



## Facts Sheet on Palestinian workers in the oPt<sup>1</sup>

Updated in August 2018

<b>Economic context</b>	<p>The Palestinian economy is a colonial economy, annexed to the Israeli occupying power's economy under unfavorable conditions as defined in the Paris Protocol, the economic appendix to the Oslo agreements signed in 1994. Palestinians have no free access and use of natural resources (water, land), nor any control over borders. As a consequence, Israeli products and foreign imports flood the local markets, while Palestinian products face many restrictions. The continuation of the Israeli occupation maintains the economy at the mercy of Israeli policies and collective punishment measures.</p> <p>The Palestinian economy is a services economy, and agriculture and industry are constantly declining. 89% of Palestinian economic establishments are small &amp; micro-enterprises employing less than 5 workers<sup>2</sup>. There is a sizable informal economy.</p>
<b>Participation in labor force:</b>	<p>1,374,000 men and women aged 15 years and above were in the labor force in 2017. The participation rate was 45.3%, but with a huge gap between men (71.2%) and women (19%). Palestinian women's participation rate in the labor force remains one of the lowest of the world.</p> <p>Most women outside the labor force (63%) are taking care of their families (housekeeping), while none of the men are. 24.7% women outside the labor force are studying or training, compared to 48.5% of the men outside the labor force. Only 7.1% of the women are outside the labor force, because of old age/illness, compared to 36.1% of the men.</p>
<b>Unemployment</b>	<p>In 2017, the unemployment rate stood at 27.7% using ILO standards, and the number of unemployed persons was 364,200: about 146,100 in the West Bank and about 218,100 in the Gaza Strip. Unemployment is much higher in the Gaza Strip due the blockade imposed on Gaza since more than a decade (43.9% compared with 17.9% in the West Bank).</p> <p>Women's unemployment (47.8%) is significantly higher than men's (22.5%). For women, education is not a guarantee for finding a job: the unemployment rate among women with 13 years of schooling or more was 54.2%. Youth graduates aged 19 to 29 years with associate diploma and above had an unemployment rate of 55.8% (72.4% in the Gaza Strip).</p>
<b>Workers in the Israeli labor market</b>	<p>In 2017, 130,700 Palestinian workers were employed in Israel and Israeli settlements (representing 13% of employed persons, 15% of employed men and 1.4% of employed women), 67,900 with a work permit, 43,400 working without a permit and 19,400 with an Israeli identity card or foreign passport. There were 22,100 Palestinians working in Israeli settlements, due to the lack of alternatives in the Palestinian labor market.</p> <p>61.6% of employed in Israel and the Israeli settlements worked in the construction sector, which registers the highest rates of fatal accidents and poor enforcement of safety and</p>

<sup>1</sup> Source of statistical data, unless otherwise stated: Palestinian Central Bureau of Statistics, 2018. Labour Force Survey: Annual report 2017. Ramallah - Palestine

<sup>2</sup> PCBS, The Condition of Operating Establishments in Palestine (Arabic), 2014, Ramallah-Palestine



