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Preface

In accordance with the mandate given by the International Labour Conference, this year I again sent a mission to prepare a report on the situation of workers of the occupied Arab territories. The mission visited the West Bank, including East Jerusalem, as well as Gaza, Israel and the occupied Syrian Golan. It also met by videoconference with constituents of the Syrian Arab Republic. In addition, the mission leader met with the Arab Labour Organization in Cairo by videoconference.

In the occupied Arab territories and Israel, the mission had in-depth discussions with representatives of the Palestinian Authority, the Government of Israel, employers' and workers' organizations in Palestine and Israel, Syrian citizens in the occupied Syrian Golan, representatives of the United Nations (UN) and other international and non-governmental organizations (NGOs) as well as business people and workers. They all provided information which has guided the preparation of this report. The mission also undertook a number of useful field visits.

I am grateful for the cooperation extended to the mission by all its interlocutors, which once again reaffirmed their 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 of the occupied Arab territories.

For more than four decades, successive ILO Directors-General have presented reports to the International Labour Conference concerning the situation of workers of the occupied Arab territories in accordance with the terms of the 1980 Conference resolution.

It has proven salutary to look again at the preface to my first report in 2013. In it I wrote that "[t]he starting point to prevent a downward spiral deeper into crisis and despair is the realization that the current situation is unsustainable and will remain so until it is based on social justice." I drew attention to the fact that continuing occupation and expanding settlement activity were blocking the Palestinian economy, to the dangers of serious erosion of confidence in the capacity of Palestinian institutions to deliver growth with decent work and respect for fundamental rights, and to the alarming situation in Gaza which risked becoming unbearable. I commented on the lack of progress in overcoming the Palestinian divide and on the fiscal crisis facing the Palestinian Authority. I expressed the opinion that Israel should relax and remove restrictions on people and on businesses and that the international community had to go beyond promises and wishes.

It is a measure of the frustrations, and the lack of progress, of recent years that all of these considerations could equally apply to the situation outlined in this report. The added value of the report is that it provides an objective and dispassionate overview of developments in the occupied Arab territories as they relate to the ILO's objectives and mandate. It points the way to possible paths for progress to which the ILO, as ever, stands ready to contribute. Ultimately, however, the realization of that progress depends upon the political will of the Israeli and Palestinian protagonists and their readiness to work together, and the support and facilitation of the international community, including continued donor support.

All of these components need to come together to much better effect in the coming years than they have in the last ten if the situation of workers in the territories is to improve in ways that offer them prospects for decent work and offer everybody in the region basic guarantees of stability, security, and peace.

May 2022

Guy Ryder
Director-General

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Introduction

1. This Report of the Director-General presents the findings of the annual ILO mission mandated to assess the situation of workers of the occupied Arab territories. As in all previous years, the mission was carried out in accordance with the resolution concerning the implications of Israeli settlements in Palestine and other occupied Arab territories in connection with the situation of Arab workers, adopted by the International Labour Conference at its 66th Session (1980). [1] The mission covered the situation of the workers of the Occupied Palestinian Territory (the West Bank, including East Jerusalem, and Gaza) and the occupied Syrian Golan. [2]

2. The Director-General's representatives were guided by the principles and objectives laid down in the Constitution of the International Labour Organisation, including the Declaration of Philadelphia, as well as the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Declaration on Social Justice for a Fair Globalization and the ILO Centenary Declaration for the Future of Work. The representatives were also guided by the resolutions adopted by the International Labour Conference, including the 2021 Global call to action for a human-centred recovery that is inclusive, sustainable and resilient, [3] 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 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). Their work was guided by the relevant resolutions of the UN General Assembly and the Security Council, including Security Council resolutions 242 (1967), 338 (1973), 497 (1981), 1397 (2002), 1515 (2003), 1850 (2008), 1860 (2009) and 2334 (2016). They were also mindful of the Advisory Opinion of 9 July 2004 of the International Court of Justice. [4]

4. The Director-General entrusted Frank Hagemann, Director of the Department of Official Meetings, Documentation and Relations, to lead the mission. The mission team included Tim De Meyer, Senior Adviser in the International Labour Standards Department; Kee Beom Kim, Macroeconomic and Employment Policies Specialist in the Employment Policy Department; Konstantinos Papadakis, Senior Specialist in the Governance and Tripartism Department; and Lisa Tortell, Legal Specialist in the International Labour Standards Department. Mounir Kleibo,

[1] ILO, Resolution concerning the Implications of Israeli Settlements in Palestine and Other Occupied Arab Territories in Connection with the Situation of Arab Workers, International Labour Conference, 66th Session, 1980.

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

[3] ILO, Global call to action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient, International Labour Conference, 109th Session (2021).

[4] ICJ, "Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory", in *Reports of Judgments, Advisory Opinions and Orders*, advisory opinion, 9 July 2004.

ILO Representative in Jerusalem; Rasha El Shurafa, Programme Officer in the Office of the ILO Representative in Jerusalem; and Dalal Abu Saleh, Operations Assistant in the Office of the ILO Representative in Jerusalem, helped prepare the mission and supported its work. Tariq Haq, Senior Employment Policy Specialist in the Decent Work Technical Support Team for the Arab States, acted as technical adviser.

5. The mission visited the occupied Arab territories and Israel from 26 March to 7 April 2022. In the course of the mission, the Director-General's representatives held consultations with Israeli and Palestinian interlocutors, and also those from the occupied Syrian Golan.[5] They met with representatives of various ministries and institutions of the Palestinian Authority and the Government of Israel, Palestinian and Israeli social partners, NGOs, research institutions, business people and workers. The mission also consulted representatives of the UN and other international organizations.

6. In addition, the mission held consultations by videoconference with the Syrian Government and workers' and employers' representatives on 10 March 2022, and the mission leader with the Arab Labour Organization on 16 March 2022.

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

[5] A list of interlocutors is contained in the annex to this report.

Chapter 1. Lockdowns lifted but occupation persists

9. The year 2021 should have marked the start of a sustainable and inclusive recovery from the COVID-19 pandemic for Palestinian workers and their families. However, the enduring occupation leaves no room for a resilient labour market rebound, dims the prospects of a peaceful solution of the Israeli–Palestinian conflict and further weakens Palestinian governance institutions. A fiscal crisis in the Palestinian Authority, partially a product of the occupation and compounded by declining donor support, [6] forestalls economic stimulation and blunts social mitigation measures. As such, many Palestinian workers have limited options: remain underutilized in the insecure Palestinian labour market, risk starting businesses in this unpredictable and inhospitable environment, or navigate the Separation Barrier and the Israeli permit system for better-paid jobs in Israel and the settlements. Rising tensions are also casting a shadow over the fragile economic recovery.

The labour market post-pandemic: Little room for resilience

10. The pandemic is loosening its grip on the Palestinian economy and the labour market for Palestinian workers. After rising sharply in early 2022 due to the Omicron variant, the number of active cases of COVID-19 in the Occupied Palestinian Territory is declining. Full vaccination coverage is at 49 per cent, still well below the Ministry of Health target of 90 per cent. [7]

11. Economic growth has started to recover but is projected to slow down before returning to pre-pandemic levels in 2023. [8] Employment creation is lagging behind growth, while poverty is still on the rise. [9] Unemployment has further increased and came out at 26 per cent in 2021, while labour underutilization stood at 34 per cent. These overall figures hide significant differences. In Gaza, for example, unemployment reached 47 per cent, compared to 16 per cent in the West Bank. Three out of four young graduates in Gaza were unemployed in 2021. Two out of three young women graduates in the Occupied Palestinian Territory remained unemployed, compared to an overall female unemployment rate of 43 per cent. Men are four times more likely to join the labour force than women.

12. Indicators of employment quality suggest that an inclusive and resilient recovery remains some way off. Informal employment accounted for three quarters of the employment increase in 2021. In that year, about half of the wage employees in the Palestinian private sector were hired without a written contract. Less than one in three wage employees contributed to a pension fund. Only half of women wage employees in the private sector enjoyed access to paid maternity leave. In 2021, the Palestinian Authority increased the monthly minimum wage from 1,450 to 1,880 new Israeli shekels (from US$450 to US$585), which, even if paid, is unlikely to sustain workers and their families above the poverty line. [10] In Gaza, more than 8 out of 10 employees were paid a

[6] Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO), *Report to the Ad Hoc Liaison Committee*, 17 November 2021, Appendix, figure 5.

[7] United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Occupied Palestinian Territories – Key Facts and Figures, March 2022, 5 (unpublished).

[8] International Monetary Fund, "IMF Staff Concludes Visit to West Bank and Gaza", press release, 10 March 2022.

[9] All labour market indicators referenced in this chapter are based on data from the Palestinian Central Bureau of Statistics (PCBS).

[10] PCBS, *Poverty Profile in Palestine, 2017.*

wage that would be just over a third of the new statutory minimum wage. Child labour continued to manifest itself as a negative coping mechanism, noticeably so in Gaza.

13. Anaemic growth, high unemployment, working poverty and other gaps in employment quality put pressure on Palestinians to seek employment in Israel, where average wages are more than double. Better-paid job opportunities in Israel provide much-needed income for Palestinian workers and their families. But the large numbers of workers involved have also led to skills and labour shortages in some areas and sectors of the Palestinian labour market.

14. As in the past, Palestinians working in Israel face challenges that leave them prone to exploitation. In 2021, half of all permit holders still went through a broker. While permit quotas are now decoupled from employers, reform of the permit system has not yet produced tangible results for Palestinian workers. It remains to be seen whether planned measures, such as direct electronic wage payments into workers' Palestinian bank accounts, will manage to remedy current abusive practices and reduce the power of permit brokers.

15. Greater numbers of undocumented workers are crossing into Israel informally, including through holes that have been cut into the Separation Barrier. The Israeli authorities estimate that in 2021, some 30,000 to 40,000 Palestinians worked in the country without a permit. Following a number of lethal terrorist attacks in Israel in March 2022, some Israeli voices highlighted the security threat posed by these holes in the Barrier. The fact that the holes have existed for many years points to compelling labour market dynamics for which coordinated governance solutions will need to be found. [11]

16. Faced with few employment opportunities at home and constraints on movement and development, many Palestinians resort to working in Israeli settlements. In 2021, approximately 37,000 Palestinian workers found employment in Israeli settlements in the West Bank, mostly in the construction sector. As in previous years, interlocutors reported hazardous working conditions, frequent cases of payment below the minimum wage, incidents of sexual harassment of women, and child labour.

17. In Gaza, the risk of humanitarian collapse is managed by expanding the number and type of permits for Gazans to work in Israel and by adjusting the restrictions on imports into Gaza of materials that can potentially be used for both civilian and military purposes. Still, Israel's far-reaching and often-changing "dual-use" restrictions continue to undermine Gaza's reconstruction, compromising productivity growth and distorting its labour market. This has resulted in further deindustrialization and an inflated service-sector share in employment. [12] Gaza's manufacturing and agriculture sectors combined accounted for 17 per cent of the gross domestic product (GDP) in 2021 compared to 27 per cent in 1994. [13]

[11] Yaniv Kubovich, "Why Nobody Wants to Seal Israel's Separation Barrier", *Haaretz*, 6 April 2022.

[12] UNCTAD, *Report on UNCTAD Assistance to the Palestinian People: Development in the Economy of the Occupied Palestinian Territory*, 20 September 2021, para. 56; Gisha – Legal Center for Freedom of Movement, *Red Lines, Gray Lists – Israel's Dual-Use Policy and the Gaza Reconstruction Mechanism*, 11 January 2022.

[13] World Bank Group, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 17 November 2021, 16–17.

The occupation forges ahead

18. The occupation intensified in 2021. Settlement expansion continued: the number of units in settlements built in Area C [14] and the number of illegal outposts have grown since last year. Furthermore, Israeli authorities demolished Palestinian homes and workplaces in increasing numbers, based on planning regulations that rarely allow Palestinians to obtain building permits. More people are being displaced and more livelihoods are affected. Incidences of violence by settlers against Palestinians and their property accelerated in 2021. Settlers often act with impunity and sometimes under military protection. Disturbingly, the number of Palestinian and Israeli fatalities and injuries in the context of the occupation and conflict likewise increased in 2021.

19. In East Jerusalem, Palestinians continued to face multiple obstacles to obtaining building permits, with Israeli planning and zoning laws and policies effectively discriminating against them. [15] Underinvestment in Palestinian schools has resulted in elevated school dropout rates in East Jerusalem. Employment and income opportunities at levels adequate to sustain a living in the city are often hard to come by for Palestinians. Employment in East Jerusalem of Palestinians from elsewhere in the West Bank is subject to permits that are difficult to obtain. Palestinian businesses in the city are effectively cut off from their hinterland and traditional markets. Civil society activity is continuing to shrink. In April 2022, the Israeli Government extended its long-standing prohibition on the Jerusalem Chamber of Commerce working within municipal limits. The prohibition on 27 other civil society organizations was also extended.

Labour market governance weakened by the occupation, slow institutional reform and wavering trust

20. The Palestinian Authority's limited autonomy and institutional capacity impede the progress and impact of reforms in important areas, such as labour and social security law, employment and social welfare services, occupational safety and health and vocational training. Palestinians in the West Bank and Gaza signal a deficit of trust in and legitimacy of Palestinian Authority institutions. [16] In late 2021 and early 2022, Palestinians in the West Bank participated in elections for municipal councils. Independent candidates dominated, winning nearly two thirds of the seats. The Palestinian Authority has not set new dates for the presidential and legislative elections that were indefinitely postponed in 2021 as Israel did not confirm that elections could take place in East Jerusalem.

21. The mission's interlocutors emphasized that revitalizing internal reconciliation and the accountability of Palestinian leadership through national elections was needed to restore trust and confidence in Palestinian institutions and to invigorate labour market governance. Acting on these priorities is also vital to pursuing the two-state solution, without which Palestinians could not achieve their aspirations for self-determination. Deeper engagement of the international community is needed to pull reconciliation out of its current impasse.

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

[15] OCHA, Key Facts and Figures.

[16] Palestinian Center for Policy and Survey Research, "Pre-Local Elections: Palestinian Public Opinion Poll", 14–23 October 2021; "Public Opinion Poll (No. 82)", 8–11 December 2021; "Public Opinion Poll (No. 83)", 22 March 2022.

Standstill in the peace process

22. In the absence of meaningful negotiations, the peace process and prospects for a two-state solution remain stalled. The UN Secretary-General has continued to emphasize the two-state solution as the only viable solution to the conflict. [17] However, proposals for an international conference to rebuild momentum towards the two-state solution [18] have suffered several setbacks and the Israeli Government that was formed in June 2021 has indicated that it sees no current possibility of restarting peace talks. [19] In addition, influence from the Middle East Quartet is hampered by the conflict in Ukraine and, while bilateral agreements between Israel and a number of Arab countries may be leveraged to improve economic conditions for Palestinians, their exclusion from the process is unlikely to rekindle any meaningful drive for peace.

23. In its most recent statement, the Munich Group, comprising the Foreign Ministers of Egypt, France, Germany and Jordan, "underline[d] the importance of creating political and economic horizons" in the absence of meaningful peace negotiations. These horizons would consist of "mutual confidence-building measures based on reciprocal commitments, with a view to improving living conditions for the Palestinian people". [20]

24. The realization that the status quo is unsustainable and that it risks future violent conflict prompted some of the architects of the Oslo Accords to craft a proposal for a "Holy Land Confederation". [21] The proposal seeks to facilitate a two-state solution by introducing a transitional phase during which Israel and Palestine would cohabit in a confederation. It is still unclear whether the proposal will gain political traction.

Political and economic horizons

25. Workers of the Occupied Palestinian Territory are the first to be penalized by the stalemate in the peace negotiations, constraints imposed by the occupation and internal divisions. Despite signs of recovery in 2021, socio-economic resilience remains only an aspiration. Jobs are few, workers' protection is sporadic, and decent work and incomes are insufficient. Workers in the West Bank, including East Jerusalem, have few opportunities and experience precarity. The situation is worse in Gaza, and movement outside the Strip is largely impossible for most people. For Palestinians working in Israel and the settlements, the power imbalance between workers and their employers is exacerbated by the physical and bureaucratic obstacles imposed by the occupation and the lack of a voice for Palestinians.

26. The terrorist attacks, killings and tensions in Israel and the Occupied Palestinian Territory, which escalated at the time of the mission and as this report was being written, cast a long shadow. On both sides, civilians – workers and employers, women and men – have died and been injured, caught up in the conflict that permeates all aspects of their lives. This is the reality that the peace process is attempting to remedy and within which the labour market operates. Achieving decent work for Palestinian working women and men requires attention to be paid to both political and economic horizons.

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[17] UN, "Rejecting Piecemeal Approaches, Secretary-General Says Concrete Steps Urgently Needed to Achieve Two-State Solution, as Palestinian Rights Committee Begins 2022 Session", 8 February 2022.

[18] See President Abbas' address to the UN General Assembly, 24 September 2021.

[19] *Times of Israel,* "Bennett Says He Won't Meet Mahmoud Abbas, Palestinian State a 'Terrible Mistake'", 14 September 2021.

[20] See the Joint Statement on the Middle East Peace Process, 19 February 2022.

[21] Hiba Husseini and Yossi Beilin, *The Holy Land Confederation as a Facilitator for the Two-State Solution*, February 2022.

