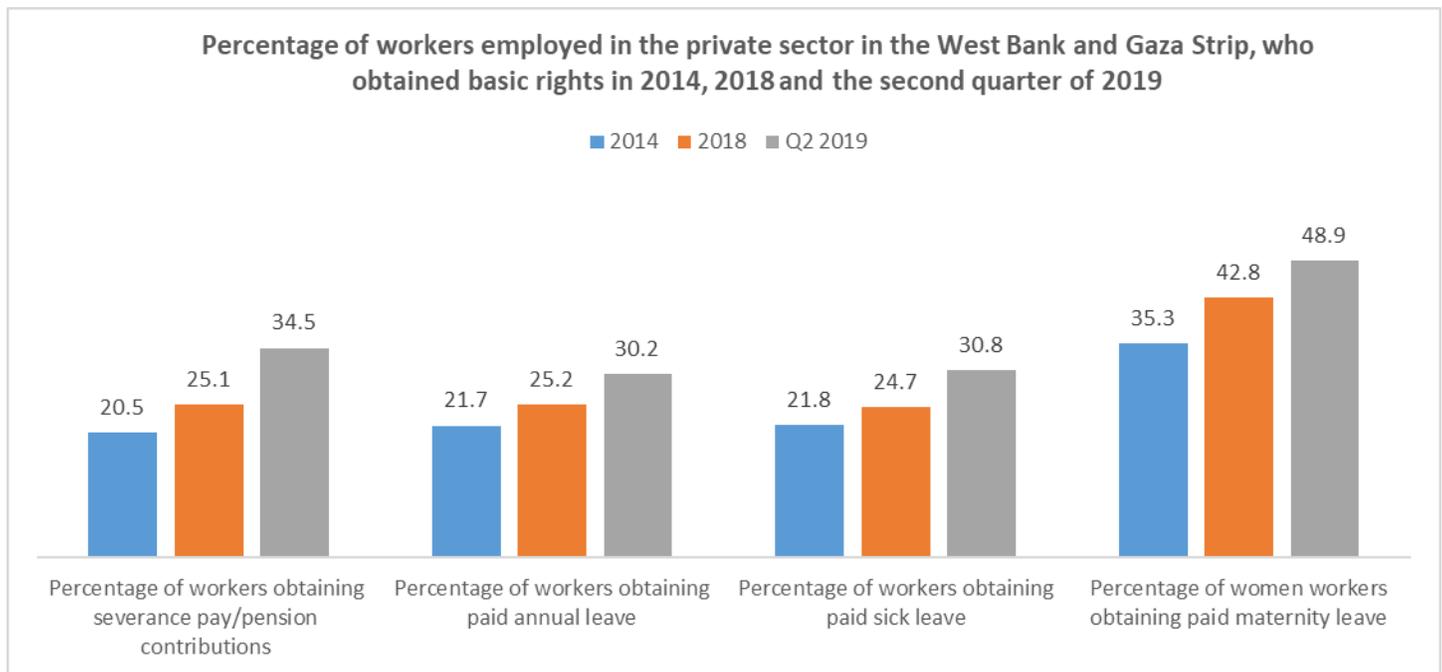


**Overview of the evolution of the realization of basic rights by private sector employees in Palestinian establishments from the year 2014 until the second quarter of the year 2019 based on national statistics**

October 2019

One of the characteristics of the Palestinian labor market is that the vast majority of wage workers in the Palestinian private sector are denied their most basic rights, including severance pay (end of service indemnities) and paid leaves. This indicates that even in the formal sector, many workers are informal workers, denied fundamental rights guaranteed by the Palestinian Labor Law and international conventions. However, statistics seem to indicate a positive evolution, driven by rising percentages in the West Bank, particularly from the year 2018. This has been counterbalanced by a slight decline in the Gaza Strip, which is not surprising considering the overall deterioration of the economy in Gaza due to 12 years of blockade and three destructive wars, which had debilitating consequences on the private sector.

