and Administrative Development Affairs

Samer Salameh, Deputy Assistant for Technical Affairs

Bilal Thawabeh, Director-General, Labour Relations

Rami Mehdawi, Director-General, Employment

Ali Al Sawi, Director-General, Inspection and Labour Protection

Buthaina Salem, Director-General, Legal Affairs

Nazeh Irman, Director-General, Cooperatives

Iman Assaf, Head, Gender Unit

Hani Shanti, Head, Public Relations and Media Unit

#### Ministry of Foreign Affairs

Omar Awadallah, Multilateral Relations, United Nations and its Specialized Agencies

Majed Bamy, Director, International Treaties Department

Akram Sakka, Head of Official Visits

#### Ministry of Finance and Planning

Abdel Jabbar Salem, Director-General of Payroll

Yazan Abu Ajamieh, Economist, Macro Fiscal Unit

Mohammed Harasheh, Financial Systems Department

Fahed Al Sheikh, General Directorate of International Relations and Projects Department

#### Palestine Economic Council for Development and Reconstruction (PECDAR)

Mohammad Shtayyeh, Minister, President of PECDAR, Member of the Central Committee of Fateh, and Governor of the Islamic Development Bank for Palestine



#### **Palestinian Central Bureau of Statistics (PCBS)**

Ola Awad-Shakhshir, Minister, President of PCBS, President of the International Association for Official Statistics (IAOS)

Suha Kanaan, Director of Labour Statistics

Faed Rayyan, Director of Government and Finance Statistics Department

#### **Palestine Monetary Authority (PMA)**

Shehadah Deeb Hussein, Deputy Governor

Mohammad Atallah, Director of Research and Monetary Policies Department

#### **Palestine Liberation Organization (PLO)**

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

Nabeel Shaath, Advisor to the President for Foreign Affairs and International Relations, Member of the Central Committee of Fateh and Member of Executive Committee of PLO

Hanan Ashrawi, Member of Executive Committee of PLO

#### **National Committee for Women's Employment**

Abeer Al Barghouti, Director of Monitoring and Auditing Unit, Ministry of Labour

Amal Shehadeh, Gender Unit, Ministry of National Economy

Nariman Awad, Director General of Gender Unit, Ministry of Information

Mageda Salsa'a, Member of Board of Directors of FPCCIA, Bethlehem Chamber of Commerce

Carine Metz Abu Hmeid, External Relations Coordinator, Democracy and Workers' Rights Center

Khitam Saafin, Member of General Secretariat, General Union of Palestinian Women

Ayshe Hmouda, Secretary of Gender Unit, Palestinian General Federation of Trade Unions

Randa Abed Rabbo, Director of Union of Cooperative Associations for Saving and Credit

Fedaa Mukhemmer, Management Information System Administrator, Union of Cooperative Associations for Saving and Credit

Rawan Obaid, Head of Lobbying and Advocacy, Women's Center for Legal Aid and Counselling

Naela Odeh, Field Educator, Palestinian Working Woman Society for Development

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

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

Shaher Sae'd, Secretary-General

Iman Abu Salah, Member of Executive Committee, Secretary of Gender Unit

Saeed Zbeidi, Member of Executive Committee, Secretary of Paltel Union

Mustafa Hanani, Member of Executive Committee, Secretary of Occupational Safety and Health Unit

Ibrahim Daraghmeh, Member of Executive Committee, Secretary of Building and Wood Workers Union

Manawell Abdelall, Member of General Secretariat, President of Electricity Union

Ibrahim Thweib, Member of General Secretariat, President of General Union of Agriculture and Food Industries Workers

Suheil Saliba Khader, Member of General Secretariat, Secretary of International Relations Unit

Amal Al Fityani, Member of Executive Committee, Secretary of Social Services Unit

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

Mohammad Sa'adi Hillis, Member of General Secretariat, Deputy Head of Building and Wood Workers Union

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

Tariq Al Hindi, Member of General Secretariat, President of Agricultural and Fishery Workers' Union

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

Bashir Al-Sesi, Member of General Secretariat, President of Public Services General Union

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

Khalil Rizq, Chairman of the Board of Directors for FPCCIA, President of Ramallah Chamber

Jamal Jawabreh, Secretary-General

Ali Muhanna, Director of Planning and SMEs Department

Nazih Merdawi, Director of Information Unit

Akram Hijazi, Public Relations Manager

Riyad Aweidah, Economist

#### *South Hebron Chamber*

Jalal Makharza, Chairman of the Board

#### *Nablus Chamber*

Husam Abdelrahman Hijjawi, Vice-president, Member of Board of Directors of FPCCIA

#### *Jericho Chamber*

Taysir Hmeidi, Chairman of the Board

#### *Salfit Chamber*

Iyad Abu Zayed, Chairman of the Board

#### *Qalqilya Chamber*

Hasan Shraim, Vice-Chairman

#### *Gaza Chamber*

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

Bader Sabra, Vice-President

#### *Khan Younis Chamber*

Loai Alaqqad, Treasurer

*North Gaza Chamber*

Abdel Aziz Mogat, Vice-Chairman

Imad Al Ghoul, Director-General

Association of Banks in Palestine, Ramallah

Nabil Abu Diab, Director-General

Palestine Information and Communications Technology Incubator (PICTI), Ramallah

Wala' Samara, Programme Manager

Palestine Trade Center (PalTrade), Ramallah

Hanan Taha-Rayyan, Chief Executive Officer

Palestinian Information Technology Association of Companies (PITA), Ramallah

Ibrahim Al Deisi, Director

Palestinian Federation of Businessmen Associations, Ramallah

Majed Ma'ali, General Trustee

Palestinian Federation of Industries, Ramallah

Odeh Shehadeh, Secretary General

Palestine Development and Investment Company (PADICO)