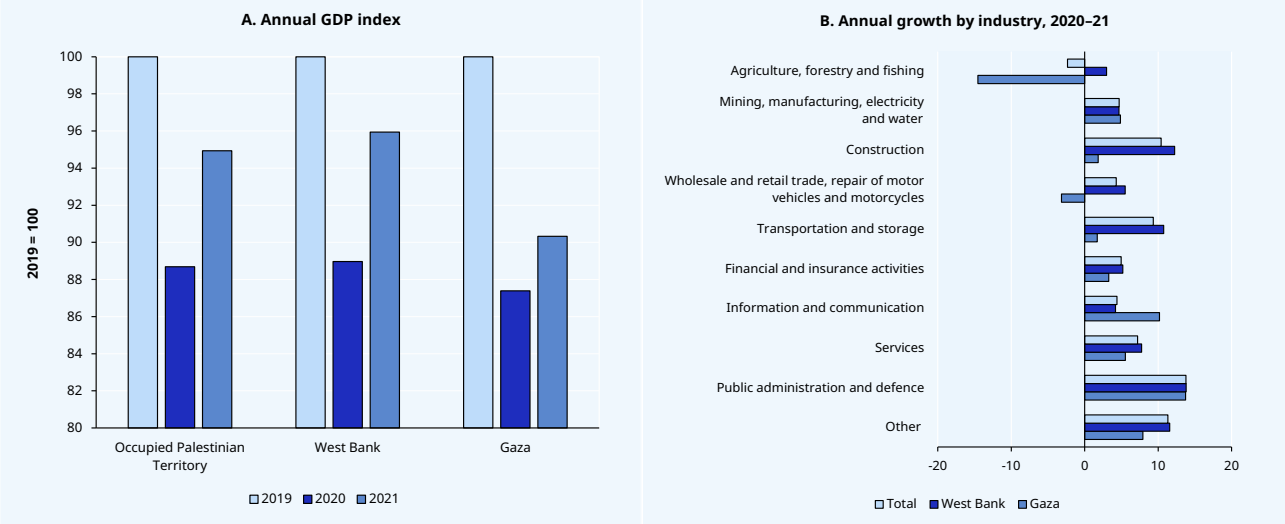
Chapter 2. A fragile and uneven economic and labour market recovery from the COVID-19 pandemic

Macroeconomic developments: Regaining lost ground

27. Following the COVID-19-induced contraction of 11.3 per cent in 2020, GDP is estimated to have rebounded by 7.1 per cent in 2021 [22] as the vaccination campaign took hold and COVID-19 restrictions, such as lockdowns and workplace closures, were loosened. Not surprisingly, given the blockade that Gaza has endured for 15 years, coupled with the May 2021 escalation of hostilities which is estimated to have led to damage and economic losses of between US$395 million and US$570 million, [23] GDP in Gaza expanded by only 3.4 per cent, less than half the rate of the West Bank.

28. Despite the economic upturn, levels of economic activity remain below the pre-pandemic levels of 2019: in the West Bank, GDP in 2021 was 95 per cent of that in 2019, and the corresponding figure for Gaza was 90 per cent (figure 2.1). GDP growth in 2021 was driven by the public sector and construction, both of which expanded by over 10 per cent, while the agriculture, forestry and fishing sector was the only sector to experience negative growth. The latter development was driven by Gaza, where agricultural output decreased by a massive 14.5 per cent. The mission was informed by interlocutors in Gaza, including farmers, that many greenhouses were bombarded during the May 2021 escalation, and that farmers often did not have the resources to rebuild them. Wholesale and retail trade in Gaza also contracted (by 3.2 per cent) while the information and communication sector was one of the few bright spots, expanding by 10.2 per cent.

Figure 2.1. Index of annual real GDP (constant 2015 prices) **and annual growth 2020–21 by industry** (per cent)



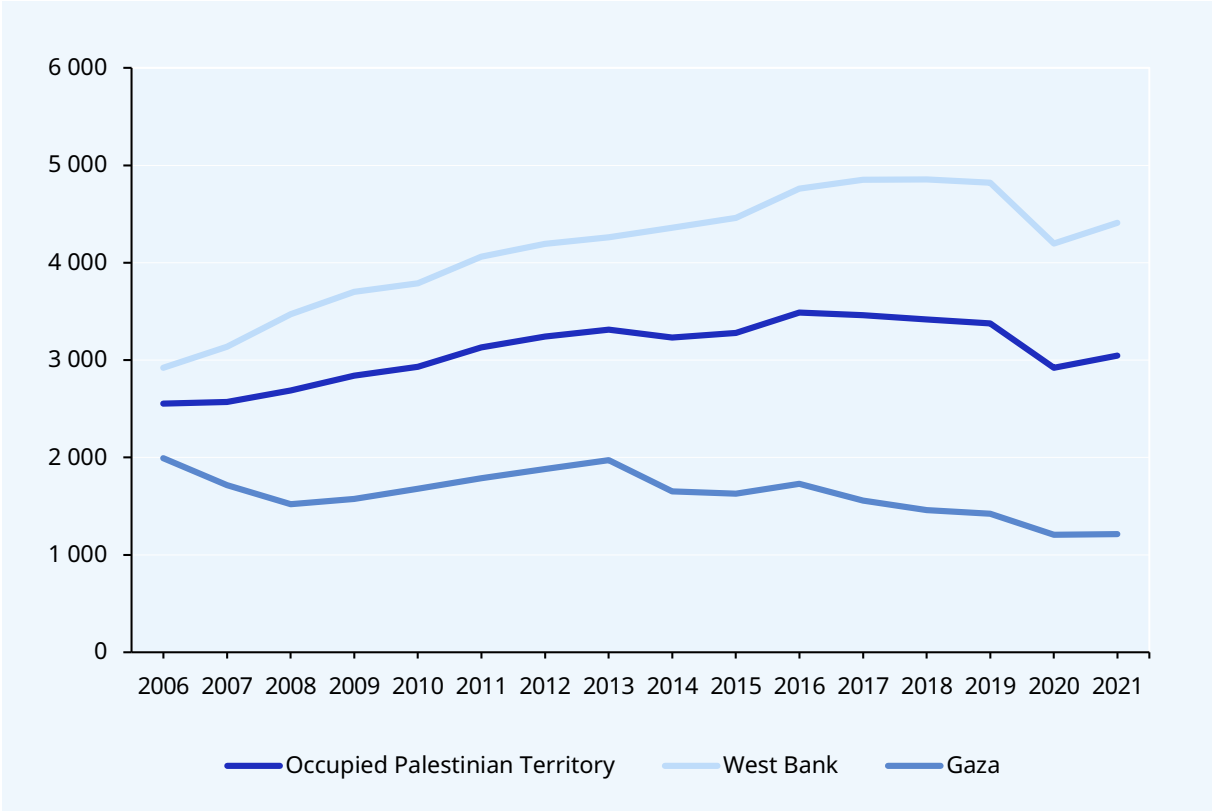
Note: Fourth-quarter 2021 GDP data on which the annual 2021 figure is based on are preliminary and subject to revisions.
"Other" includes primarily customs and VAT activities.
Source: ILO calculations based on Palestinian Central Bureau of Statistics (PCBS) National Accounts (2022).

[22] Preliminary PCBS estimates for 2021.

[23] World Bank Group, *Gaza Rapid Damage and Needs Assessment*, June 2021.

29. For the Palestinian economy as a whole, per capita GDP expanded by 4.2 per cent in 2021 (figure 2.2). Despite the rebound, however, per capita GDP has since receded to its 2010 level. There are also significant divergences in the growth rates between the West Bank and Gaza: in the former, per capita GDP grew by 5.1 per cent, while there was essentially no growth in Gaza (0.5 per cent). As a result, the gap between the West Bank and Gaza widened even further: per capita GDP in Gaza is less than 28 per cent of that in the West Bank. Current living standards in Gaza are 60 per cent of the levels prior to the blockade in 2006.

▶ **Figure 2.2. GDP per capita, 2006–21** (constant 2015 US dollars)



Note: Fourth-quarter 2021 GDP data on which the annual 2021 figure is based are preliminary and subject to revisions.
Source: ILO calculations based on PCBS.

Gaza's restricted ability to trade

30. Gaza's living standards are held down in part by the inability to trade freely and connect with the outside world. In 2021, there were improvements in terms of goods permitted by Israel to exit Gaza. An average of 379 truckloads per month left through the Kerem Shalom and Rafah crossings, which represents a significant increase compared to 2020 (when the monthly average was 265 truckloads). [24] Furthermore, the first two months of 2022 saw a monthly average of 851 truckloads exiting Gaza, a rate that is still below the levels of the first half of 2007 (when the monthly average was 961), before the start of the blockade, but significantly above the levels seen in the last decade. [25] Most goods exiting Gaza were of low value added: in January 2022, 76 per

[24] OCHA, OPT Facts and Figures, March 2022.

[25] OCHA, OPT Facts and Figures, March 2022.

cent of goods were vegetables, 15 per cent were scrap iron, and only the remaining 9 per cent were textiles, furniture, plastic pipes and other goods. [26]

31. On the other hand, goods entering Gaza remained severely limited. In 2021, a monthly average of 7,900 truckloads entered Gaza through the Kerem Shalom and Rafah crossings, below the monthly average of 8,800 in 2020 and well below the monthly average of 11,200 in the first half of 2007. Restrictions and prohibitions on imported goods that can potentially be used for military purposes – part of the "dual-use" list, [27] which includes fertilizers and fibreglass – remains a major stumbling block for value addition, economic activity and job creation. Furthermore, rising import and production costs owing to the global increases in energy and transportation prices have hit the construction and food sectors hard, and have obliged many companies to halt production. [28]

32. The Gaza Industrial Estate, the only industrial zone continuing to operate since the 2014 war, employs some 1,100 workers, but many of its enterprises were destroyed during the May 2021 escalation of hostilities. [29] The Gaza Reconstruction Mechanism, [30] which provides raw material inputs for construction, was again permitted to facilitate entry of basic construction materials (cement, reinforcement steel and gravel) following three months of closure after May 2021.

33. Given existing restrictions on the mobility of people and goods in Gaza, the development of the digital economy provides an important potential source of job creation. Private initiatives in the information and communication technology sector, such as companies providing enterprise software and business process outsourcing services (including call centres), act as virtual bridges between Gazan freelancers, start-ups, investors and local and international clients.

A continuing fragile fiscal situation

34. The fragile fiscal situation of the Palestinian Authority is hampering a swifter and more complete economic and labour market recovery. Both revenues and expenditures increased in 2021 compared to the previous year, but external budgetary support dropped precipitously, and at US$189.4 million was 55 per cent of the level of the previous year and a quarter of that in 2015. [31] Therefore, in 2021 the Palestinian Authority increased borrowing from domestic banks, to the point that it exceeded the limits set by the Palestine Monetary Authority, and continued to accumulate arrears to private sector contractors and the public pension fund. [32] In 2021, domestic debt rose to US$2.5 billion from US$2.3 billion in 2020.

35. Clearance revenues – taxes and customs duties that Israel collects on behalf of the Palestinian Authority – currently account for around two thirds of gross domestic revenues and hence play a critical role in the public finances of the Palestinian Authority. The partial withholding of clearance revenues continues to be a source of dispute and tension between Israel and the Palestinian Authority. Frequent and unilateral changes to the deductions made from the monthly transfer of clearance revenues, including to account for payments made by the Palestinian Authority to the

[26] OCHA, "Movement In and Out of Gaza: Update Covering January 2022".

[27] Restrictions include the prohibition on the importation of a long list of wide-ranging "dual-use" goods (machinery, equipment and other inputs to production) that can potentially be used for military purposes. Despite periodic updates to the list, restrictions have not significantly eased.

[28] Sanaa Alswerky, "Economic Fallout from the Russia–Ukraine War Hits Gaza Hard", *Jerusalem Post*, 21 March 2022.

[29] World Bank Group, *Gaza Rapid Damage and Needs Assessment, June 2021.*

[30] See "The Gaza Reconstruction Mechanism" website.

[31] Calculations based on Palestine Monetary Authority, "PNA Revenues, Expenditures and Financing Sources (Cash Basis)", 2022, table 35.

[32] IMF, "IMF Staff Concludes Visit to West Bank and Gaza".

Martyrs' Fund [33] during the course of 2021, ranging from 42 million to 100 million shekels, have complicated the day-to-day administration and planning of public finances. To meet its financial obligations in the context of a growing fiscal squeeze, the Palestinian Authority had to resort to paying less than the full amount of salaries to public sector employees and suspending transfers to needy families under public cash programmes at different times in 2021. These developments not only crowd out private investment and limit consumption demand, with attendant impacts on labour markets and the speed of the recovery from the COVID-19 pandemic, but also push the Palestinian Authority to focus on current spending at the expense of development expenditures.

The fiscal costs of the occupation are substantial

36. In addition to the shortfalls arising from the withholding of clearance payments, there are a number of other long-standing fiscal leakages, including those resulting from indirect import taxes; smuggling and evasion of custom duties and taxes; excessive handling/administrative fees on clearance revenues; foregone value added tax in the telecommunications sector; tax and other revenues from Israeli economic activities in Area C that have not been transferred to the Palestinian Authority; and passenger exit fees from the Allenby crossing. These leakages, estimated at US$473.4 million in 2015, represent around 3.7 per cent of Palestinian GDP. [34] Had there been no leakages between 2000 and 2017, levels of employment would have been on average 6.1 per cent higher per year, which could have translated into a cumulative gain of 766,000 jobs between 2000 and 2017. [35]

37. Furthermore, the restrictions on mobility and economic activity that have been imposed by Israel on the West Bank and Gaza carry enormous economic and social costs. The United Nations Conference on Trade and Development (UNCTAD) has estimated that tightened closures and restrictions following the outbreak of the second intifada in the West Bank led to cumulative GDP losses of US$57.7 billion between 2000 and 2019. [36] Had they not been put in place, GDP per capita in 2019 would have been 44.4 per cent higher than its actual value in that year. [37] Similarly, if the closure, restrictions and military operations had not occurred in Gaza between 2007 and 2018, the estimated GDP per capita in 2018 would have been more than double its actual level that year, while poverty in 2017 would have been 15 per cent, instead of 50 per cent of Gazans being poor. [38] There are also other costs arising from the lack of control, whether over natural resources such as land and water or over tariffs. One study has estimated the costs of the current uniform customs envelope with Israel, compared to having independent Palestinian tariffs, at around US$1.4 billion. [39]

[33] These include payments made by the Palestinian Authority to Palestinian prisoners in Israeli prisons, ex-prisoners, and families of those who died as a result of violence. See World Bank Group, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 17 November 2021.

[34] UN, *Economic Costs of the Israeli Occupation for the Palestinian People: Fiscal Aspects, Note by the Secretary-General*, A/74/272, 2 August 2019, para. 29.

[35] UNCTAD, *The Economic Costs of the Israeli Occupation for the Palestinian People: Cumulative Fiscal Costs*, 2019, 43.

[36] UN, *Economic Costs of the Israeli Occupation for the Palestinian People: Poverty in the West Bank between 2000 and 2019, Note by the Secretary-General,* A/76/309, 30 August 2021, para. 28.

[37] UN, *Poverty in the West Bank between 2000 and 2019*, A/76/309, table 1.

[38] UN , *Economic Costs of the Israeli Occupation for the Palestinian People: The Gaza Strip under Closure and Restrictions, Note by the Secretary-General,* A/75/310, 13 August 2020, para. 49.

[39] Misyef Jamil Misyef, *National Trade Policy for Palestine – Analysis of Tariff and Industrial Policy Options* (Palestine Economic Policy Research Institute, 2017).

Economic growth prospects are skewed to the downside

38. Addressing these leakages and costs would go a long way to support economic growth and job creation in the Occupied Palestinian Territory. Under its baseline scenario, the Palestinian Central Bureau of Statistics (PCBS) forecasts a GDP growth rate of 2.5 per cent in 2022. Under its optimistic scenario – which includes assumptions concerning the full transfer of clearance payments, reduced restrictions on the movement of individuals and goods, an increased number of Israeli work permits for Palestinian workers and an improved political situation – GDP growth is forecast to rise to 10.4 per cent in 2022. Under a pessimistic scenario – which assumes, inter alia, continued deductions in clearance revenues, tighter restrictions on movement of individuals and goods, a decrease in the number of permits issued to work in Israel, and renewed COVID-19-related restrictions – economic growth is expected to fall to –2.7 per cent.

39. Recent developments, particularly the rapidly increasing commodity prices, aggravated by the war in Ukraine and its implications, tilt economic projections to the downside. Both consumer and producer price indices soared in the first two months of 2022 and food prices saw rapid increases in February 2022, particularly in Gaza, where average incomes are far lower. Wheat flour prices in Gaza increased by 23.6 per cent in February 2022 compared to the same period in the previous year, and there were dramatic increases in the prices of corn oil (26.3 per cent), lentils (17.6 per cent) and white table salt (30 per cent). [40] These developments will hit the poor hardest and increase pre-existing levels of poverty. In 2017, prior to the COVID-19 pandemic and the recent spikes in energy and food prices, poverty measured by the national poverty line was already estimated to have reached 53.0 per cent in Gaza and 13.9 per cent in the West Bank. The COVID-19 pandemic was projected to have pushed these rates up to 64 per cent in Gaza and to 30 per cent in the West Bank. [41] In sum, there are multiple headwinds to economic and labour market progress in the Occupied Palestinian Territory: the lack of a political horizon; recent deterioration in the security situation; continued fiscal challenges; reduced donor funding and unstable clearance revenues; energy and food price spikes; and the continued adverse socio-economic impacts stemming from the COVID-19 pandemic.