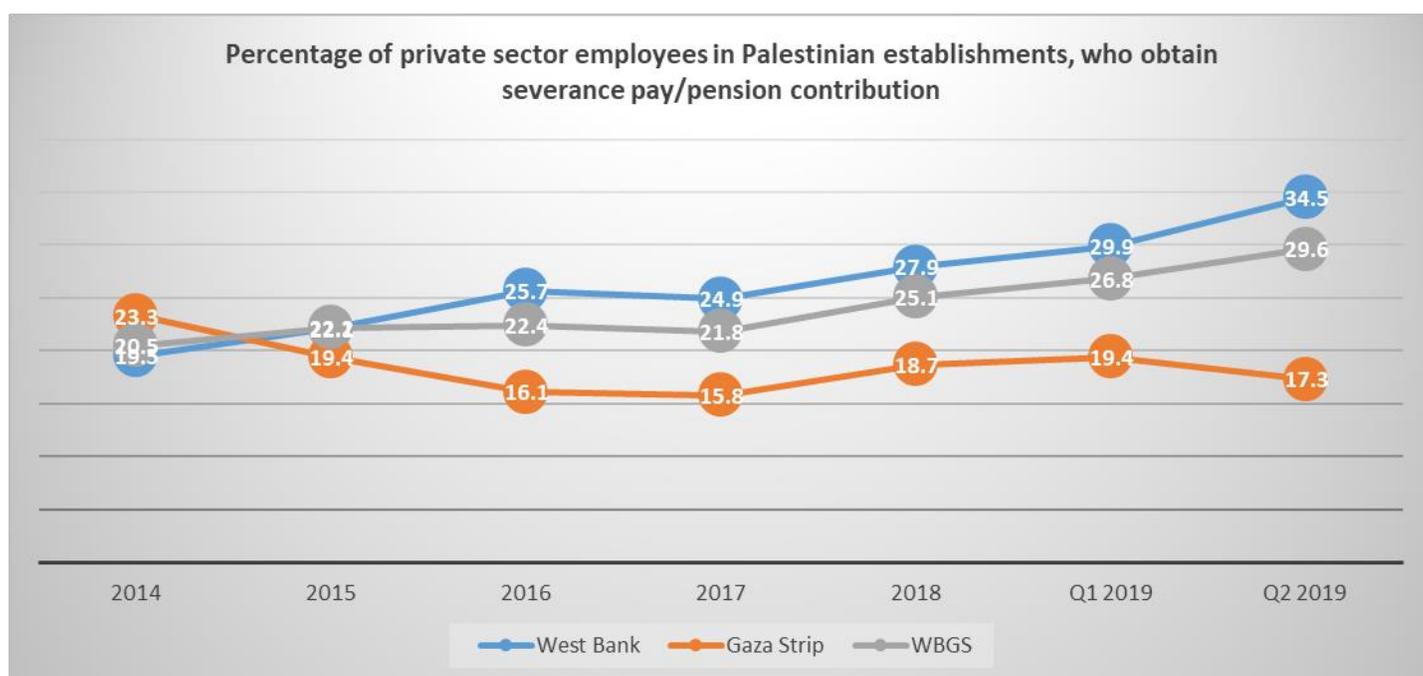


*Source: Palestinian Central Bureau of Statistics, 2015 & 2019. Palestinian Labour Force Survey: Annual Reports: 2014 & 2018; Labour Force Survey: (April- June, 2019) Round, (Q2/2019). Press Report on the Labour Force Survey Results. Ramallah - Palestine.*

**Severance pay/pension contribution**

All wage workers in the private sector are entitled to severance pay (end of service indemnities) according to the Palestinian Labor Law, except those employed by first degree relatives, who are outside the scope of the law. Depending on the number of years of employment and who ended the employment relationship, the amount of severance pay varies. When the employer ends the employment relationship, workers are entitled to one month's salary for every year of service. If workers resign from their job before reaching ten years of employment, they are entitled to less. In the absence of a social security system, Palestinian private sector workers have no old-age, disability and survivors insurance, nor do they have unemployment insurance. The Palestinian Social Security Law of 2016 had foreseen

replacing employers' obligation to pay severance pay by employers' contribution to the old-age, disability and survivors fund, but the law was suspended in January 2019, before the payment of social contributions came into effect. The Social Security Law had also foreseen that employers would have to pay all severance pay due for former years of service to their employees prior to their integration in the social security system. Arrangements made by employers in view of the Social Security Law implementation may have been a contributing factor in the rise of the percentage of wage workers, who obtained severance pay/pension contributions in 2018 and in the first and second quarters of 2019 in the West Bank. Overall, the percentage of workers, who obtain severance pay/pension contributions, increased from 20.5% in 2014 to 25.1% in 2018, with a further increase to 29.6% in the second quarter of 2019. In the West Bank, the percentage increased from 19.5% in 2014 to 27.9% in 2018, and reached 34.5% in the second quarter of 2019. In the Gaza Strip on the contrary, the percentage decreased from 23.3% in 2014 to 18.7% in 2018, and reached 17.3% in the second quarter of 2019.