	<p>health standards. Workers in Israel and Israeli settlements are exposed to harassment and humiliations, while commuting to and from work. Inside Israeli settlements, workers cannot move freely and have to be accompanied at all times by the employer or an overseer. Many have to pay to obtain work permits or secure a job through labor agents. Work permits can be arbitrarily canceled, including as a form of collective punishment against an extended family or a village. Issuance of work permits that are not in the name of the actual employer, or obliging workers to sign documents that deprive them of the rights guaranteed by Israeli laws, are some of the ways used by Israeli employers to ensure that workers will not claim their rights before Israeli labor courts. Violations of rights also include the failure to register actual wage amounts on salary slips, which negatively affects workers regarding the amount of end of service indemnities, and compensations for leaves and holidays to which they are entitled.</p> <p>As per a DWRC study released in 2012, 11% of Palestinian workers in Israeli settlements work on lands confiscated by the Israeli occupying power from their families.</p>
<b>Legislation:</b>	<p>The Palestinian Labor Law no 7 of the year 2000 that entered in force in 2001 applies to private sector workers, public sector and municipal workers employed on a contract-basis. The Palestinian Civil Service Law applies to employees of ministries and governmental agencies. A special regulation applies to municipal workers.</p> <p>Israeli labor law applies to Palestinian workers in the Israeli labor market.</p> <p>Pension rights are covered by the Palestinian Public Pension Law no 7 of the year 2005, which applies to governmental employees. The recently adopted Social Security Law of the year 2016 applies to private sector workers, and all employees not covered by other pension systems. Payment of contributions should start in November 2018.</p>
<b>Average wages</b>	<p>In 2017, the average daily wage was 113.8 NIS, 119 NIS for men and 84.6 NIS for women (excluding workers in Israel and Israeli settlements). Women earn about 71% of men's wages.</p> <p>One of the reasons why working in Israel and Israeli colonies remains attractive to Palestinian workers from the West Bank (no workers from Gaza are allowed to work in Israel) are the huge differences in earnings. The average daily wage for workers in Israel &amp; Israeli settlements was 226.9 NIS, compared to 78.6 NIS in the Palestinian private sector and 107.4 NIS in the public sector.</p>
<b>Minimum wage</b>	<p>The minimum wage is a right stipulated in the Palestinian Labor Law, but it took ten years for the negotiations to be opened on the subject. For the first time, a minimum wage was adopted by the West Bank government in October 2012, and entered in force in January 2013. It was set at 1450 NIS per month (around 345 euros).</p> <p>In 2017, 35.9% of wage employees in the private sector in Palestine were paid less than the minimum wage. 16.2% of wage employees in the West Bank were paid under the minimum wage, causing a monthly wage loss of about 13.9 million NIS. The percentage of women workers paid less than the minimum wage remained much higher than the percentage of male workers, at 38.9% compared to 11%.</p> <p>As for the Gaza Strip, where the minimum wage is applied, 74% of wage workers (88,800 employees) earned about half the monthly minimum wage (731 NIS on average).</p>



<b>Minimum working age</b>	The minimum working age is set by law at 15 years. Hazardous work is prohibited for those under 18 years. As per statistics, 34% of children aged 10-17 years were working in 2017, including 1.2% of the children aged 10 to 14 years (i.e. under the minimum age) and 7.2% of the children aged 15 to 17 years. 67.3% of child workers were not attending school.
<b>Maternity leave</b>	In the public and private sectors, women are entitled to a paid 10-week maternity leave and a nursing leave. In the private sector, the maternity leave that has been increased to 12 weeks by the social security law, and this should come into effect from November 2018. There is no paternity leave, except in a few establishments, where it has been introduced through internal regulations. Under the labor law, women employed in the private sector only obtain their paid leave if they have worked for 180 days for the same employer prior to the leave. As per the social security law, insured women will be entitled to a paid maternity leave after contributing for three months. In 2017, only 35% of female wage employees obtained a paid maternity leave. Oftentimes, women are dismissed by employers due to their maternity leave, although this is prohibited by the law.
<b>Violations of workers' rights in the Palestinian private sector</b>	Almost four fifths of employees in the Palestinian private sector are deprived of their most basic rights at work. In 2017, 78.2% of wage employees did not obtain their severance pay (which is an essential right, since they do not benefit from a pension system or have any unemployment allowances). 78.2% obtained no paid annual vacations, and 79% had no paid sick leave. Many other rights stipulated in the labor law are not respected by employers, including the obligation for the employer to pay for preliminary and regular medical check-ups, or to abide by health and safety standards. 51.5% of the workers have no work contract at all, and few employers keep official records about their employees, which is required by the law, and therefore it is more difficult for workers to claim their rights. Employers also take advantage of loopholes in the law, in particular the lack of proper protection against dismissal and the fact that there is no compulsory reinstatement in case of arbitrary dismissal (even for unionists or women dismissed due to maternity).
<b>Gaps in social protection</b>	Governmental employees (21.4% of those employed, 36.3% in the Gaza Strip) contribute to and benefit from governmental health insurance and a pension system. There is no protection against unemployment (i.e. there are no unemployment benefits) and no universal health insurance scheme. Governmental health insurance coverage, which gives access to governmental health facilities and services, can be purchased for an annual fee. However, there are no compulsory contributions, except for governmental employees. As per the PCBS 2017 Census, 65.7% of West Bank residents had health insurance coverage (governmental, UNRWA or private) compared to 95.4% in the Gaza Strip <sup>3</sup> . The Social Security Law adopted in 2016 covers pension, disability and survivors benefits, insurance against work injuries and maternity benefits for a period of 12 weeks for private sector workers with stable employment. At the same time, employers' contribution in the pension fund will replace the payment of severance pay to insured workers.

<sup>3</sup> Palestinian Central Bureau of Statistics, February 2018, Preliminary Census Results, PCH 2017, Ramallah – Palestine