Labour market developments: An incomplete rebound

40. There were improvements in 2021 across a range of labour market indicators as economic activity picked up following the lifting of restrictions imposed during the COVID-19 pandemic. Nonetheless, the majority of indicators have yet to return to pre-pandemic levels. Even if they had, it is worthwhile recalling that the pre-pandemic labour market situation was very problematic, following decades of economic and other restrictions: unemployment rates, particularly among women, were some of the highest in the world, while employment-to-population ratios were among the lowest. Nonetheless, the labour market recovery following the easing of COVD-19 restrictions provides a powerful illustration of the extent of potential labour market gains to be had if restrictions on the movement of individuals and goods imposed as part of the occupation were lifted.

Working hours recover, but lag for workers in Gaza, for women and for young men

41. Last year's Report of the Director-General highlighted that changes in working hours provide a more realistic picture of damage to labour markets as a result of the COVID-19 pandemic than more familiar indicators such as employment and unemployment rates. This is because changes

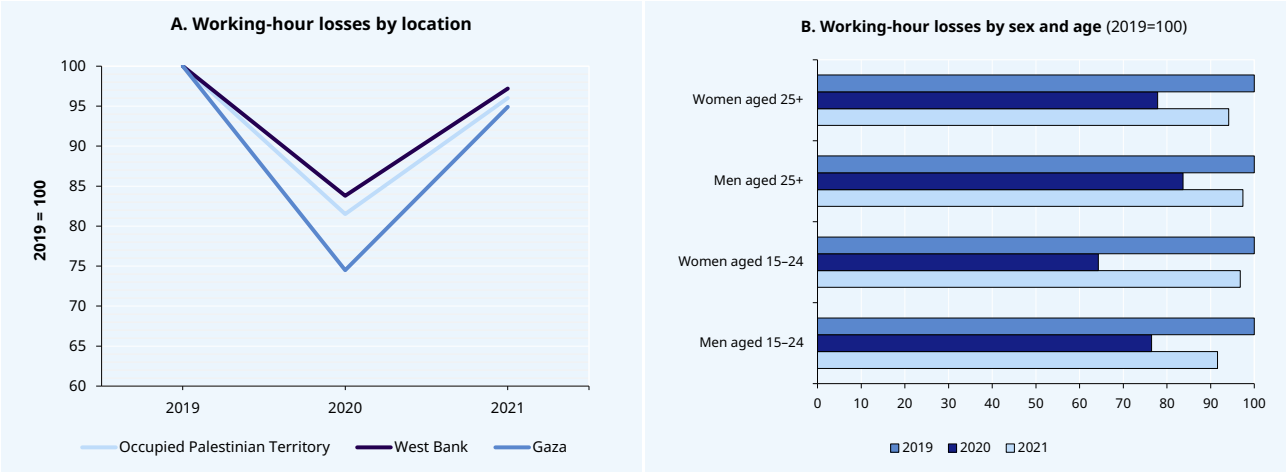
[40] Data provided by the World Food Programme office for Palestine, based on PCBS data.

[41] World Bank Group, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 2 June 2020.

in working hours reflect both outright employment losses and the reduced hours of work for those that remained employed. Following the 15.8 per cent decline in working hours suffered by Palestinian workers in 2020 – a rate almost twice as high as the global average decline of 8.8 per cent – aggregate working hours rebounded sharply in 2021.

42. At face value, aggregate working hours of Palestinian workers in 2021 surpassed the level of 2019. However, when adjusting for the fact that the working-age population grew by 5.8 per cent between 2019 and 2021, working hours remained below the pre-pandemic level of 2019 by some 4 per cent, the equivalent of 41,000 full-time jobs (figure 2.3). Population-adjusted working hours were 2.8 per cent lower in the West Bank in 2021 compared to 2019, while the corresponding figure for Gaza was 5.1 per cent lower. For women aged 25 years and above, working hours were 5.8 per cent below the pre-pandemic level, while they were 2.6 per cent lower for men aged 25 and above. At 8.4 per cent below the 2019 level, adjusted working-hour losses of Palestinian young men (aged 15–24) were considerably higher than for young women, at 3.2 per cent lower, primarily because women are predominantly employed in the public sector.

▶ Figure 2.3. Population-adjusted working-hour losses in the Occupied Palestinian Territory, 2019–21 (2019=100)



Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2019–21.

43. These trends are also broadly reflected in establishment surveys. Surveys of 2,600 establishments conducted by the PCBS in 2020 and 2021 indicate that, whereas enterprises were closed 51.2 per cent of the days during the lockdown period between March and May 2020, the share of closure days fell to 27.4 per cent during a similar period in 2021. [42] Furthermore, whereas some 13.8 per cent of enterprises reported laying off workers during the three-month period in 2020, the share declined to 8.6 per cent during a similar period in 2021.

Labour underutilization eases but remains higher than prior to the pandemic

44. Between 2019 and 2020, a period marked by lockdowns and lay-offs resulting from the COVID-19 pandemic, the absolute number of unemployed people actually fell (table 2.1). This is because in order to be counted as unemployed, a person must be both available to work and actively seeking work, and the pandemic made it difficult to satisfy both of these conditions. Rather than become classified as unemployed, workers who had lost their jobs often dropped out of the labour force

[42] PCBS, "Main Findings of COVID-19 Business Pulse Survey in Palestine (March–May 2021)", November 2021.

altogether and became inactive. This is illustrated when examining a segment of the inactive population, the potential labour force. This group includes those outside the labour force but with an attachment to the labour market. In 2020, the potential labour force increased by 63,000 individuals, up 50.2 per cent from the previous year. In 2021, as pandemic conditions allowed more people to look for a job and become available to take up work, the reverse transpired and the potential labour force decreased by 58,000 (or by 31.1 per cent), while the number of unemployed persons increased by 11.1 per cent. This served to push the unemployment rate up by half a percentage point from the previous year to 26.4 per cent. On the other hand, the composite measure of labour underutilization (LU4) [43] – which includes the unemployed, the potential labour force and the time-related underemployed [44] – fell from 36.3 per cent in 2020 to 34.3 per cent in 2021. That level, however, is still 1.3 percentage points higher than the level in 2019. In fact, labour underutilization indicators for men, women and youth in both Gaza and the West Bank continue to be higher than prior to the pandemic.

Table 2.1. Key indicators of labour underutilization, 2019–21

	2019	2020	2021	2020–21
				Percentage change
Unemployment ('000)	**344**	**334**	**371**	**11.1**
West Bank	129	136	142	4.0
Gaza	215	198	230	16.1
Potential labour force ('000)	**124**	**187**	**129**	**-31.1**
West Bank	11	23	10	-56.5
Gaza	113	164	119	-27.5
Total labour underutilization ('000)	**489**	**536**	**526**	**-1.9**
West Bank	151	170	168	-0.7
Gaza	338	366	358	-2.4
				Percentage point change
Unemployment rate (%) **– Occupied Palestinian Territory**	**25.3**	**25.9**	**26.4**	**0.5**
Men	21.3	22.5	22.4	-0.1
Women	41.2	40.1	42.9	2.8
Youth	40.2	42.1	41.7	-0.4
Unemployment rate (%) **– West Bank**	**14.6**	**15.7**	**15.5**	**-0.2**
Men	12.1	13.2	12.4	-0.8

[43] The composite measure of labour underutilization (LU4) is one of the four headline measures of labour underutilization; see ILO, Resolution concerning statistics of work, employment and labour underutilization, 19th International Conference of Labour Statisticians, 2013.

[44] Time-related underemployment refers to those wanting to work more hours and working fewer than 35 hours per week.

	2019	2020	2021	2020–21
Women	25.8	27.0	28.9	1.9
Youth	25.2	28.1	27.8	-0.3
Unemployment rate (%) **– Gaza**	**45.2**	**46.6**	**46.9**	**0.3**
Men	39.5	42.1	41.9	-0.2
Women	63.7	63.6	65.0	1.4
Youth	67.4	71.6	68.9	-2.7
Total labour underutilization – LU4 (%) **– Occupied Palestinian Territory**	**33.0**	**36.3**	**34.3**	**-2.0**
Men	26.1	30.0	27.7	-2.3
Women	55.1	57.0	56.3	-0.7
Youth	48.1	53.2	49.6	-3.6
Total labour underutilization – LU4 (%) **– West Bank**	**16.9**	**19.1**	**18.2**	**-0.9**
Men	14.2	16.1	14.9	-1.2
Women	28.7	31.9	32.3	0.4
Youth	28.1	32.8	31.6	-1.2
Total labour underutilization – LU4 (%) **– Gaza**	**57.3**	**62.3**	**58.8**	**-3.5**
Men	47.4	54.2	50.1	-4.1
Women	79.0	81.5	79.7	-1.8
Youth	76.6	82.5	77.5	-5.0

Note: Totals may not tally due to rounding.
Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2019–21.

45. The incidence of unemployment and of labour underutilization are at least three times higher in Gaza than in the West Bank. Women and youth in Gaza fare the worst, experiencing unemployment rates of 65 per cent or more and labour underutilization rates in excess of 77 per cent. On a more positive note, the incidence of youth (aged 15–24) not in employment, education or training declined from 34.5 per cent in 2020 to 31.5 per cent in the Occupied Palestinian Territory in 2021 as more young people became employed or enrolled in education and training. Nonetheless, almost one in three young Palestinians – a ratio that rises to two in five for young women in Gaza – are losing the opportunities to invest in their futures by accumulating knowledge and skills for the labour market either through education and training or through early work experience.

Other indicators also point to a rebound in the labour market

46. Other labour market indicators also showed improvements from 2020. Employment increased by 8.3 per cent in 2021 from the previous year (table 2.2). This aggregate growth was driven by a 16.4 per cent increase in the number of Palestinians working in Israel and the settlements.

Employment in Gaza grew by 14.8 per cent, albeit from a low base, while in the West Bank, it grew at a slower rate of 4.2 per cent. As a result of employment opportunities expanding at a faster rate than the rate of growth in the working-age population, the employment-to-population ratio increased from 30.3 per cent in 2020 to 31.9 per cent in 2021.

47. With employment growth for men in 2021 (9.0 per cent) being almost twice that of women (4.8 per cent), the employment-to-population ratio for men increased by 2.9 percentage points, while the corresponding rate for women remained essentially the same at 9.8 per cent. Consequently, the gender gap in the employment-to-population ratio, which had decreased in 2020, widened in 2021 to 43.6 percentage points. The current gap is slightly higher than the pre-pandemic gap of 44.3 percentage points in 2019. Employment of young people also increased by 12.3 per cent in 2021, which, as noted above, has supported the decline in the rate of youth not in employment, education or training.

48. After having dropped significantly in 2020, labour force participation rates also rebounded, increasing by 2.5 percentage points. The increase for men in Gaza is particularly notable: having dropped by 5.6 percentage points in 2020, it increased by 4.1 percentage points in 2021. As for labour underutilization indicators, the labour force participation and employment-to-population rates in both the West Bank and Gaza and for all demographic groups within each of these areas have yet to return to pre-pandemic levels.

Table 2.2. Key labour supply indicators, 2019–21

	2019	2020	2021	2020–21
				Percentage change
Population 15+ ('000)	**3 066**	**3 154**	**3 246**	**2.9**
West Bank	1 900	1 951	2 003	2.7
Gaza	1 167	1 203	1 243	3.3
Labour force ('000)	**1 357**	**1 291**	**1 408**	**9.0**
West Bank	881	867	918	5.9
Gaza	477	424	490	15.4
Employment ('000)	**1 014**	**957**	**1 036**	**8.3**
West Bank	619	605	631	4.2
Gaza	261	227	260	14.8
Israel and settlements	133	125	145	16.4
				Percentage point change
Labour force participation rate (%) **– Occupied Palestinian Territory**	**44.3**	**40.9**	**43.4**	**2.5**
Men	69.8	65.1	68.9	3.8
Women	18.0	16.1	17.2	1.1
Youth	30.3	26.2	28.8	2.6

	2019	2020	2021	2020–21
Labour force participation rate (%) **– West Bank**	**46.4**	**44.4**	**45.8**	**1.4**
Men	74.4	71.2	73.6	2.4
Women	17.4	16.8	17.2	0.4
Youth	32.3	29.5	31.7	2.2
Labour force participation rate (%) **– Gaza**	**40.9**	**35.3**	**39.4**	**4.1**
Men	62.3	55.2	61.2	6.0
Women	19.2	15.0	17.3	2.3
Youth	27.1	21.2	24.5	3.3
Employment-to-population ratio (%) **– Occupied Palestinian Territory**	**33.1**	**30.3**	**31.9**	**1.6**
Men	54.9	50.5	53.4	2.9
Women	10.6	9.7	9.8	0.1
Youth	18.1	15.2	16.8	1.6
Employment-to-population ratio (%) **– West Bank**	**39.6**	**37.4**	**38.7**	**1.3**
Men	65.4	61.8	64.5	2.7
Women	12.9	12.3	12.2	-0.1
Youth	24.2	21.2	22.9	1.7
Employment-to-population ratio (%) **– Gaza**	**22.4**	**18.8**	**20.9**	**2.1**
Men	37.6	32.0	35.6	3.6
Women	6.9	5.5	6.1	0.6
Youth	8.8	6.0	7.6	1.6

Note: Totals may not tally due to rounding. Employment data for the West Bank exclude Palestinian workers employed in Israel and the settlements.
Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2019–21.

Construction drives employment growth for Palestinian workers

49. By sector, construction represents 18.7 per cent of total employment of Palestinian workers but accounted for 42.3 per cent of the employment growth between 2020 and 2021. Less than 0.5 per cent of Palestinian workers in construction are women. In fact, even the minimal levels of women's employment in the sector declined between 2020 and 2021, and thus the employment increase in the sector is wholly attributable to men. Commerce, restaurants and hotels added some 23,000 jobs, which represents some 29.5 per cent of total job growth in 2020–21. In Gaza, services and other branches accounted for almost 40 per cent of the job growth between 2020 and 2021, with commerce, restaurants and hotels accounting for a quarter of the increase in jobs. Deindustrialization over decades in Gaza has rendered the economy there incapable of generating jobs in the traditionally higher-value-added segments of the economy. In Israel and the settlements, the construction sector accounted for more than 90 per cent of the increase in jobs for Palestinian workers.

50. As the impact of the COVID-19 pandemic on sectors was very uneven, with services sectors such as commerce, restaurants and hotel accommodation bearing the brunt of the collapse in economic activity, it is not surprising that these activities have led the rebound as COVID-related restrictions were rescinded. Nonetheless, various interlocutors pointed to the tourism sector and the manufacture and marketing of traditional handicrafts, particularly in East Jerusalem and Bethlehem, which were hard hit during the pandemic, as examples of how the services sector is lagging in the recovery. PCBS statistics indicate that consumption by inbound tourists into the Occupied Palestinian Territory collapsed, falling by 80.2 per cent from US$1.3 billion in 2019 to US$258.8 million in 2020. [45] With international tourism far from returning to the levels prior to the pandemic and the recent increase in clashes between Palestinians and Israelis likely to further dissuade travel to the area, prospects for workers and enterprises in the tourism industry remain particularly dire.

Most jobs created were informal

51. Informal employment was the driver of the growth in total Palestinian employment in 2021, accounting for almost three quarters of the total increase. The share of informal employment in total employment grew from 49.3 per cent in 2020 to 51.0 per cent in 2021. This is related to the sectoral composition of employment growth, as construction and the commerce, restaurants and hotels sector have some of the highest incidences of informality.

52. The incidence of informal employment among Palestinian workers is highest in Gaza (55.7 per cent), while the rate for those working in the West Bank is 49.8 per cent and in Israel and the settlements 47.6 per cent. It is also higher among men (53.2 per cent) than women (38.9 per cent), principally because women are more likely than men to be working in the formal public sector.

Average wages of workers in the West Bank and Gaza have fallen

53. Average daily Palestinian wages grew by 0.8 per cent in 2021 to reach 139.4 shekels, driven exclusively by the wage growth of 3.6 per cent in Israel and the settlements (figure 2.4). In both the West Bank and Gaza, average wages fell, by 1.0 per cent and 5.3 per cent respectively. At 270.6 shekels, average daily wages for Palestinian workers in Israel and the settlements are four times higher than the average daily wages in Gaza (66.7 shekels) and double those in the West Bank (132.7 shekels). A new collective bargaining agreement in the construction sector in Israel that is currently under negotiation could further increase this wage differential.