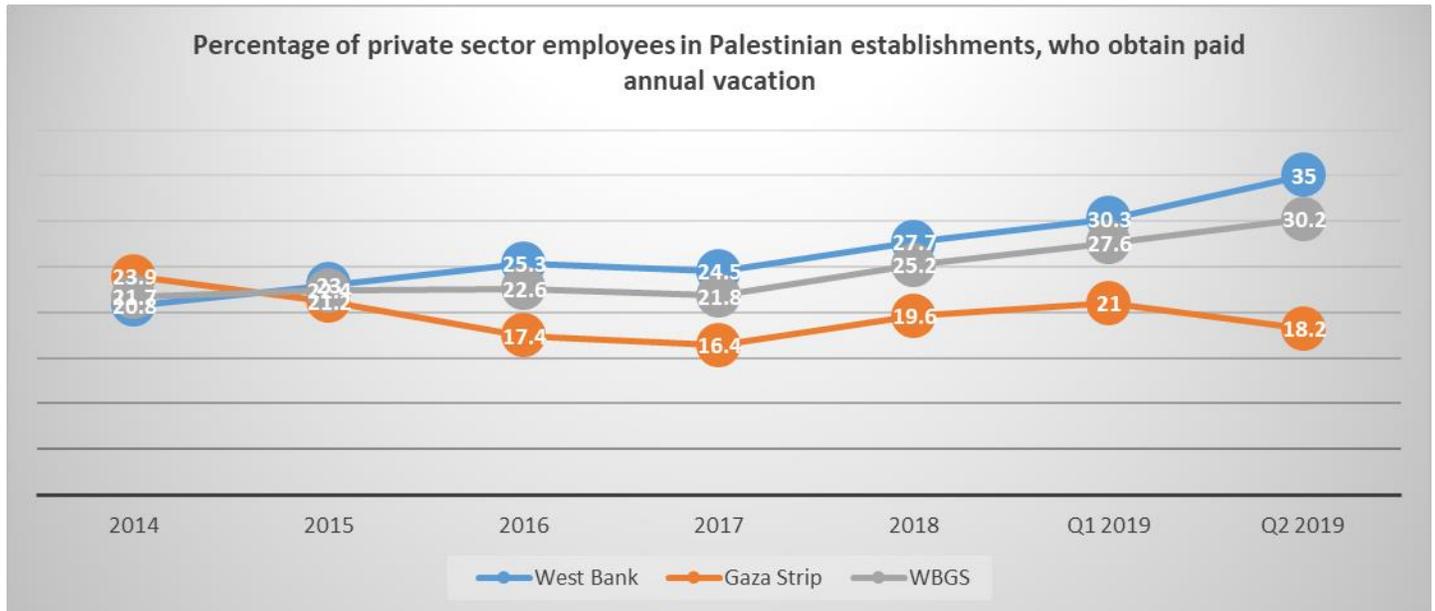
Source: Palestinian Central Bureau of Statistics, 2015-2019. Palestinian Labour Force Survey: Annual Reports: 2014-2018; Labour Force Surveys: (January-March, 2019) Round, (Q1/2019), (April- June, 2019) Round, (Q2/2019). Press Reports on the Labour Force Survey Results. Ramallah - Palestine.

### **Paid leaves (annual leave, sick leave)**

The Palestinian Labor Law stipulates that workers are entitled to at least 14 days of paid annual leave (21 days for workers in hazardous occupations and for young workers aged 15-17 years), as well as paid sick leave, and other paid leaves (national and religious holidays, bereavement leave, cultural leave) that are not covered by national statistics. Most private sector workers are still denied paid leaves, but a positive evolution can also be noted, similar to the one regarding severance pay/pension contributions. In fact, monitoring of cases handled by DWRC's legal aid unit has shown that in most cases, employers who do not respect workers' right to paid leaves also fail to make provisions for severance pay and do not abide with their obligation to provide end of service indemnities.