Samir Hulileh, Chief Executive Officer

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

Mahdi Abdul Hadi, President

Al-Haq, Ramallah

Shawan Jabarin, General Director

Tahseen Elayyan, Head of Monitoring and Documentation Department

Independent Commission for Human Rights, Ramallah

Ammar Dwaik, General Director

Al Mezan Center for Human Rights, Gaza

Issam Younis, General Director

Pal-Think for Strategic Studies, Gaza

Omar Shaban, Founder and Director

Labor Resource Center, Gaza

Fayez Al Emary, Chairman

Center for Women's Legal Research and Consulting, Gaza

Zeinab El Ghunaimi, Director

Culture and Free Thought Association, Gaza

Mariam Zakoot, General Director

**Women's Affairs Center, Gaza**

Amal Syam, Director

**Union of Cooperative Associations for Saving and Credit, Gaza**

Ebtesam Salem, Chairman

**General Union of Palestinian Women, Gaza**

Amal Hamed, President

**Field visit – Az Zubeidat**

Hanin Zbeidat, Educational Counsellor

Lina Zbeidat, Chairman of Az Zubeidat Charity for Women

Amera Zbeidat, University student

Amin Zbeidat, University student

Subhiya Zbeidat, Shop owner

**Field visit – Beit Jala**

Samia Zeit, Representative, Beit Jala Municipality

Gris Abu Muhur, Principal, American School in Beit Jala

**Field visit – Old City Jerusalem**

Ziad Al Hammouri, Director General, Jerusalem Center for Social and Economic Rights

**Israeli institutions****Government of Israel and other public institutions****Ministry of Economy**

Avner Amrani, Senior Research Director, Labour Relations Division

Shlomo Ytzhaki, Chief Labour Relations Officer

**Ministry of Foreign Affairs**

Beth-Eden Kite, Minister

Zvi Tal, Director, International Organizations, Specialized Agencies and Global Issues Department

Amir Weissbrod, Head, Middle East Bureau, Centre for Political Research

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

**Coordination of Government Activities in the Territories (COGAT),****Ministry of Defence**

Col. Hatib Mansour, Head of Civil Department

Maj. Adam Avidan, Deputy Head, Economic Branch

**Population and Immigration Authority, Ministry of Interior**

Shoshana Strauss, Senior Deputy to the Legal Adviser

**Bank of Israel**

Haggay Etkes, Researcher and Head of BOI activities vis-à-vis the Palestinian Authority

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

### Histadrut – General Federation of Labour in Israel

Avital Shapira-Shabirow, Director, International Department

### Manufacturers' Association of Israel

Uri Rubin, Chairman, Labour Committee

Isaac Gurvich, Director, Construction Sector HR and Labour Relations, Israel Builders Association

Dan Catarivas, Director, Division of Foreign Trade and International Relations

Uri Geva, Head of Economics

### Kav LaOved – Workers' hotline

Ala Khatib, Chief Executive Officer

### MachsomWatch – Women against the Occupation and for Human Rights

Sylvia Piterman, Volunteer

### Field visit – Construction sites, Raanana

Abdel Salam Kashou, Contractor, A.K. Kashou Brothers Ltd.

Fadel Badarna, Secretary for Palestinian Workers, Histadrut

Natan Rahamin, Hasharon Regional Labour Council, Histadrut

Nader Nassasreh, Foreman

## United Nations and international organizations

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

Robert Piper, Deputy Special Coordinator and United Nations Resident/Humanitarian Coordinator

Shubhra Bhattacharjee, Planning, Monitoring and Evaluation Specialist

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

Sheri Retsima-Anderson, Deputy Head of Office

Hamada Bayari, Acting Head of Office, Gaza

Yehezkel Lein, Head of Research and Analysis Unit

Diana Anani, Humanitarian Affairs Analyst – Head of South Field Coordination Unit

Israa Muzaffar, Humanitarian Affairs Analyst

Mazen Abu Said, Advocacy and Communication Section

Khaled Zuhaikeh, Humanitarian Affairs Associate

Ayman Ibrahim, Humanitarian Affairs Associate

Atwa Jaber, Field Support Assistant, National UN Volunteer

---

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

Scott Anderson, Director of UNRWA Operations, West Bank

Bo Schack, Director of UNRWA Operations, Gaza

Michael Schoiswohl, Principal Legal Officer, Department of Legal Affairs

Office of the High Commissioner for Human Rights  
Occupied Palestinian Territory (OHCHR)

James Heenan, Head of Office

Jane Anttila, Deputy Head of Office

Food and Agriculture Organization of the United Nations

Ciro Fiorillo, Head of Office

United Nations Department of Safety and Security (UNDSS),  
Israel, West Bank and Gaza

Henrique Eduardo Lopes Dias, Field Security Coordination Officer, West Bank

Yusuke Kudo, Senior Security Information Analyst

United Nations Development Programme (UNDP)

Wafa Al Kafarna, Project Analyst, Gaza

International Monetary Fund, West Bank and Gaza

Ragnar Gudmundsson, Resident Representative for West Bank and Gaza

Occupied Syrian Golan

Taisseer Maray, General Director, Golan for Development of Arab Villages and Al Maghariq  
Association

Fawzi Abu Jabal, Board of Directors, Golan for Development of Arab Villages

Hayel Abu Jabal, Farmer

Fawzi Abu Saleh, Farmer

Mounir Abu Saleh, Farmer

Ahmad Khater, Engineer, Worker

Other meetings

Arab Labour Organization

Fayez Al-Mutairi, Director-General

Mohamed Shareef Dawood, Minister Plenipotentiary

League of Arab States

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

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