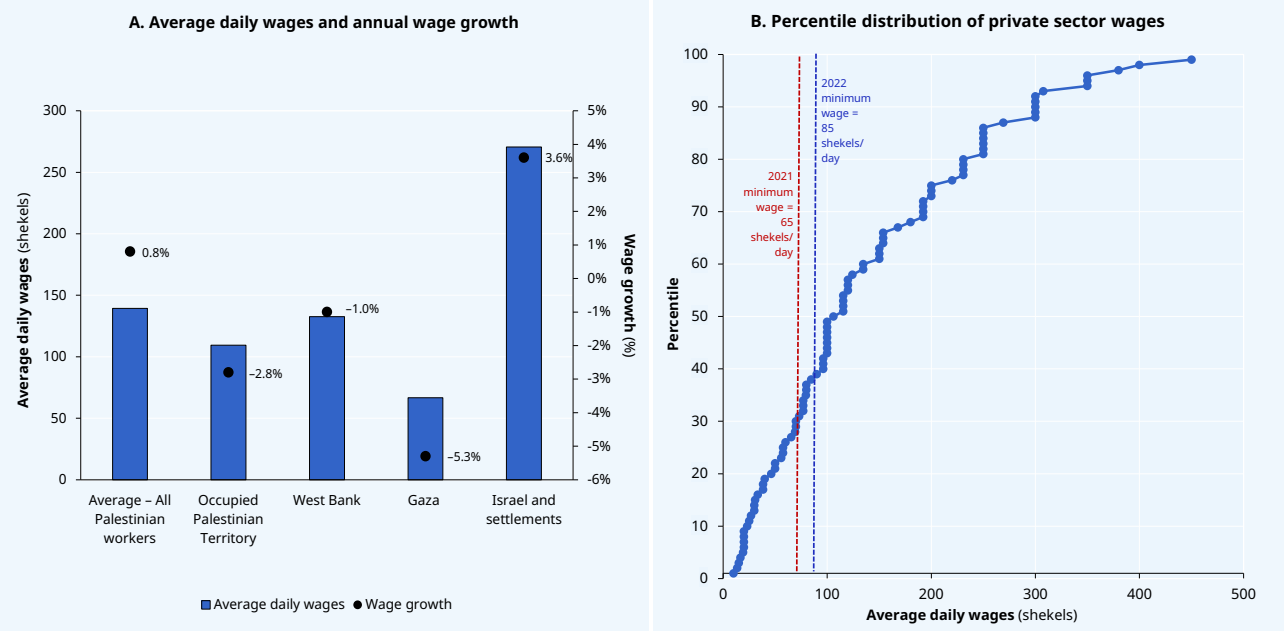
54. Last year's report noted the paradoxical sharp rise in wages in 2020 amid employment and working-hour losses, and attributed this development to a compositional effect, whereby due to the lowest wage earners losing their jobs disproportionately, the pool of remaining employees from which average wage statistics are derived was composed more of higher-wage-earners, pushing up average wage levels. In 2021, the reverse compositional effect largely explains the decrease in wages: lower-wage-earners now comprise a larger share of the pool of employees, pushing down average wage rates. At face value, Palestinian women employees earn around 78 per cent of men's wages. But this is driven by a different compositional effect, namely that women's share of work in Israel and the settlements, where wages are significantly higher, is only 1 per cent. Comparing the wages of workers of the Occupied Palestinian Territory, excluding those working in Israel and the settlements, women's average daily wages (111.7 shekels) in 2021 were

[45] PCBS, "Tourism Satellite Accounts 2020", 2022.

similar to those of men (108.9 shekels). Nonetheless, these rates also mask key sectoral differences: for example, daily wages of women in manufacturing are 64 per cent of those of men.

55. With effect from early 2022, the minimum monthly wage in the Occupied Palestinian Territory was raised from 1,450 shekels (approximately 65 shekels per day) to 1,880 shekels (approximately 85 shekels per day). In practice, around 26 per cent of private sector employees were earning less than the previous minimum wage. At the new rate, in the absence of any actual increases in wages, 38 per cent of private sector employees would earn less than the minimum wage. In Gaza, at the new rate, 95 per cent of private sector employees would earn less than the minimum wage.

▶ Figure 2.4. Average daily wages and annual wage growth, and percentile distribution of private sector wages, 2021



Note: Figures for the West Bank are limited to employees and exclude workers employed in Israel and the settlements.
Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2020 and 2021.

Growth in Palestinian employment in Israel and the settlements, driven by workers without permits

56. The large differentials between wages in the Occupied Palestinian Territory and in Israel and the settlements lead many Palestinians to seek work in the latter, even if it involves for many workers paying a broker a monthly sum that can equal 30 per cent of their gross monthly pay. [46] When the costs of transport to and from Israel and meals are factored in, the effective net take-home pay of Palestinian workers can fall to 44 per cent of their gross pay. [47]

[46] Tali Heruti-Sover, "The Great Exploitation: Palestinians Forced to Pay Huge Sums to Work in Israel", *Haaretz*, 27 January 2022.

[47] Heruti-Sover, "The Great Exploitation".

57. According to PCBS data, the number of Palestinians employed in Israel and the settlements increased by 16.4 per cent in 2021, rising to 145,000 after having fallen in 2020 (table 2.3). [48] The number of workers without permits rose by some 50 per cent to reach 37,000 in 2021. That means that an estimated one in four Palestinians employed in Israel and the settlements work without a permit, an increase from one in five in 2019. The mission was informed that, owing to the fact that some workers with permits were unable to get to Israel and the settlements when COVID-19 restrictions were in place, the wages of workers without permits rose by 10 per cent. [49]

Table 2.3. Palestinian work in Israel and the settlements: Key characteristics

	2019	2020	2021	Change 2019–20 (%)	Change 2020–21 (%)
Employed in Israel and settlements ('000s)	133	125	145	-6.2	16.4
Employed with work permits ('000s)	95	78	89	-17.6	14.0
Obtained permit from broker ('000s)	43	34	42	-19.7	24.4
Obtained permit without broker ('000s)	52	44	46	-15.9	5.6
Jerusalem or other ID holders ('000s)	12	23	20	83.9	-13.3
Employed without work permit ('000s)	26	24	37	-7.8	52.0
Average monthly fee paid to brokers (shekels)	2 360	2 464	2 457	4.4	-0.3
	2019	**2020**	**2021**	**Percentage point change 2020–21**	**Percentage point change 2020–21**
Share of permit holders paying a broker (%)	45.1	43.9	48.0	-1.1	4.1

Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2019–21.

[48] This total is likely to be an undercount. According to the Coordination of Government Activities in the Territories (COGAT), a quota of 137,000 permits was set in 2021, while they estimated the number of workers without permits to range from 30,000 to 40,000. The undercount is likely due to the stigma attached to working in Israel and the settlements and consequent under-reporting. Furthermore, it should be noted that PCBS data are based on a household sample survey, with potential sample biases, whereas COGAT data are administrative data. See also Chapter 3.

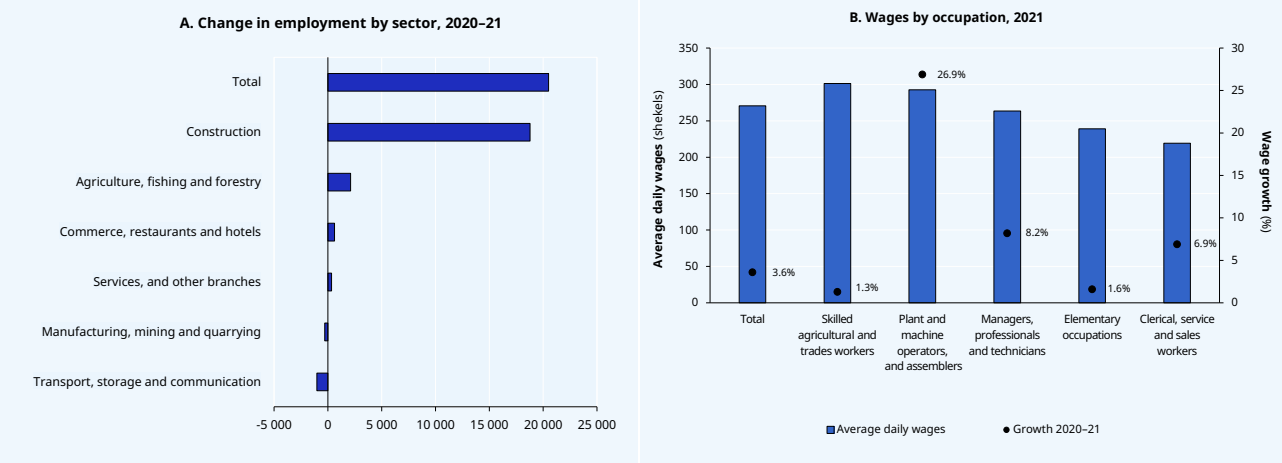
[49] See also Wifag Adnan and Haggay Etkes, "Did COVID-19 Induce Undocumented Work in Israel of West Bank Palestinians?" INSS Insight (forthcoming).

58. Among those employed with permits, those who obtained permits through a broker increased substantially in 2021 to 42,000, after having fallen in 2020; the number is now around the levels seen prior to the pandemic. The number of workers who obtained permits without a broker also rose, to 46,000 in 2021, but at a much slower rate (5.6 per cent); this figure is less than for 2019. As a result, the share of permit holders paying a broker rose to 48.0 per cent in 2021, up from 43.9 per cent in 2020. This suggests that the promise of the reforms to the permit system that have been put in place in recent years is not yet being realized.

59. The construction sector accounted for around 63 per cent of Palestinian employment in Israel and the settlements in 2021, followed by manufacturing, mining and quarrying at 13 per cent. In 2021, the vast majority (92 per cent) of the increase in employment in Israel and the settlements was accounted for by construction, which added almost 19,000 jobs (figure 2.5). Agriculture, fishing and forestry added 2,100 jobs, while the transport, storage and communication sector shed 1,000 jobs. Within the construction sector, the mission was informed that Palestinian workers are predominantly in relatively lower-skilled occupations, including those related to flooring and scaffolding, whereas Israeli workers were mainly in higher-skilled jobs, including as site managers and supervisors.

60. Skilled Palestinian workers in agriculture and in craft and related trades have the highest daily average wages in Israel and the settlements, at 301.4 shekels, followed by plant and machine operators and assemblers (figure 2.5). While the former experienced limited wage growth in 2020–21, daily average wages of plant and machine operators and assemblers grew by 26.9 per cent; the rapid growth in wages for this group of workers suggests a need for these kinds of skills in the Israeli construction sector. The mission was informed that the gap between housing starts and completions widened considerably in 2021 and that the construction time for an average apartment in Israel rose from 29.4 months to 31.5 months in 2020 as a result of labour shortages. [50]

▶ Figure 2.5. Employment growth in Israel and the settlements by sector, and wages of Palestinian employees by occupation (in shekels)



Source: ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2020–21.

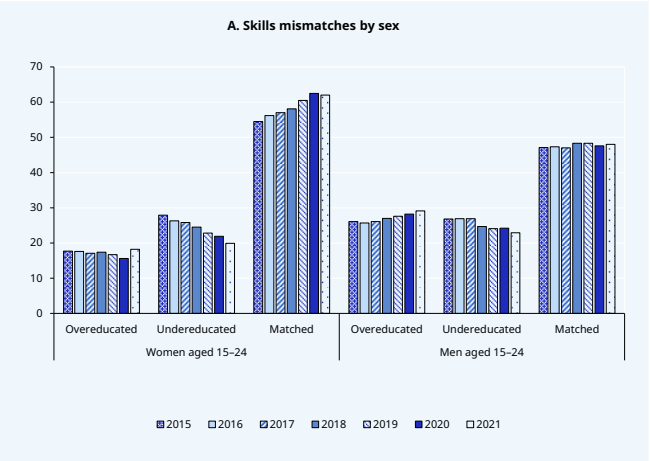
[50] Presentation made to the mission by the Israel Builders Association, based on data from the Central Bureau of Statistics (Israel).

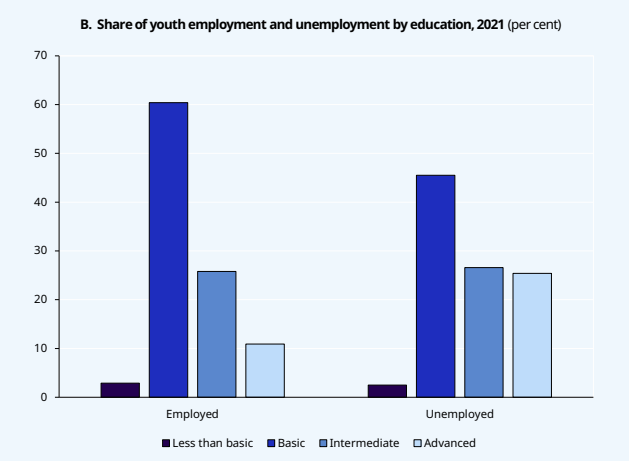
Skills gaps and mismatches appear to be growing, with negative implications for future growth

61. Various Palestinian interlocutors, including representatives of the private sector, pointed to skills gaps and mismatches in the Palestinian labour market, in part as a result of workers working in Israel and the settlements, and despite a large pool of unemployed people. This is nothing new for the Occupied Palestinian Territory. A comprehensive study on the issue in 2015, for example, found that private sector employers, employees, graduates and education suppliers all recognized skills gaps as a challenge, with 80 per cent of employers indicating various levels of difficulty in filling vacancies. [51] Limited employment opportunities and the lack of coordination between the private sector and education institutions were seen as the top factors behind the gaps, while both employers and graduates indicated that meeting technical skills needs was more difficult than in the case of personal and organizational skills.

62. While not new, skills gaps or mismatches in the Occupied Palestinian Territory may be growing. Using the statistical approach to measuring skills mismatches, which identifies the most common educational level for workers in each occupation or occupational group and identifies workers as being as overeducated or undereducated in relation to the work that they do if their level of education is greater or lower than this modal level, 18.2 per cent of women in 2021 are overeducated, 19.9 per cent are undereducated and the remainder are matched (figure 2.6). For men, overeducation and undereducation are higher, at 29.1 per cent and 22.9 per cent, respectively. For both men and women, the incidence of overeducation has been growing, while that of undereducation has been decreasing. Skills gaps and mismatches are also present in comparisons of the education levels of employed young workers and unemployed young workers. The share of unemployed young people with an advanced education is more than twice the share among the employed, while the share of unemployed young workers with only basic education was 45.5 per cent, compared to 60.4 per cent among the employed.

▶ Figure 2.6. Skills mismatches by sex (2015–21) and share of youth employment and unemployment by education (per cent)





Note: Youth is defined as those aged 15–24.
Source: ILOSTAT and ILO calculations based on PCBS, Quarterly Labour Force Surveys, 2021.

[51] Arab World for Research and Development and CARE International, *Skills Gaps and Development in the Occupied Palestinian Territory*, January 2015, 40.

63. Following decades of economic restrictions, it is not surprising that skills gaps and mismatches are occurring and growing; while progress has been made in expanding education, the employment and occupational structure of the Palestinian labour market has been unable to transform at a commensurate pace. Structural transformation towards higher-value-adding activities and greater numbers of skill-intensive occupations is required in the Palestinian labour market.

Chapter 3. The impact of occupation on workers' rights

The mechanics of occupation: Settlement expansion

64. The illegality of Israeli settlements in the occupied West Bank, including East Jerusalem, was again reiterated by the international community in 2021.[52] Nevertheless, Israel has continued to develop its settlements and settlement-related activity. The establishment of approximately 250 Israeli settlements across the West Bank, including East Jerusalem, since 1967 is contrary to international law and continues to impact, directly and indirectly, on the exercise by Palestinians of their rights as workers.

65. The 1980 resolution of the International Labour Conference under which the mission received its mandate noted the negative consequences that Israeli settlement policy and practice had on the rights of Palestinian workers.[53] A 1979 mission on behalf of the Director-General, upon which the resolution was based, had found it "difficult to imagine that [the settlement] policy could be pursued without conflicting with the objective of development by and for the local population and, therefore, without jeopardising their chances of employment".[54]

66. The UN Secretary-General noted a "significant acceleration" of Israeli settlement expansion during 2021, which included the advancement of plans in controversial areas that had been previously delayed for years.[55] For example, the strategically located Har Homa E plan was advanced, which, if completed, would contribute to the creation of a contiguous built-up area of Israeli settlements along the southern perimeter of occupied East Jerusalem.[56] The first construction project in the Israeli settlement in Hebron in over a decade began in October 2021: a new residential compound, comprising 31 housing units.[57] In the same month, 1,355 housing units were tendered and the Higher Planning Council approved 2,860 housing units in 30 Israeli settlements, most of which were deep in the West Bank.[58]

67. Thirteen new outposts – illegal under both Israeli and international law – were established in the West Bank in 2021, compared to 12 in 2020.[59] The establishment of outposts and settlement infrastructure continued in early 2022. In January 2022, plans to establish a road to an outpost at Ariel West progressed; in February 2022, the Israeli Attorney General reportedly approved the re-establishment of the evacuated Israeli settlement of Evyatar, on land claimed by Palestinians as privately owned, with a Cabinet decision on whether to declare the land as "state land" pending; and in March 2022, a new outpost was established at Battir World Heritage Site.[60] Many outposts

[52] For example, UN General Assembly, resolution 76/82, adopted on 9 December 2021, Israeli settlements in the Occupied Palestinian Territory, including East Jerusalem, and the occupied Syrian Golan, A/RES/76/82.

[53] ILO, Resolution concerning the Implications of Israeli Settlements in Palestine and Other Occupied Arab Territories in Connection with the Situation of Arab Workers, International Labour Conference, 66th Session, 1980.

[54] ILO, *Action Taken on the Resolutions Adopted by the International Labour Conference at Its 59th to 64th Sessions*, Supplement to the Report of the Director-General, International Labour Conference, 65th Session, 1979, para. 42.

[55] UN Security Council, *Implementation of Security Council resolution 2334 (2016): Report of the Secretary-General*, S/2021/1047, 15 December 2021, para. 61.

[56] *Implementation of Security Council resolution 2334 (2016)*, 15 December 2021, para. 62.

[57] *Implementation of Security Council resolution 2334 (2016)*, 15 December 2021, para. 4.

[58] Peace Now, "The Government is Advancing 30 Plans with 2860 Units for Settlers and 6 Plans with 1303 Units for Palestinians", 22 October 2021 (updated on 27 October and 1 November 2021).

[59] Peace Now, "Settlements Data: Population", Number of Outposts Established Per Year.