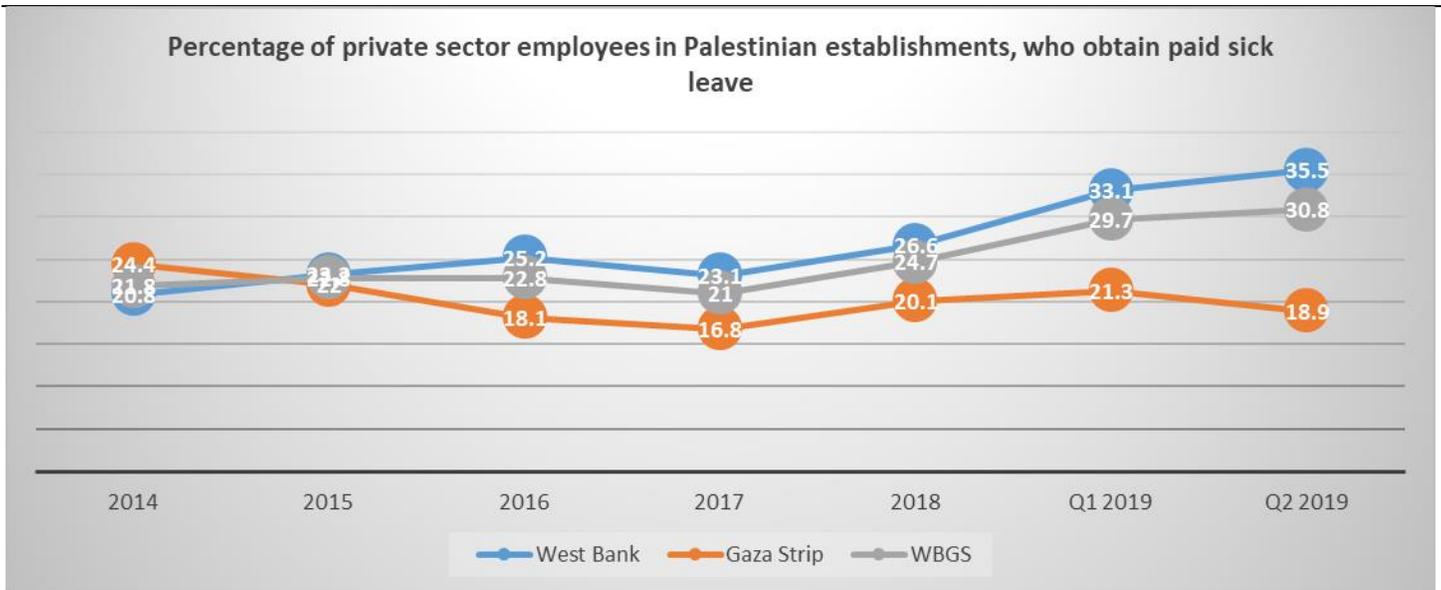
Overall, the percentage of workers, who obtain annual paid leaves, increased from 21.7% in 2014 to 25.2% in 2018, with a further increase to 30.2% in the second quarter of 2019. In the West Bank, the percentage increased from 20.8% in

2014 to 27.7% in 2018, and reached 35% in the second quarter of 2019. In the Gaza Strip on the contrary, the percentage decreased from 23.9% in 2014 to 19.6% in 2018, and reached 18.2% in the second quarter of 2019.



Source: Palestinian Central Bureau of Statistics, 2015-2019. Palestinian Labour Force Survey: Annual Reports: 2014-2018; Labour Force Surveys: (January-March, 2019) Round, (Q1/2019), (April- June, 2019) Round, (Q2/2019). Press Reports on the Labour Force Survey Results. Ramallah - Palestine.