[60] Peace Now, "Settlers Established a New Outpost in a Declared World Heritage Site in Battir", 14 March 2022.

have been connected to national water and electricity infrastructure and have been provided with paved road access, despite being illegal under Israeli law. [61]

68. A "direct relationship" has been observed between the erection and expansion of illegal outposts and violent acts by settlers against Palestinians and their property. [62] In 2021, the UN Office for the Coordination of Humanitarian Affairs (OCHA) documented nearly 500 attacks by Israeli settlers, the highest level since it started recording settler-related violence in 2005 and a 40 per cent increase on 2020. Israeli settlers are rarely charged for such attacks against Palestinians and only a small proportion of the investigations started against settlers result in a prosecution. As settler attacks have increased, Palestinians have filed fewer police complaints, seemingly because the lack of accountability has further eroded Palestinian faith in the law enforcement system and simultaneously emboldened settlers. [63]

69. OCHA data on casualties resulting from confrontations between Palestinians and Israelis show a worrying increase in the year since the Director-General's last report (table 3.1), with 349 Palestinian and 11 Israeli fatalities recorded in 2021. This is the highest number of Palestinian fatalities since 2014 and the highest number of Israeli fatalities since 2018.

Table 3.1. Casualties in the context of occupation and conflict, 2019–21

	2019		2020		2021	
	Fatalities	Injuries	Fatalities	Injuries	Fatalities	Injuries
Palestinian casualties	137	15 491	30	2 578	349	19 190
Israeli casualties	10	123	3	102	11	166

Source: OCHA, Data on casualties.

70. The acceleration in demolitions and seizures of Palestinian-owned property by Israeli authorities has continued since 2020. OCHA recorded 911 structures demolished – and 1,208 people displaced – in the West Bank during 2021. This was an increase from the already high number of 854 demolitions and 1,001 displacements during 2020. Planned evictions of Palestinian families in East Jerusalem, including in areas such as Sheikh Jarrah and Silwan, contributed to heightened tensions and the escalation in violence during 2021. In early 2022, the Israeli Supreme Court issued a decision that ownership claims to property in Sheikh Jarrah must be settled before the families are evicted.

71. In December 2021, the UN Secretary-General noted that the use of military orders had increased in 2021. [64] These often required less notification and limited the available legal recourse. While remaining deeply concerned by the continued demolitions and seizures of Palestinian structures, he welcomed the advancement of plans for some housing units for Palestinians in the occupied East Jerusalem neighbourhood of Issawiya and in Area C. [65] Many of these plans, some of which

[61] B'Tselem, *State Business: Israel's Misappropriation of Land in the West Bank through Settler Violence*, Summary, November 2021.

[62] Peace Now, *Violent Settlement: The Connection between Illegal Outposts and Settler Violence*, November 2021.

[63] Peace Now, *Violent Settlement*.

[64] *Implementation of Security Council resolution 2334 (2016)*, 15 December 2021, para. 65.

[65] *Implementation of Security Council resolution 2334 (2016)*, 15 December 2021, paras 65–66.

sought retroactive legalization of existing buildings, had been awaiting approval for a number of years and most were at the first approval phase. [66]

Workers' rights in the West Bank: The impact of settlement expansion

72. Past Reports of the Director-General have recorded the direct impact on workers' rights in the West Bank of administrative obstacles, physical restrictions on movement, unequal treatment, and actual or threatened violence. In 2021, these issues were evident once again. The impact of settlement policy and activities on the rights of Palestinian workers continues to profoundly affect the daily lives of Palestinian women and men seeking to earn a living. Actual or threatened violence, the expansion of settlements, settler infrastructure and the Separation Barrier restrict the rights of Palestinian workers to freedom of movement and residency, and access to resources, work and markets. Farming is especially impacted by settler attacks on animals, crops and tools, as well as administrative restrictions on access to lands. The unequal application of planning requirements and access restrictions limit the ability to build new premises or develop employment and business opportunities.

Administrative and physical obstacles to access the seam zone

73. Pursuant to Israel's complex regulations governing access to Palestinian land in the seam zone, Palestinians are obliged to obtain permits to access farmland in the zone through specific gates in the Barrier, while Israelis and tourists can access these areas freely. [67] As a result of difficulties in obtaining such limited-access permits from the Israeli military, Palestinians were often obliged to limit their farming to crops requiring little attention or to stop cultivation altogether. The Israeli NGO HaMoked noted in October 2021 that, while the justification given for access controls was security considerations, no more than 6 per cent of permits denied to farmers and agricultural workers were in fact for security reasons. [68]

74. In 2021, the Israeli courts continued to hear cases concerning the incremental increase in Israeli restrictions on access to the seam zone for livelihood purposes. In response to one such case, the seam zone regulations were amended in May 2021 to allow Palestinians who may enter Israel without permits – that is, men older than 55 years and women older than 50 years – also to enter the seam zone without permits. [69] In March 2022, the High Court of Jerusalem held that a limitation preventing access for the cultivation of small plots could not stand, as it disproportionately harmed the right to property of the landowners, and acknowledged that access to seam zone farms was important for economic, cultural and emotional reasons. [70]

Unequal treatment

75. There was a widespread perception among the interlocutors with whom the mission spoke that the application of regulations and policy discriminated against Palestinians. For example,

[66] Peace Now, "The Government Is Advancing 30 Plans with 2860 Units for Settlers and 6 Plans with 1303 Units for Palestinians".

[67] HaMoked, *Creeping Dispossession: Israeli Restrictions on Palestinian Farming Beyond the Barrier*, October 2021. The "seam zone" is the area in the West Bank between the Separation Barrier and the Green Line (the Armistice Line between Israel and the West Bank since 1948), designated by the Israeli military as closed to Palestinians.

[68] According to data from the Civil Administration, denials stemming from an objection from the Israel Security Agency (Shin Bet) range from 0 to 3 per cent of denials of farmer permits and 1 to 6 per cent of denials for agricultural workers. Instead, according to the data, the primary reason for permit denials is "failure to meet the policy criteria": HaMoked, *Creeping Dispossession*, 32–33.

[69] HaMoked, *Creeping Dispossession*, 37.

[70] HaMoked, "The HCJ Grants HaMoked's Petition: Military Must Amend the Harsh 'Tiny Plot' Restriction Used to Prevent West Bank Farmers from Accessing Their Lands inside the Seam Zone", 7 March 2022.

Palestinians living in the West Bank were not entitled to the benefits and incentives offered to settlers in the West Bank, including tax advantages and employment subsidies, for the use and development of their land. [71] This particularly impacted the ability of small and medium-sized enterprises to operate in a competitive and sustainable manner. The perception of unequal treatment was especially strong in East Jerusalem, where settler groups continued efforts to move into Palestinian neighbourhoods and urban renewal projects were being advanced exclusively in the city's Israeli neighbourhoods. [72] Past difficulties in obtaining permits for small businesses operating in the Old City were deterring Palestinian businesses from applying for them. The mission was informed that the tourism sector – traditionally a major employer in East Jerusalem – had found it difficult to rebound from the COVID-19 pandemic and lockdowns, and these effects were compounded by planning restrictions and increasing settler activity.

76. Past Reports of the Director-General have noted that Israeli-issued building permits are nearly impossible for Palestinians to obtain. The ongoing acceleration in demolitions of Palestinian structures by Israeli authorities had a direct impact on Palestinian livelihoods in 2021. Almost 50 per cent of the 911 structures demolished in the West Bank, including East Jerusalem, in 2021 had been used for livelihood or agricultural purposes, affecting the livelihoods of 12,704 people. [73] Demolitions of the property of Bedouin and herding communities throughout the West Bank in 2021 impacted the livelihoods of 825 people. [74] Threatened and actual demolitions in East Jerusalem in 2021, while largely of residential premises, were accompanied by inter-communal violence, engendered considerable fear and accordingly affected the stability and confidence necessary for business.

Settler violence: Olive harvest

77. In 2021, as in past years, the annual olive harvest was a flashpoint for conflict between Palestinian farmers and Israeli settlers. The Israeli NGO Yesh Din reported numerous offences committed by Israeli settlers against Palestinian residents of the West Bank during the olive harvest from 1 October to 15 November 2021, involving violence, crop theft, damage to or destruction of trees, and the denial of access to private land. [75] In some instances, Israeli soldiers and volunteers from Israeli NGOs attempted to protect Palestinian farmers from settler violence. [76] The takeover of Palestinian farmland and pastureland in the West Bank had been driven by "continuous, systemic violence meted out by settlers". [77]

[71] See B'Tselem, *This is Ours – And This, Too: Israel's Settlement Policy in the West Bank*, March 2021, 6.

[72] Ir Amim, *Planned Negligence: How Palestinian Neighborhoods Disappeared from Jerusalem's Current and Future Urban Planning Policies*, June 2021, 17.

[73] OCHA, "Breakdown of Data on Demolition and Displacement in the West Bank". This was in addition to the 1,208 people directly displaced.

[74] OCHA, "Breakdown of Data on Demolition and Displacement in the West Bank". Livelihood structures include shops, animal shelters, walls, warehouses and so on.

[75] Yesh Din, "A Summary of the 2021 Olive Harvest Season", 13 December 2021.

[76] Gideon Levy, "A Nightmare Season in the West Bank", *Haaretz,* 22 October 2021; Hagar Shezaf, "Israeli Charged for Assault on Activists Helping Palestinians During Olive Harvest", *Haaretz*, 22 November 2021.

[77] B'Tselem, *State Business*.

Workers' rights in Gaza: The impact of blockade and escalation in hostilities

78. The severe impact of public-health-related lockdowns and the ongoing blockade on Gaza was compounded by the escalation of violence in 2021. This culminated in 11 days of hostilities between Hamas and Israel in May, during which 261 Palestinians were killed in Gaza and 11 people were killed by Palestinian rocket fire in Israel. [78]

79. During the May 2021 escalation, there was considerable damage to workplaces. One report concluded that 669 plots of agricultural land, 221 livestock and poultry farms, 59 manufacturing establishments and 483 commercial facilities suffered damage. [79] According to the World Bank's rapid damage and needs assessment conducted in June 2021, the facilities of 109 firms in the services, trade and industrial sectors were fully destroyed. [80] Gaza's largest agricultural supplies warehouse, which stored significant amounts of agrochemicals, was destroyed by Israeli artillery shelling, affecting livelihoods and causing environmental damage. [81] Half of Gazan households reported that the escalation had had an impact on their livelihoods and assets. [82]

80. In 2021, Israel continued to enforce access-restricted areas in Gaza near the perimeter fence and in the fishing areas off Gaza's coast. OCHA recorded 7 injuries in 2021 among those working or otherwise staying in those areas. [83] Israeli actions in 2021 particularly impacted farming. [84] Following the May escalation, Israel first suspended all truckloads out of Gaza for about 40 days, causing significant losses, and then imposed new restrictions that drastically reduced the exit of tomatoes, which traditionally accounted for 80 per cent of the vegetables leaving Gaza. [85] Incursions, shootings and bombings, flooding of fields and aerial sprayings of herbicides by Israeli forces continued to create a heightened state of fear among farmers. [86]

81. Similar difficulties affected Gazan fishers in 2021. A total of 195 incidents of shooting by the Israeli navy at fishers off Gaza's coast were recorded in the first half of 2021. [87] During the May escalation, there was damage to fishing boats and equipment, a ban on access to Gaza's sea space for two weeks, and limitations on trading fish outside the Strip for some months, affecting the livelihoods of approximately 50,000 people. [88] Following the ceasefire agreement at the end of May 2021, Israel opened the fishing zone but restricted access to 6 nautical miles off the Gaza coast, which

[78] OCHA, Key Facts and Figures, 7. At least 241 of the 261 Palestinian fatalities were caused by Israeli forces, and the rest were due to rockets falling short inside Gaza and other circumstances.

[79] Al-Mezan Center for Human Rights, Palestinian Centre for Human Rights and Al-Haq, *Assault on Gaza in Numbers: A Statistical Report of Civilian Casualties and Damage to Private and Public Properties by Israeli Occupation Forces during Israel's Full-Scale Military Operation On the Gaza Strip between 10–21 May 2021*, January 2022, 25–31.

[80] World Bank Group, *Gaza Rapid Damage and Needs Assessment*, 52.

[81] OCHA, "Environmental and Health Risk Still Unfolding: The Bombing of Gaza's Largest Agrochemical Warehouse", *Humanitarian Bulletin: Gaza after the May Escalation – November 2021*, 3 November 2021.

[82] REACH, "OPT MSNA Key Analysis Findings", AIDA workshop, October 2021, 13.

[83] OCHA, Data on casualties.

[84] Al-Mezan Centre for Human Rights, *Farming in a Buffer Zone: The Conditions Gaza Farmers Face under Closure*, 2021, 7.

[85] OCHA, "New Restrictions on the Export of Fresh Tomatoes Out of Gaza: Mohammed's Story", *Humanitarian Bulletin: Gaza after the May Escalation – November 2021*, 3 November 2021.

[86] Al-Mezan Centre for Human Rights, *Farming in a Buffer Zone*, 24–25.

[87] Gisha, "Gaza Up Close", September 2021.

[88] Gisha, "Human Rights Organizations to Israel's Defense Minister, COGAT, and Military Advocate General: Remove the Draconian Restrictions on Access to Gaza's Sea Space and Stop the Navy's Use of Force against Fishermen and their Property", 3 June 2021.

it expanded in June to 9 nautical miles. [89] On 12 July, the fishing zone was again extended to 12 nautical miles off parts of the Gaza coast, [90] except for a period at the end of July after incendiary balloons launched from Gaza sparked fires in Israel, when it was again reduced to 6 nautical miles. [91] In September 2021, the permissible fishing zone along the southern part of Gaza's coast was expanded to 15 nautical miles, [92] a return to the situation before the escalation in hostilities in May.

Palestinian workers in the Israeli labour market: Lack of results of the permit reform and ongoing rights deficits

82. Last year, the Report of the Director-General noted with interest the implementation by Israel of the long-anticipated reform to the permit system in the construction and industry and services sectors, and the plans to extend it to the agricultural sector. This reform had the objective of eliminating trafficking in work permits and reliance on Israeli and Palestinian brokers – a practice that all parties agreed was illegal, corrupt and extremely unjust. The intention was to allow Palestinian workers to be able to work in Israel without being dependent on a specific employer, by decoupling the permit quota from the employer, allowing workers to change employers more easily and prohibiting trade in permits. One year later, it is clear that the reform has not yet achieved its objective.

83. This is particularly evident when considering the use of brokers. Rather than reducing in importance with the introduction of the permit reform, the use of brokers has increased from the 2020 levels to return to the same high level as before COVID 2019. [93] According to PCBS data, 48 per cent of permit holders used brokers in 2021. Neither the Israeli nor the Palestinian authorities had accurate information about the nature, identity and number of brokers. Many interlocutors informed the mission that the brokers, who existed on both sides of the Barrier, continued to operate lucrative, extensive and overt illegal practices. The complexity of the situation facing the Israeli and Palestinian authorities was highlighted by the explanation that the Israeli software that was designed to reduce the need for the brokers by matching registered Israeli employers directly with Palestinian workers was offline during the mission's visit: the system had been hacked into and so an additional three levels of security were being added. Both Israeli and Palestinian authorities informed the mission that they had separately taken action against a small number of brokers on either side of the Barrier, involving varying types of investigations and penalties. This was despite the fact that Palestinian workers did not tend to make complaints against brokers. Given the likely numbers of brokers and the profits involved, these investigations seemed unlikely to act as a significant deterrent.

84. The mission appreciated the openness of the Israeli authorities in relation to the failure of their permit reform to reach its objectives to date. Israeli government representatives, as well as the social partners, believed that the system would improve with time, with the enhancements to its design and operation that were being implemented. The Palestinian Authority and some other Palestinian and Israeli interlocutors questioned whether the system was oriented towards the best interests of Palestinian workers, particularly given that their views had not been heard. The Palestinian Authority was not a partner in its design, revision or implementation, as envisaged in

[89] Gisha, "Crossings Update: Fuel Coming in for Gaza's Power Plant, Fishing Zone Restricted to 9 Nautical Miles", 1 July 2021.

[90] Gisha, "Crossings Update: Restrictions Continue, Fishing Zone Expanded to 12 Nautical Miles", 21 July 2021.

[91] OCHA, *Response to the Escalation in the OPT: Situation Report No. 8 (8–28 July 2021)*, 30 July 2021.

[92] OCHA, *Response to the Escalation in the OPT: Situation Report No. 10 (September 2021)*, 14 October 2021.

[93] See table 2.3 in Chapter 2 above.

the Paris Protocol, which provides that "[t]he Palestinian side has the right to regulate the employment of Palestinian labor in Israel through the Palestinian employment service, and the Israeli Employment Service will cooperate and coordinate in this regard". [94]

85. Israeli initiatives to improve the operation of the permit scheme included: inter-ministerial roundtables, taskforces, committees, working meetings and exchanges of information; the monitoring of employer applications for permits for workers to identify suspicious requests; and regular written updates on the permit reform under the umbrella of a High Court petition filed by the Israeli NGO Kav LaOved. Recent amendments to the system included the introduction of a maximum quota for employment of Palestinian workers in the construction sector to limit the ability of employers to request unneeded work permits, and the acceleration of efforts to move to electronic payments of wages to Palestinians, which it was hoped would be in place by the beginning of 2023. In addition, efforts were under way to improve awareness among Palestinian workers of the reform and their rights. Steps to facilitate access to the Commissioner for Foreign Workers' advisory service resulted in an increase in enquiries from Palestinian workers and their employers, largely concerning wages, social benefits, COVID-19-related matters and pension rights. [95] The inter-ministerial committee on combating trafficking in persons completed its work during 2021 and found no evidence of trafficking offences against Palestinian workers but considered the trade in permits to be a serious abuse. Further, the mission was informed that the Knesset Committees on Foreign Workers and the State Comptroller were providing oversight on these issues.

86. The year since the last Report of the Director-General saw increases in the quotas for Palestinians to work in Israel. The 2021 quotas for Palestinians from the West Bank to work in the Israeli labour market were increased in the construction, hotels and restaurants, and industry and services sectors. In addition, a new temporary quota of 200 permits for the high-tech sector was introduced. The permit reform, allowing Palestinian workers time to find a new employer, had not yet been extended to the approximately 19,000 Palestinians in the Israeli agricultural sector.

87. While the majority of the work permits issued allowed daily entry into Israel, the Coordination of Government Activities in the Territories (COGAT) indicated that up to 40 per cent allowed overnight stays, in which case appropriate accommodation had to be provided by the employer. Such overnight stay permits were granted only in cases where the employer could prove the necessity for such extended stay and after specific security checks were made. The Palestinian Ministry of Labour indicated that, to avoid the checkpoints and potential complications as they crossed the Barrier, some workers preferred to stay overnight in Israel informally, often sleeping outdoors or in their workplaces.

88. There has also been an increase in the number of workers from Gaza entitled to work in Israel. At the end of 2021, up to 7,000 Gazans were working in Israel, after the blockade had effectively been tightened during the COVID-related lockdowns in 2020 and early 2021. The mission was informed by COGAT that 20,000 Gazans would be entitled to work in construction and agriculture in Israel, through a new quota that was being implemented incrementally. It was also informed that, in March 2022, approximately 12,000 Gazans entered Israel each day to work, on either merchant permits or new "economic needs" permits. The terms of these permits meant that they were not protected by Israeli labour law, which includes a minimum wage, regulated working hours, occupational safety and health protections, and social benefits. Israeli authorities indicated

[94] Gaza–Jericho Agreement, Annex IV, Protocol on Economic Relations between the Government of the State of Israel and the PLO, representing the Palestinian people, Paris, 29 April 1994, Article VII, para. 1.

[95] There were 109 inquiries from workers in 2021 compared to 35 in 2020; a total of 155 inquiries concerned Palestinian workers.

to the mission that the process of converting the economic needs permits into work permits, so that workers would have all rights under Israeli labour law, was under way but required some time.

89. In addition to the Gazans working in Israel on non-work permits, some 30,000–40,000 Palestinians from the West Bank worked in Israel without work permits and accordingly without the protection of Israeli law. [96] These undocumented workers typically entered Israel through holes that had been cut into the Separation Barrier and were seemingly tolerated by the Israeli military and border police. [97] The mission was informed that even Palestinian workers with permits often entered Israel through these holes to avoid the crossings that, although improved in recent years, were still hostile, time-consuming and prone to being closed for security reasons. For women in particular, the crossings and checkpoints were a discouragement to work. The mission received testimony from a number of Palestinian workers who had been injured during 2021 in attacks by Israeli settlers or military or border police during their commute across the Separation Barrier to work in Israel. Following the terrorist attacks in Israel in March–April 2022, military oversight at checkpoints was reported to have been stepped up and unregulated access to Israel through some holes in the Separation Barrier was blocked. Other reports suggested that the Israeli Government may increase significantly the number of Palestinians allowed to enter Israel legally to work, as this would have both security and economic benefits. [98]

90. According to COGAT, approximately 37,000 Palestinians worked in Israeli settlements, in construction, agriculture, hotels, services and industry, [99] where the application of labour law was supervised by the Labour Law Unit at the Civil Administration. It was suggested to the mission that workers in settlements who worked on a daily or seasonal basis were sometimes not officially declared as workers by their employers, and so the real numbers could be higher. According to the Palestinian Ministry of Women's Affairs, approximately 6,000 Palestinian women worked in Israeli settlements, but did not enjoy rights in practice. [100] Some interlocutors informed the mission that there was anecdotal evidence of sexual harassment of Palestinian women workers, and child labour largely during school holidays, in settlements during 2021. [101] Although shame made it unlikely that formal complaints would be laid, the mission was told that Israeli police had conducted some investigations in 2021 concerning the abuse of Palestinian workers on settlements.

91. Poor working conditions and a lack of social benefits were still an everyday reality for many Palestinian workers in Israel and the settlements. The mission was informed of long working hours, noisy and dirty workplaces, low wages, lack of reimbursement of travel expenses and

[96] The numbers may vary due to significant seasonal fluctuations, particularly in agriculture and tourism, as well as whether part-time or task-based work is considered to be "work". Furthermore, as noted in Chapter 2 and has been suggested to the mission, Palestinian women, in particular, may choose not to disclose that they work in Israel and the settlements as they are ashamed for political reasons and because of the dangers to which they are exposed.

[97] The number of holes in the Separation Barrier appears to have increased during the COVID-related lockdowns and "for years, Israeli officials have seemingly turned a blind eye to gaps in the barrier that are used daily by thousands of Palestinian laborers to enter Israel illegally": Emanuel Fabian, "Terror Attack Bared West Bank Barrier's Gaps, But Some Say Holes Help Keep the Peace", *Times of Israel*, 7 April 2022.

[98] Yaniv Kubovich, "Israel Plans to Grant Palestinians 'Tens of Thousands' More Work Permits, Gantz Says", *Haaretz*, 12 April 2022.

[99] COGAT, "Information Provided to ILO Mission", April 2022 (unpublished).

[100] Ministry of Women's Affairs, "Israeli Occupation Impacts on the Palestinian Work Sector", briefing note for the ILO fact-finding mission (unpublished).

[101] The mission was informed that on 6 January 2022, eight Palestinians aged between 14 and 17 were killed in a car accident on their way home from their work as day agricultural labourers in an Israeli settlement in the Jordan Valley. See further: Jack Khoury and Hagar Shezaf, "Eight Palestinian Teens Killed in West Bank Car Crash", *Haaretz*, 6 January 2022.

difficulties obtaining entitlements after work accidents. [102] The Israeli Enforcement and Regulation of Labour Laws Administration reported that in 2021, 74 employers were investigated in criminal and administrative procedures for suspected violations towards 204 Palestinian workers; 54 of these cases had so far resulted in a penalty, and 5 cases were continuing. The main violations concerned non-payment of pension contributions, breach of minimum wage regulations and unpaid overtime. The monthly payslips of Palestinian workers often continued to be inaccurate in terms of working hours and wages. Workers were dependent on their employers and brokers and often acquiesced in such practices.

92. The General Federation of Labour in Israel (Histadrut) and the Israeli Builders' Association informed the mission that negotiations for a new collective bargaining agreement to cover the construction sector, where the majority of Palestinian workers in Israel were employed, were under way. The Grievance Committee established under the current collective agreement continued to enjoy a high satisfaction rate among users and a second Committee, located in Jerusalem, had begun functioning in April 2022 to improve accessibility for workers and employers. Separately, at the enterprise level, a collective agreement was signed in early 2021 in the Atarot industrial zone settlement, concerning Palestinian workers at a food production factory who were members of the MAAN Workers' Association. [103]

93. Over many decades, significant funds have accumulated as many Palestinians working in Israel have not received pensions or their entitlements to sick leave. This issue remains unresolved. In 2021, the question was considered by both the Knesset Special Committee on Foreign Workers and by the High Court in the context of petitions brought by the Israeli NGO Kav LaOved. There is still no agreement between Palestinian and Israeli authorities on the total amounts involved or on the necessary next steps that should be taken. Both sides have made efforts to establish facilities to host the accumulated pension funds, but the result remains unclear.

94. Histadrut informed the mission that during 2021 it had started collecting dues from about 13,000 Palestinian workers in Israel, following a decision by the Population and Immigration Authority in May 2020 to cease all automatic deductions of trade union dues from Palestinian workers. [104] To date, Histadrut had negotiated directly with approximately 600 companies for the deduction of affiliation dues, and would continue its efforts in 2022. Its intention was to fulfil its obligation to the Palestine General Federation of Trade Unions (PGFTU) under their 2008 agreement by transferring in due course 50 per cent of those dues to the Federation.

95. Occupational health and safety has long been a concern in relation to Palestinian workers in the Israeli labour market. The mission received varying statistics on the fatalities in occupational accidents among Palestinian workers in Israel in 2021. The reported fatalities ranged from 10 to 22, figures very similar to the range of 10 to 23 fatalities reported to the mission in 2020. The Palestinian Ministry of Labour statistics suggest that 40 Palestinian workers died in Israel in 2021, 22 of them as a result of occupational accidents and the remainder as a result of violence or accidents on the way to or from work, or other reasons. [105] The Palestinian National Centre for Occupational Safety, Health and Environmental Protection, at the Polytechnic University of

[102] MAAN Workers Association, *Atarot Industrial Zone in Jerusalem: Workers Demand Their Rights and Start to Organize*, February 2022.

[103] MAAN Workers Association, *Atarot Industrial Zone in Jerusalem*.

[104] MAAN Workers Association, "Following MAAN's petition, Israeli Interior Ministry's Payments Section has stopped deducting service fees from the wages of Palestinian workers. The fees were paid to the Histadrut since 1970 and to Histadrut Leumit since 2019", 8 December 2020.

[105] Palestinian Authority, Ministry of Labour, "A List of Deaths Among Workers: 1 January–31 December 2021 (In Order of the Date of Death", 2022 (unpublished).

Palestine in Hebron, reported that 18 Palestinians died in the Israeli labour market in 2021, including 11 in the construction sector. The Israeli authorities reported 10 Palestinian fatalities in the Israeli construction sector in 2021. As has been the case in the past, the majority of occupational accidents resulting in death occurred due to falls from heights in the Israeli construction sector.

96. The Israeli Occupational Safety and Health Administration indicated that a total of 12,300 inspection visits to workplaces in the construction sector had been made in 2021, which was similar to the number of visits in 2020. Approximately 1,000 construction sites had been fully closed and 5,000 had been partially closed as a result. Israeli authorities, in conjunction with Histadrut and the Israeli Builders' Association, had continued to provide training opportunities on occupational safety and health to Palestinian workers. The mission was told that the mandatory requirement of the successful completion of a test on occupational safety and health before a Palestinian worker could receive an Israeli work permit would be fully in operation during 2022. Some NGOs considered that the operation of the test risked increasing the power of brokers over Palestinian workers, as they could provide a permit bypassing the test requirement.

Chapter 4. Governance and institution-building amid continuing instability

97. The ability of the Palestinian Authority to ensure effective governance, including of labour issues, is undermined by the impacts of both the occupation and the deepening internal division, contributing to a continuing cycle of economic and political crises. The economic recovery seen in 2021 following the phasing-out of COVID-19-related measures has not been sufficient to tackle rising unemployment and poverty. The mission was informed that, in conditions of fiscal crisis, increasing inflation and declining donor aid, [106] the Palestinian Authority had to resort to yet another austerity plan in late 2021, consisting of further reductions in operational spending, including a 20 per cent cut in public servants' salaries. [107]

98. Several of the mission's interlocutors continued to express concern over declining levels of citizens' trust in Palestinian governance and over shrinking civic space in the West Bank and in Gaza. The indefinite postponement of Presidential and Legislative Council elections – initially scheduled for May 2021 – has contributed to a further erosion of confidence in Palestinian leadership and institutions, while perceptions of corruption are high. [108] Law-making is tainted by legitimacy concerns. Without a Legislative Council for over 15 years, legislation has been delayed or issued by presidential decree.

99. In late 2021, six Palestinian civil society organizations [109] were designated as "terror organizations" through an Israeli military order. [110] Condemned by the UN and many development agencies, [111] this move is likely to further restrict the limited space available to civil society organizations, which provide for human rights accountability and offer critical social services.

100. On a positive note, local elections took place in the West Bank in two rounds, on 11 December 2021 to elect local authorities in 376 rural areas, and on 26 March 2022 in major cities to elect municipal councils in localities of at least 15,000 inhabitants. While few electoral lists were explicitly connected to established parties, Hamas boycotted the process and prevented the holding of elections in Gaza. [112]

[106] OCHA et. al., *Humanitarian Needs Overview 2021: OPT*, working document, issued December 2021, 12.

[107] The salaries of Palestinian Authority public servants had already suffered a cut in early 2019 owing to a Palestinian Authority austerity plan associated with the withholding by Israel of the clearance revenues. Palestinian Authority staff salaries were temporarily reset to their previous levels for a brief period in 2021, including in Gaza.

[108] Palestinian Centre for Policy and Survey Research, "Press release on Public Opinion Poll No. (83)", 22 March 2022, 5.

[109] Addameer, Al-Haq, Defense for Children International – Palestine, the Union of Agricultural Work Committees, the Bisan Center for Research and Development, and the Union of Palestinian Women Committees.

[110] OCHA et al., *Humanitarian Needs Overview 2021: OPT*, 15.

[111] See, for instance, Association of International Development Agencies et al., "UN Agencies and the Association of International Development Agencies Stand By Civil Society Organisations in the Occupied Palestinian Territory", 9 November 2021; UN, "UN High Commissioner for Human Rights Bachelet Calls Israel's 'Terrorism' Designation an Unjustified Attack on Palestinian Civil Society", press release. 26 October 2021.

[112] European Council on Foreign Relations, "Mapping Palestinian Politics: Local Elections (2021-2022)".

Labour market governance: Continuing efforts to develop and enforce regulation

101. In 2021, the Palestinian Authority's Council of Ministers concluded the review of the "National Policy Agenda" [113] that it had initiated in 2019, and released the "National Development Plan: Resilience, Disengagement, and Cluster Development towards Independence, 2021–2023". Informed by 40 other concurrent documents and by inputs from civil society, the private sector and international partners, the National Development Plan proposes a new development paradigm based on two main pillars: "cluster development", by creating regional specializations in key sectors (agriculture, industry, tourism, services and technology); and disengagement from the occupation, by focusing on self-determination and economic independence from Israel. The labour part of the National Development Plan strongly emphasizes the need to promote national production and investment in human resources, notably technical and vocational education and training (TVET), and to develop a resilient, rights-based labour market. The National Development Plan, together with the Labour Sector Strategy 2021–2023, [114] the National Employment Strategy 2021–2025 [115] and the Decent Work Programme 2018–2022, are the core planning documents that lay down the vision for labour market governance in the Occupied Palestinian Territory.

102. For many years, the Palestinian Authority and the social partners have been engaged in a process to reform the Palestinian Labour Law No. 7 of 2000 (the "Labour Law") – a necessary condition for improving labour protection and promoting labour rights in line with international labour standards. Yet, extensive bipartite and tripartite social dialogue has been unable to bridge disagreements and reach consensus on issues such as maternity protection, working time, managing enterprise restructuring and dismissals, and severance pay. The outbreak of the COVID-19 pandemic and its impact on the Palestinian labour market further slowed the process. Between mid-2021 and early 2022, the Ministry of Labour and the social partners held several meetings, after which the Ministry shared an updated draft Labour Law with the social partners for consultation. In March 2022, representatives of workers' and employers' organizations discussed an updated set of amendments put forward by each side. Although consensus was not reached, the social partners signed a bipartite agreement expressing their continued commitment to reforming the Labour Law and to establishing a technical committee mandated to submit joint proposals on the updated draft within a period of six months. [116]

103. The Ministry of Labour has continued to modernize labour inspection, notably by improving its web-based automated inspection system and providing training and information technology equipment to its inspectors. Multiple awareness-raising campaigns reached over 1,000 establishments in 2021, mainly in the construction, trade and service sectors, most of them focusing on occupational safety and health (OSH), gender equality and the implementation of the new minimum wage, in force from early 2022. Inspections led to over 3,700 measures against non-compliant workplaces, up from 3,000 in 2020, but below the 7,000 in 2019. These included 95 referrals to court, compared to 89 in 2020 and 300 in 2019, and the closure of 12 establishments, compared to 42 in 2020 and 73 in 2019, mainly for violations relating to safety

[113] Palestinian National Authority (PNA), *National Policy Agenda, 2017–2022: Putting Citizens First*, December 2016 (unofficial translation).

[114] PNA, Ministry of Labour, *Labour Sector Strategy (2021–2023): The Road to Decent Work and Employment Opportunities Improvement*, April 2020.

[115] PNA, Ministry of Labour, National Employment Strategy (2021–2025), March 2021.

[116] Palestinian Labour Law No. 7 of 2000: Agreement on Law Reform, 15 March 2022, Dead Sea, Jordan.

and health. The Ministry also dealt with 594 complaints, the great majority concerning wage-related matters in the service sector. [117]

104. In early 2021, a national tripartite committee on OSH was established, which developed a national OSH profile, a diagnostic of the OSH situation in the Occupied Palestinian Territory, as a further step in preventing and mitigating occupational hazards. A national mechanism for the recording and notification of work-related accidents, injuries and diseases is under development. In parallel, awareness-raising campaigns targeting enterprises and workers were launched by the Ministry of Labour to support the implementation of Decree Law No. 3 of 2019 on Occupational Safety and Health Committees and Supervisors in Establishments, which promotes labour–management cooperation in establishments with at least 40 employees. In line with the same Decree Law, a mechanism for accrediting OSH training bodies, training programmes and trainers was created in 2021, leading to the accreditation of two training bodies. [118] According to the Ministry, 626 work injuries – including 23 fatal ones – were registered in the West Bank, including East Jerusalem, and Gaza in 2021, half of them in the manufacturing and agricultural sectors. The Ministry continued distributing awareness-raising material to employers and workers on pandemic-related protective and preventive measures, and on the prevention of other diseases in workplaces.