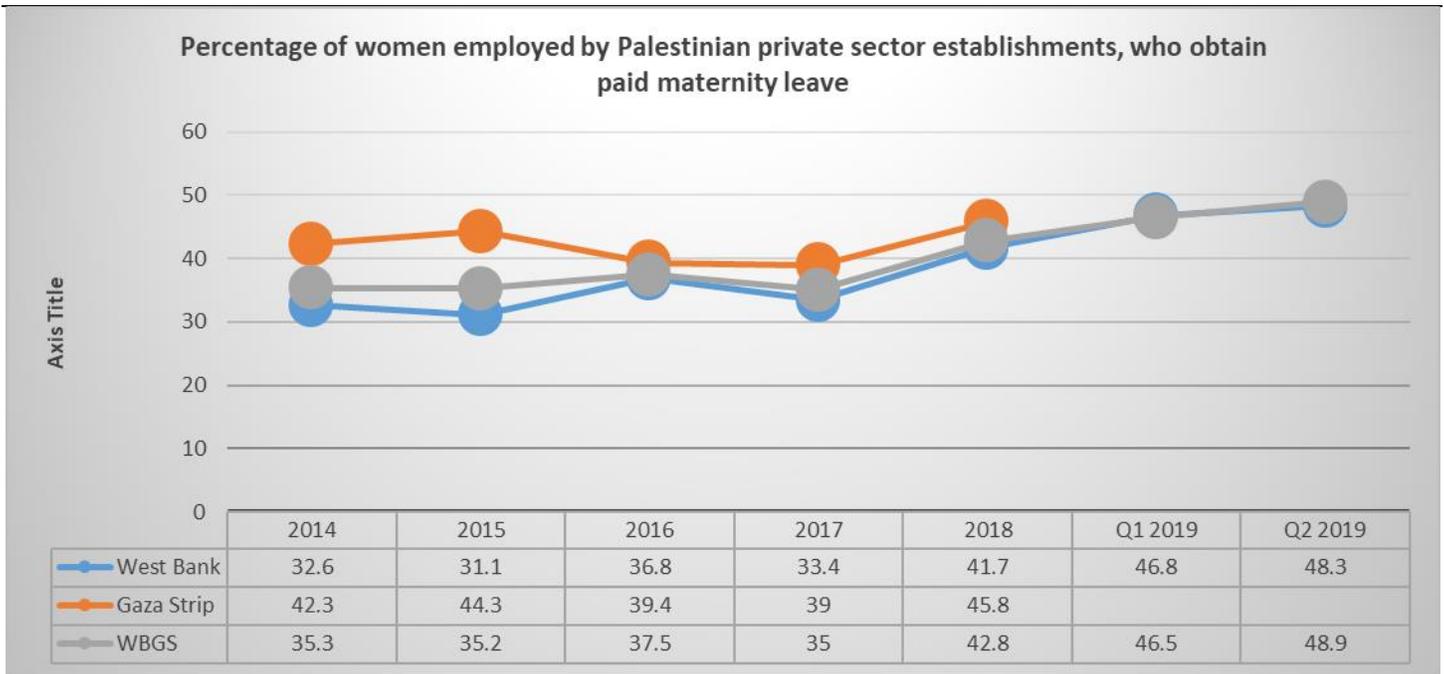
Regarding paid sick leave, the overall percentage of workers, who obtain this leave, increased from 21.8% in 2014 to 24.7% in 2018, with a further increase to 30.8% in the second quarter of 2019. In the West Bank, the percentage increased from 20.8% in 2014 to 24.7% in 2018, and reached 30.8% in the second quarter of 2019. In the Gaza Strip on the contrary, the percentage decreased from 24.4% in 2014 to 20.1% in 2018, and reached 18.9% in the second quarter of 2019.



Source: Palestinian Central Bureau of Statistics, 2015-2019. Palestinian Labour Force Survey: Annual Reports: 2014-2018; Labour Force Surveys: (January-March, 2019) Round, (Q1/2019), (April- June, 2019) Round, (Q2/2019). Press Reports on the Labour Force Survey Results. Ramallah - Palestine.

### Paid maternity leave

Whereas over half of women employees in the private sector continue to be denied paid maternity leave, a higher percentage of employed women obtained paid maternity leave in the Gaza Strip compared to the West Bank from 2014 until 2018. However, it appears that the situation has been improving for women workers in the West Bank, as the percentage of employed women obtaining maternity leave increased from 32.6% in 2014 to 41.5% in 2018, with a sharper increase noted between 2017 and 2018 (8.3%). Available data for the 1<sup>st</sup> and 2<sup>nd</sup> quarter of 2019 seem to confirm this rise, whereby the percentage reached 48.3% in the 2<sup>nd</sup> quarter.



Source: Palestinian Central Bureau of Statistics, 2015-2019. Palestinian Labour Force Survey: Annual Reports: 2014-2018; Labour Force Surveys: (January-March, 2019) Round, (Q1/2019), (April- June, 2019) Round, (Q2/2019). Press Reports on the Labour Force Survey Results. Ramallah - Palestine.