105. Managing labour disputes has been another key priority for the Ministry of Labour. In 2021, many disputes arose from the economic consequences of the COVID-19 crisis, including collective dismissals during enterprise restructuring in line with article 41 of the Labour Law. [119] The Ministry provided a number of legal opinions, most of them relating to unpaid wages and employment benefits.

106. Labour-related disputes referred to the judiciary are settled by local civil courts, following procedures applied to civil cases. Dedicated labour courts, or alternatively labour chambers within civil courts, to expedite labour litigation, have still not been established. Both the PGFTU and the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) agree that the absence of specialized labour courts is a major issue to be addressed as a priority in the labour law reform, particularly in view of the sizeable backlog of labour cases in civil courts. [120] The FPCCIA offers alternative means of dispute resolution, notably mediation and arbitration for commercial disputes. [121] Such services are operational only at the Hebron Chamber of Commerce, which since its creation in 2019 has resolved some 60 cases on labour-related matters, mainly through mediation or informal reconciliation.

Social dialogue and tripartism: Commitment not matched by outcomes

107. In March 2021, the first National Social Dialogue Conference set an ambitious social dialogue agenda. As noted in last year's report, the concluding statement committed the parties to

[117] PNA, Ministry of Labour, "2021 Annual Report of the Ministry of Labour: General Administration of Inspection and Labour Protection" (unpublished).

[118] PNA, Ministry of Labour, "2021 Annual Report of the Ministry of Labour: General Administration of Occupational Safety and Health" (unpublished).

[119] Article 41 of the Labour Law allows employers to terminate employment contracts for "technical reasons" or a "loss that necessitates reducing the number of workers". It also guarantees the worker's right to a notice allowance and end-of-service allowance, provided that the Ministry is notified of such termination.

[120] According to the General Administration of Information Technology at the High Judicial Council, in 2019 the number of pending labour cases was about 21,000. See Ahmad Melhem, "Palestinian Workers Might Finally Have Labour Courts to Settle their Cases", *Al-Monitor*, 21 May 2109.

[121] ILO, "Organisational Assessment Palestinian Federation of Chambers of Commerce, Industry and Agriculture (PFCCIA)", February 2022 (unpublished).

collaborate and conduct social dialogue in several areas. [122] A tripartite committee was formed to follow up on the implementation of the Conference's recommendations, and to submit periodic reports on achievements to the Minister of Labour. Up to early 2022, bipartite and tripartite social dialogue had been intense, particularly on reform of the Labour Law and review of the Social Security Law, though with few tangible outcomes.

108. A recent ILO evaluation of the social dialogue landscape in the Occupied Palestinian Territory pointed to persistent structural impediments. [123] Importantly, there was no solid institutional basis for peak-level national social dialogue, except for the tripartite Labour Policies and Wages Committees, which met sporadically. Furthermore, dialogue rarely extended beyond the national to the regional, sectoral or workplace levels, which was a bottleneck to informing and implementing peak-level agreements. For instance, several interlocutors pointed to the inability of many enterprises and sectors to apply the new national minimum wage of 1,880 shekels, which was approved by the Palestinian Authority's Council of Ministers in August 2021 after a tripartite agreement.

109. Another problem is that sectoral social dialogue, including collective bargaining, is not tailored to the specific needs of sectors and remains underused, as the Ministry of Labour and the social partners still perceive it primarily as a tool for managing collective disputes. Most collective bargaining agreements are intended to settle wage-related disputes, with facilitation by the Ministry of Labour upon request by trade unions: in 2021, the Ministry processed 22 such requests, of which 8 ended in collective agreements covering 1,447 workers, following mediation by Ministry officials in the framework of ad hoc "dialogue committees" established for the dispute at hand. [124]

110. In 2021, trade union density in the Occupied Palestinian Territory stood at roughly 20 per cent, [125] a relatively high figure by international standards and given that nearly nine out of ten establishments are microenterprises. [126] Unionization among male workers stood at 18.5 per cent and among women at 30.2 per cent. In Gaza, 37.6 per cent of workers are union members, and in the West Bank 14.4 per cent. In total, as of 31 December 2021, 94 employers' organizations and 417 national, sectoral and enterprise-level trade unions were operating in the Occupied Palestinian Territory, including two new Gazan sectoral unions registered in 2021. [127] Work on a draft Trade Union Organizations Law, which the Ministry of Labour considers necessary for social partner organizations to operate effectively, has been on hold since 2019.

Social protection struggling against rising vulnerabilities

111. Many of the mission's interlocutors acknowledged that the pandemic had been a harsh reminder of the need for greater social protection, notably contributory social security, to buffer the impacts of economic crises on workers and enterprises. According to the PCBS, some 60 per cent of the

[122] Areas included the monitoring implementation of the National Employment Strategy, reviewing the Social Security Law of 2016, applying the new national minimum wage as of from early 2022, finalizing the revision of the current Labour Law and a Trade Union Organizations Law, promoting sectoral social dialogue, adopting a Ministry of Labour plan to protect Palestinian workers in Israel, and institutionalizing national tripartite social dialogue.

[123] ILO, "Assessment and Prospects of Tripartite Cooperation and Social Dialogue in the OPT", January 2022 (unpublished).

[124] PNA, Ministry of Labour, "2021 Annual Report of the Ministry of Labour: General Department of Labour Relations" (unpublished).

[125] PCBS microdata tabulations for 2020 and 2021.

[126] ILO, "Assessment and Prospects of Tripartite Cooperation and Social Dialogue in the OPT".

[127] The General Union of Kindergartens and Nurseries and the General Union of Women Workers in the Cosmetic and Beauty Sector.

Palestinian workforce did not contribute to any social security scheme, private or public. [128] Currently, only public sector workers (civil servants and members of the security forces – around one quarter of all employed Palestinians) enjoy social security coverage through mandatory contributions to the Palestinian Pension Agency. [129] Workers in the private sector, including their families, are not covered by any public social security scheme.

112. The Social Security Law of 2016, which was the basis for establishing the Palestinian Social Security Corporation in 2018, was suspended by presidential decree on 28 January 2019, after widespread protests against it had erupted in the West Bank. [130] Efforts to reactivate dialogue among stakeholders to review and amend the Social Security Law resumed in mid-2021, consistent with the concluding statement of the First National Social Dialogue Conference of March 2021. Following that Conference, a special tripartite committee established by the Minister of Labour launched exploratory dialogue on reviewing the Law. The committee met several times from mid-2021 to early 2022 to examine proposed revisions, including employer liability provisions, an actuarial valuation for an unemployment insurance scheme, and an assessment of the impacts of the changes proposed. In parallel, the Palestinian Authority launched a campaign to raise awareness of the benefits of social security and to enhance confidence in the governance structures of the Palestinian Social Security Corporation.

113. Non-contributary social assistance is a key pillar of a Palestinian social protection floor. A recent ILO assessment shows that the bulk of public social protection programmes are tax-financed. [131] In the context of recurrent fiscal crises, the Ministry of Social Development relies heavily on shrinking external support. To cope with immediate needs related to poverty and unemployment, the Palestinian Authority, international institutions and NGOs have launched a wide range of social assistance programmes, including cash transfers. Although social assistance coverage is widespread, the low value of transfers and weak coordination have severely limited the programmes' impact on poverty. In 2020, cash transfers through the Palestinian National Cash Transfer Programme – the main pillar of national social assistance – reached some 115,000 of the most vulnerable Palestinian households. [132] However, since May 2021, registered households have not received payments because of the Palestinian Authority's fiscal crisis. [133]

114. The Social Development Sector Strategy 2021–2023 aims to provide policy guidance and improve the governance and responsiveness of social protection and social assistance programmes. To rationalize the channelling of assistance to beneficiaries in the West Bank and Gaza, the Ministry of Social Development has created a national social registry to identify and register all vulnerable people, mainly persons with disabilities and the elderly. [134] An Aid Information Management System – a "one-stop-shop" for all information related to foreign assistance in Palestine covering

[128] PCBS microdata tabulations for 2020 and 2021.

[129] There is concern regarding the financial situation and long-term sustainability of the public pension fund, see World Bank Group, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 17 November 2021, 10 and 38.

[130] Protesters criticized the law for requiring high contributions without providing enough guarantees for delivery, and for not appropriately covering workers outside the formal labour market. ILO, *The Situation of Workers of the Occupied Arab Territories*, Report of the Director-General, International Labour Conference, 108th Session (2019), para. 122.

[131] ILO, *On the Road to Universal Social Protection: A Social Protection Floor Assessment in the Occupied Palestinian Territory*, October 2021, 40.

[132] ILO, *A Social Protection Floor Assessment in the Occupied Palestinian Territory*, table 8.

[133] OXFAM International, "Fears That Wheat Stocks Could Run Out in the Occupied Palestinian Territory within Three Weeks", 11 April 2022.

[134] World Food Programme, *Palestine: Annual Country Report 2021 – Country Strategic Plan 2018–2022*, 2021, 17

all sectors, projects and donors – is also being developed by the Ministry of Social Development and by UN agencies and programmes. [135]

Employment promotion, skills and entrepreneurship: Vital steps to improve coherence and effectiveness

115. Formally launched at the first National Social Dialogue Conference in March 2021, the National Employment Strategy provides a comprehensive framework to coordinate employment and labour market interventions in the Occupied Palestinian Territory. The Strategy has three objectives: strengthening labour market governance and developing active labour market policies and programmes; aligning education with labour market needs; and boosting the private sector's resilience and capacity to increase productivity and create decent employment for jobseekers, particularly youth and women. Putting the implementation plan for the Strategy into practice depends on securing funding. [136] The Palestinian Authority has scheduled a meeting for the summer of 2022, where development partners are expected to discuss scaling up funding to support the implementation of the Strategy, with a focus on ten mutually reinforcing thematic areas. [137]

116. The Palestinian Fund for Employment and Social Protection was transformed in October 2021 through Decree Law No. 33/2021 into the Palestinian Employment Fund. [138] This institution – which has been authorized to act as the national umbrella for employment and job creation, and as the executive arm for national employment policies, including those of the Ministry of Labour – has a central role to play in the implementation of the National Employment Strategy. The Fund is governed by a board of 11 members. While the Board of the former Palestinian Fund for Employment and Social Protection had three representatives each from the FPCCIA and the PGFTU, in the new Board of the Palestinian Employment Fund, their representation has been reduced to one member each. The mission was informed that for this reason, the PGFTU had not taken up its seat on the Board.

117. The Palestinian Employment Fund provides funding and training to micro and small enterprises and to grassroots organizations, targeting graduates, women, persons with disabilities and the unemployed. In 2021, it created over 5,000 job and income-generating opportunities, most of them temporary, and supported the creation of 600 micro and small enterprises. Around 50 per cent of the projects targeted women. [139] To enhance matching of jobseekers and employers, the Fund developed an employment portal, to which some 2,000 jobseekers and 1,250 employers had registered by early 2022. [140] At the time of the mission, the Fund was endowed with US$10 million, and discussions were ongoing with donors for additional funding.

118. Other institutions are also active in the promotion of job creation and income generation, notably the Istidama (Sustainability) financing programme. In June 2021, the Palestinian Monetary

[135] By March 2022, the Aid Information Management System had mapped some 924 aid projects.

[136] The total cost of implementing the National Employment Strategy is estimated at US$243 million. PNA, Ministry of Labour, National Employment Strategy (2021–2025), March 2021, 124.

[137] Strengthening the Labour Market Information System; enhancing the Public Employment Services; improving labour inspection and tackling informality; linking social protection with labour market activation; enhancing social dialogue and social security institutions; strengthening TVET; improving the business environment; promoting growth and employment relations in priority sectors; supporting entrepreneurship; and supporting local products.

[138] Decree Law No. 33 of 2021 on the Palestinian Employment Fund, 27 October 2021.

[139] Palestinian Employment Fund, "PEF's achievements", briefing note for the ILO mission, 3 March 2022 (unpublished).

[140] Palestinian Employment Fund, briefing note.

Authority announced a new phase of the scheme, Istidama 2. The programme aims to provide support to small and medium-sized enterprises and to micro projects through preferential bank loans. Since its establishment in May 2020, Istidama has supported over 1,100 businesses, many of them directly affected by the pandemic. [141] The programme prioritizes support to projects in the information technology, renewable energy, agriculture and education sectors. [142]

119. Strengthening TVET to meet labour market needs is a key priority for the National Employment Strategy and the Labour Sector Strategy 2021–2023. In 2021, over 76 TVET centres – including 58 managed by the Ministry of Education (vocational and industrial schools) and the Ministry of Labour (vocational training centres) – and 200 educational and cultural centres provided TVET services in the Occupied Palestinian Territory. [143] The TVET landscape remains very fragmented, with limited private sector involvement. Enrolment is low, and the training offered is often perceived to be of poor quality.[144] A National TVET Council, set up in early 2021 by Decree Law No. 4 of 2021, has been mandated to coordinate TVET management, formulate and review TVET policies and regulations, complete the development of a National Qualifications Framework and host a national TVET fund. [145]

120. Improving the environment for entrepreneurship in the Occupied Palestinian Territory is key for creating enterprises and jobs, and for enhancing prospects for digital business activity. [146] Several laws in this regard have recently been enacted or are awaiting approval, including a Companies Law that was signed by the President in October 2021, and a draft Competition Law. [147] Additionally, draft amendments to the Cooperative Law No. 20 of 2017, along with by-laws establishing two promotional bodies of the Cooperative Work Agency (the Cooperative Development Fund and the Cooperative Training Institute) are under consideration.

Empowering women: An incomplete policy and regulatory landscape

121. The position of women in the Palestinian labour market remains precarious. Women are disproportionately affected by the occupation and its manifold mobility restrictions, which compounds the impact of patriarchal norms and cultural expectations of the role of women in Palestinian society. Women workers have been particularly impacted by the COVID-19 pandemic, the escalation of hostilities in Gaza and the deepening labour market crisis. [148] Women employed in the private sector receive lower wages than their male counterparts in comparable positions

[141] Palestinian Authority, "Under the Patronage of Palestine Monetary Authority Signing a Memorandum of Understanding between Bank of Palestine and Ministry of Labour to Provide Financing of One Million Dollars from the Estidama Fund for Persons with Disabilities", 6 April 2022.

[142] Portland Trust, "Renewed Interest in Digital Currencies", *Palestinian Economic Bulletin*, No. 178, July 2021.

[143] PNA, Ministry of Labour, "National Employment Strategy (2021–2025)", March 2021, 68.

[144] PNA, Ministry of Labour, "National Employment Strategy (2021–2025)", March 2021, 70–71.

[145] National TVET Commission, "Annual Work Plan 2022 TVET – SWG", 24th March 2022 (unpublished).

[146] World Bank Group, *Palestinian Digital Economy Assessment*, Washington, DC, 22 December 2021, 6–7.

[147] Other laws include an updated Law of Crafts and Industries and a new Telecommunication Law, both of which have been enacted. See World Bank Group, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 17 November 2021, 40.

[148] UN Women, *COVID-19: Gendered Impacts of the Pandemic in Palestine and Implications for Policy and Programming: Findings of a Rapid Gender Analysis of COVID-19 in Palestine*, April 2020; UN Women, *2021 Gender Alert: A Multisectoral Gender Analysis to Inform the 2022 Humanitarian Programme Cycle in the oPt*, November 2021; UN Women, *Gender and Wars in Gaza Untangled: What Past Wars Have Taught Us?*, June 2021.

and with the same qualifications. [149] Almost half of eligible female employees in the private sector did not receive paid maternity leave in 2021. [150]

122. Entrepreneurship could provide an important impetus to empowering women in the labour market, although they face high barriers to starting and building up their own business. [151] A recent assessment of the FPCCIA shows that enterprises owned completely or partly by women constitute less than 1 per cent of active enterprises in the eight chambers of commerce for which sex-disaggregated data could be collected. [152]

123. Progress on harmonizing Palestinian laws with international labour standards and the Convention on the Elimination of All Forms of Discrimination against Women to end all forms of discrimination, promote gender equality and promote women's empowerment remains sluggish. Palestinian legislation does not comprehensively define discrimination. Revisions to the Labour Law from a gender perspective [153] and to the Social Security Law, with important implications for maternity protection, have not been finalized; they are awaiting consensus among the tripartite partners. The mission was informed that some employers are openly reluctant to hire women, fearing the financial liabilities linked to paid maternity leave. Furthermore, the Family Protection Law and amendments to the Penal Code and to the Personal Status Code remain drafts. These laws are expected to define and prohibit discrimination against women in all areas of life, adopt a comprehensive definition of sex-based discrimination and penalize violence and harassment in the workplace. [154]

124. At the initiative of the Ministry of Women's Affairs and further to advocacy from the National Committee for Women's Employment and civil society organizations, policy initiatives from mid-2021 to early 2022 aimed to improve women's working conditions and to tackle increasing gender-based violence, in the context of the particular impacts of the COVID-19 crisis on women. Through resolutions of the Palestinian Authority's Council of Ministers, in the public sector women were allowed to work from home if they had children 10 years old or younger, maternity leave was increased from 10 to 14 weeks and a three-day paternity leave was adopted. To promote equal pay for men and women and to strengthen its monitoring, the Ministry of Women's Affairs and the Ministry of Labour initiated preparations in early 2022 for the establishment of a National Committee on Pay Equity. A Ministry of Labour campaign on applying the new minimum wage in force from early 2022 is targeting kindergartens and nurseries, where women account for most of the workforce. [155] Civil society organizations such as the Young Women's Christian Association [156] and gender units in chambers of commerce continue to provide services aimed at

[149] Palestine Economic Policy Research Institute, PCBS, Palestine Monetary Authority and Palestine Capital Market Authority, 2020. *Economic Monitor*, 25.