### Insurance against work injuries

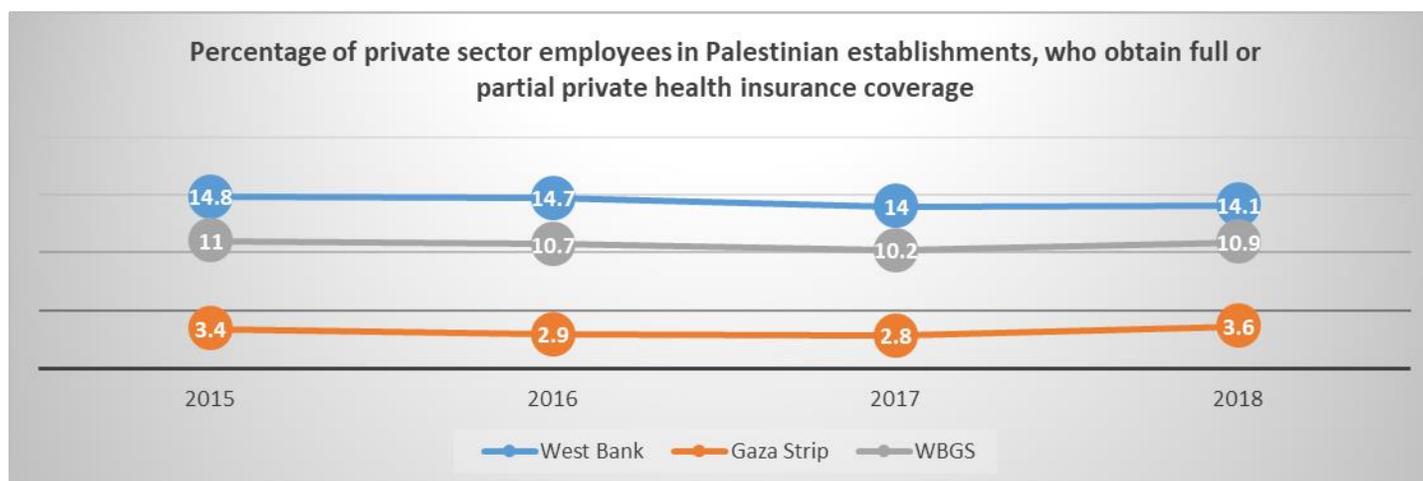
Providing insurance against work injuries is mandatory for Palestinian private sector employers. In the absence of a social security system, employers have to insure their employees with private insurance companies. Statistics indicate that the vast majority fail to do so. The increase of workers insured against work injuries between 2015 and 2018 was only by 3.6%. Somewhat higher compliance can be noted in the West Bank throughout the period. In the absence of insurance against work injuries, the employer is liable for all the costs related to medical care, rehabilitation, pay during time-off from work due to the injury and compensation for the work injury. However, the absence of an insurance policy can seriously affect an injured workers' ability to claim his or her rights, especially if the employer lacks the means to cover amounts due.



Source: Palestinian Central Bureau of Statistics, 2016-2019. Palestinian Labour Force Survey: Annual Reports: 2015- 2018. Ramallah - Palestine.

### Health insurance

Provision of partial or full private health insurance coverage by the employer is an additional benefit, which does not form part of the minimum rights guaranteed by the Palestinian Labor Law. It concerns only about 11% of private sector workers, and its provision has been stagnating from 2014 to 2018. Markedly, there is a greater provision of such a benefit in the West Bank (14% of workers benefit from it) than in the Gaza Strip (on average, only 3% of workers benefit from it). Several factors may have caused this difference. Despite the absence of a universal health insurance system, most of the population in the Gaza Strip has health insurance coverage (95.4%) according to the year 2017 Census. A much lower percentage has coverage in the West Bank (65.7%)<sup>1</sup>, thus there is a greater need or demand among workers for obtaining private health insurance coverage in the West Bank. On the other hand, this benefit is mostly provided by enterprises/organizations and in certain sectors, where employees also have other additional benefits.



Source: Palestinian Central Bureau of Statistics, 2016-2019. Palestinian Labour Force Survey: Annual Reports: 2015-2018. Ramallah - Palestine.

<sup>1</sup> Palestinian Central Bureau of Statistics, February 2018, Preliminary Results of the Population, Housing and Establishments Census, 2017. Ramallah-Palestine