[150] PCBS, "The Reality of the Palestinian Women on the Eve of International Women's Day, 08/03/2022: Gender Equality Today for a Sustainable Tomorrow", press release, 7 March 2022.

[151] See United Nations Development Programme et al., *Palestine: Gender Justice and the Law*, 2018; World Bank Group, *Enhancing Job Opportunities for Skilled Women in the Palestinian Territories*, 2018.

[152] ILO, "Organisational Assessment Palestinian Federation of Chambers of Commerce, Industry and Agriculture (PFCCIA)", February 2022 (unpublished).

[153] ILO, "Reform of the Palestinian Labour Law No. 7 of 2000: Final Report", 2022 (unpublished).

[154] UN Office of the High Commissioner for Human Rights, letter from the Rapporteur on follow-up, Committee on the Elimination of Discrimination against Women, to the Palestinian Ambassador, 5 March 2021.

[155] PNA, Ministry of Labour, "2021 Annual Report of the Ministry of Labour: General Administration of Inspection and Labour Protection" (unpublished).

[156] For more information, see https://ywca.ps/about.

boosting women's micro entrepreneurship. [157] Measures to combat gender-based violence in the community and the workplace included the creation of a National Observatory to Monitor Violence, which was established by the Ministry of Women's Affairs, the Ministry of the Interior and several civil society organizations. [158]

125. Women are under-represented in decision-making in the public and private spheres, including in government, trade unions and employers' organizations. Women occupy less than 20 per cent of union leadership positions. The Board of the FPCCIA is all male, and among its 13 local chambers of commerce, only three women have a board seat (in Ramallah, Jerusalem and Qalqilia). [159] The proportion of women elected in the first round of the 2021 Palestinian local elections was 22 per cent, [160] largely the same as in the 2017 local elections [161] and well below the international average. [162] Only nine electoral lists were headed by women – 1 per cent of the total. Out of 16 governors, only one is a woman, and only 2 per cent of local councils are headed by women. [163]

126. In 2021, the Palestinian Authority announced the preparation of a decree law establishing a minimum quota of 30 per cent for the participation of women candidates in general and local elections. [164] The Ministry of Women's Affairs prepared the Second National Action Plan for the Implementation of UN Security Council resolution 1325 [165] on Women, Peace and Security, covering 2021–2023. The plan aims to protect Palestinian women and girls from violence and Israeli occupation policies; promote accountability through mechanisms protecting women and girls; and guarantee the participation of women, without discrimination, in decision-making at all levels. In April 2021, the PGFTU formed a coalition with 37 civil society organizations and sectoral unions to advocate for equal labour rights for men and women, and an improved voice for workers in the reform of the Labour Law.

Child labour and people with disabilities

127. The Labour Law prohibits the employment of children under the age of 15 years, and hazardous or long hours of work for children below 18 years of age. Household survey data for 2021 suggest that child labour among children aged 10 to 14 was relatively rare, at 1 per cent of the number of children in that age range. [166] Still, the number of children in employment more than doubled between 2020 and 2021 in Gaza, from 526 to 1,096, all of whom were boys, and increased by around 55 per cent in the West Bank over that period, from 3,982 to 6,169, including 482 girls. In addition, an estimated 3.5 per cent of children aged 15 to 17 were engaged in hazardous work in 2021. During its stay in Gaza, the mission observed children working in streets and shops, at times performing hazardous tasks such as pushing heavy carts and carrying heavy loads. The National

[157] FPCCIA, "Report to the ILO Fact-Finding Mission", April 2022 (unpublished).

[158] Ministry of Women's Affairs, "Israeli Occupation Impacts on the Palestinian Work Sector", briefing note for the ILO fact-finding mission (unpublished).

[159] ILO, "Organisational Assessment Palestinian Federation of Chambers of Commerce, Industry and Agriculture (PFCCIA)", February 2022 (unpublished).

[160] PCBS, "The Reality of the Palestinian Women on the Eve of International Women's Day, 08/03/2022".

[161] Central Elections Commission – Palestine, "Local Elections 2017: Candidates by Gender", infographic.

[162] Globally, of the 6 million elected members in deliberative bodies of local government in 133 countries and areas as of 1 January 2020, 2.18 million (36 per cent) were women: UN Women, *Women's Representation in Local Government: A Global Analysis*, December 2021, 7.

[163] PCBS, "The Reality of the Palestinian Women on the Eve of International Women's Day, 08/03/2022".

[164] UN Office of the High Commissioner for Human Rights, letter from the Rapporteur.

[165] United Nations Security Council, resolution 1325, 31 October 2000.

[166] PCBS microdata tabulations for 2020 and 2021.

Child Council, reactivated in late 2019, is responsible for designing and monitoring policies on protecting children's rights, including the elimination of child labour. In 2021, it organized several awareness-raising campaigns targeting children and parents, including a virtual "accountability session" in Gaza in the presence of representatives from the Ministries of Labour, Social Development and Education, the police and the Juvenile Prosecution Department of the West Bank. [167]

128. Persons with disabilities are estimated to make up some 2 per cent of the population in the Occupied Palestinian Territory. [168] Confronting social exclusion and barriers to accessing employment and social protection which were amplified by the pandemic, they face consistently higher levels of poverty than persons without disabilities. [169] Providing them with appropriate workplace arrangements, preventing discrimination, and ensuring that employers meet their obligation to reasonably accommodate them are crucial components of the ongoing reforms to Law No. 4 of 1999 on the Rights of Persons with Disabilities [170] and the Labour Law. [171] A national policy on the rights of persons with disabilities aiming to promote improved access to decent work, primarily through TVET, and measures for recruitment and monitoring of post-recruitment practices in the workplace has been in preparation for years.

129. The Ministry of Social Development is leading the Palestinian Authority's efforts to improve the effectiveness of social protection policies and interventions for persons with disabilities, notably through social assistance programmes. Based on 2020 data, households including persons with disabilities enjoyed a higher rate of coverage of public assistance, cash and non-cash, than the average household, at 33 per cent and 19 per cent, respectively. [172] The economic empowerment of persons with disabilities, including through grants for creating small and micro enterprises for poor households, is a key objective of the Social Development Sector Strategy 2021–2023. [173] The mission was informed that the Ministry is building financial and human capacity at the Palestinian Economic Empowerment Institution, which was created in 2019 as an independent body that helps to link social protection with economic empowerment to enable vulnerable people to generate sustainable income. From late 2021 to mid-2022, a comprehensive national data collection exercise led by the Ministry aimed to update information on beneficiaries eligible for the Palestinian National Cash Transfer Programme, and the Ministry's national social registry on the needs of the elderly and persons with disabilities. [174]

Gaza amid continued blockage, internal division and rarefying donor aid

130. Gaza's public sector and labour administration operate in challenging conditions. Its 2 million residents largely depend on humanitarian aid channelled mainly through the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). The May 2021 hostilities made it far harder for UNRWA, which remains seriously underfunded, to deliver essential services to Gazans, especially for primary healthcare and education. Austerity measures

[167] Palestinian Centre for Human Rights, "Palestine's National Children Council – Gaza Strip Participates in Accountability Session on Child Labor in Palestine with Government Officials", 28 October 2021.

[168] Most recent data from 2017: PCBS, press release, 3 December 2018.

[169] ILO, *A Social Protection Floor Assessment in the Occupied Palestinian Territory*, 63.

[170] Draft Decree Law on the Rights of Persons with Disability, 2019.

[171] ILO, "Reform of the Palestinian Labour Law No. 7 of 2000: Final Report" (unpublished).

[172] ILO, *A Social Protection Floor Assessment in the Occupied Palestinian Territory*, 63.

[173] PNA, Ministry of Social Development, "Social Development Sector Strategy 2021–2023", August 2020.

[174] World Food Programme, *Palestine: Annual Country Report 2021 – Country Strategic Plan 2018–2022*, 17.

put in place by UNRWA reduced operational costs, and further worsened the student–teacher ratio. With 30,500 staff members, including some 10,000 teachers (of whom the majority are women), UNRWA is the second-largest employer in Gaza after the Palestinian Authority, and applies the same labour regulations and salary scales as in the West Bank. This has a significant multiplier effect, as one UNRWA wage was reported to the mission to support on average four or five households.

131. In 2021, the Palestinian Authority lifted austerity measures that had been in place since early 2017, affecting the wages of some 55,000 Gaza-based civil servants on its payroll. This ended a 30–50 per cent reduction in take-home pay and compulsory early retirement for some 6,500 civil servants. However, the mission was advised that the Palestinian Authority's new austerity plan had also affected the salary of its Gaza-based civil servants, introducing a 20 per cent wage cut. More widely, in 2021, some 80 per cent of Gazans received social assistance, notably in the form of cash transfers, such as through the Palestinian National Cash Transfer Programme, which is now on hold, or food aid. [175] To target beneficiaries better, the Ministry of Social Development has tasked 360 Gaza-based officials to collect updated information on the needs of the most vulnerable households.

132. The Palestinian Authority's labour regulations, notably those on OSH and on minimum wages, are rarely enforced in Gaza; their application seems to depend largely on business owners' goodwill. Although many of Gaza's workers are union members, and two new sectoral unions were created in 2021 to represent workers in kindergartens and nurseries and in the cosmetic and beauty [176] sector, trade union activity remains limited. The restrictions on trade union rights imposed by the de facto authorities severely affect the PGFTU, preventing staff from using its premises, visiting workplaces or recruiting members in Gaza. Mobility restrictions due to the blockade have further limited the ability of West Bank and Gaza branches of the PGFTU and FPCCIA to have a united voice in bipartite and tripartite dialogue, increasing the disconnect between the branches.

[175] ILO, *A Social Protection Floor Assessment in the Occupied Palestinian Territory*, 40.

[176] PNA, Ministry of Labour, "2021 Annual Report of the Ministry of Labour: General Department of Labour Relations" (unpublished).

Chapter 5. Uncertain future for workers of the occupied Syrian Golan

133. The occupied Syrian Golan continues to live in the shadow of the conflict between Israel and the Syrian Arab Republic. Of strategic military importance due to its topography and geographic location, it was conquered by Israel during the 1967 war. It has been occupied ever since. More than 100,000 Syrians who were living in hundreds of villages across the Golan were reported to have been displaced or have fled at the time of the war. [177]

134. The area was annexed by Israel in 1981. The annexation violates international law. UN Security Council resolution 497 (1981) stipulates that the Israeli decision to impose its law, jurisdiction and administration in the occupied Syrian Golan is null and void and without international legal effect. [178] The annexation has been recognized by one country, the United States of America.

135. Trade with and travel to the Syrian Arab Republic has been impossible since 2013, and the Quneitra crossing remains closed.

136. In 2021, the population of the occupied Syrian Golan stood at 52,500. The numbers of Syrian citizens of the occupied Syrian Golan and of Israeli settlers are roughly equal. [179] The former are concentrated in 5 villages close to the UN-controlled buffer zone and the latter are spread over 35 settlements.

137. There are plans by the Israeli authorities to significantly increase the number of Israeli settlers in the occupied Syrian Golan. An Israeli Cabinet meeting was held in the occupied area on 26 December 2021 and a decision was taken to build thousands of new housing units and to double the number of settlers within the next three years. [180] It was also announced that the long-term goal was to increase the population of the largest Israeli settlement, Katzrin, to some 40,000 inhabitants by 2040. There are plans for the overall endeavour to be backed by an Israeli Government investment of 1 billion shekels. Two thousand new jobs are intended to be created.

138. If the Israeli Government's plan is implemented as announced, Syrian citizens of the occupied Syrian Golan would become a minority on their land and would account for only about one third of the overall population by 2025. Both the Government of the Syrian Arab Republic and the

[177] Christopher Phillips, "The Golan Heights: Ripples of Civil War in Israel's Little Piece of Syria" (Chatham House, 2014); Internal Displacement Monitoring Centre, *Syria: Forty Years On, People Displaced from the Golan Remain in Waiting*, 31 October2007; Alessandro Delforno, *More Shadows than Lights: Local Elections in the Occupied Syrian Golan* (Al-Marsad, 2021)

[178] Reiterated most recently by UN General Assembly resolution 76/81 of 9 December 2021: "1. Calls upon Israel, the occupying Power, to comply with the relevant resolutions on the occupied Syrian Golan, in particular Security Council resolution 497 (1981), in which the Council, inter alia, decided that the Israeli decision to impose its laws, jurisdiction and administration on the occupied Syrian Golan was null and void and without international legal effect and demanded that Israel, the occupying Power, rescind forthwith its decision; 2. Also calls upon Israel to desist from changing the physical character, demographic composition, institutional structure and legal status of the occupied Syrian Golan and in particular to desist from the establishment of settlements".

[179] Population data for the occupied Syrian Golan are published by the Israeli Central Bureau of Statistics (CBS). See CBS, "Population – Statistical Abstract of Israel 2021 – No. 72", 4 July 2021. According to the CBS, there were 24,000 Jews, 23,800 Druze and 2,800 Arabs living in the occupied Syrian Golan at the end of 2020.

[180] Israeli Government Decision No. 864 of 26 December 2021; see "A Plan to Encourage Sustainable Demographic Growth in the Communities of the Golan and Katzrin Regional Council for 2022–2025"; Ministry of Foreign Affairs, "Cabinet Approves Special Plan to Develop the Golan Heights", press release, 26 December 2021 and "PM Bennett's Remarks at the Start of the Special Cabinet Meeting on the Golan Heights", press release, 26 December 2021

League of Arab States condemned the plan, referring to it as "dangerous and unprecedented" [181] and a "flagrant violation of international law". [182]

139. While the above plan covers only Israeli settlement areas, another programme of the Israeli Government established in November 2021 is intended to improve transportation, infrastructure and education for Druze communities across Israel with a 3 billion shekel investment over three years (2021–23). Villages inhabited by Syrian citizens of the Golan are reported to be included. [183]

140. Key labour force data on the Syrian citizens of the occupied Syrian Golan are available from the Israeli Labour Force Survey. [184] In 2021, the labour force participation rate stood at 48.7 per cent. It was significantly higher for men (59.1 per cent) than for women (35.7 per cent). However, women's participation in the labour market has risen steeply, almost doubling in the last decade, and is now higher than the Arab regional average. [185] The majority of Syrian workers (90.8 per cent) were recorded as employees and 9.2 per cent were recorded as self-employed, including as employers.

141. Most employed Syrian citizens of the Golan worked in construction (21.8 per cent), followed by education (19.5 per cent) and wholesale and retail trade (13.7 per cent). There are no reliable data on the relative share of economic activity in agriculture and manufacturing, and data on the extent of unemployment are unavailable. It was reported to the mission that, as a result of a lack of industry and associated job opportunities, the overwhelming majority of Syrian workers have resorted to employment in Israel or in Israeli settlements in the occupied Syrian Golan.

142. Agriculture, and particularly apple farming, once a mainstay of the Golan economy, has decreased in importance, and few Syrian households are able to live off the land. This is mainly due to the fact that most agricultural production is based in smallholdings that are unable to compete with more industrialized Israeli farming and increased apple imports, and the Syrian market, which until 2013 guaranteed purchases, particularly of Golan apples, remains closed. Many households that were formerly involved exclusively in agriculture are reported to have turned to agro-tourism as a complementary source of income.

143. The mission was also informed about continued discriminatory practices with regard to access to water for the Syrian citizens of the occupied Syrian Golan. They were not entitled to the subsidies and incentives and did not benefit from infrastructure often available to settlers and settlements. In addition, there were ongoing concerns about wind turbines intended to be built on Syrian land. They had been planned without adequate consultation and would potentially jeopardize agricultural activity, urban expansion and tourism.

[181] *Al Jazeera*, "Syria Condemns Israel's Plan to Double Golan Heights Settlements", 27 December 2021.

[182] *Arab News*, "Head of Arab League Aboul Gheit Condemns Israeli Settlement Expansion in Golan Heights", 28 December 2021.

[183] Government of Israel, Ministry of Finance, "The Israeli Government Approved Today (Sunday) a NIS 3 Billion Three-Year Budget (2021–2023) to Improve the Quality of Life of Druze and Circassian Communities in Israel", press release, 28 November 2021.

[184] CBS, Israel Labour Force Survey data on the Golan, as communicated by CBS via email to the ILO on 10 April 2022. Note that for purposes of data analysis we used the labour force survey category of "Arabs in the Golan Heights" as a proxy for the "Syrian citizens of the Golan".

[185] Based on ILOSTAT modelled estimates for the Arab League, the regional average is 19.7 per cent.

Concluding observations

144. Over the last two years, the Palestinian world of work has been reeling under the COVID-19 pandemic and its fallout. Demand sagged, factories were shut and workers were laid off. Recovery is now well under way, as in other parts of the region, but the labour market is trailing behind overall economic performance. While growth has rebounded, not enough employment is being created. Most new jobs are informal and unemployment is at its highest level since the second intifada some 20 years ago.

145. Prior to the COVID-19 pandemic, the Palestinian labour market was already performing poorly. Stifled by decades of occupation, it had left many behind, most notably women and young jobseekers. The impact of the pandemic further accentuated pre-existing imbalances and vulnerabilities. Poverty has been increasing and frustration, leading to social unrest, runs deep.

146. Most Palestinian workers have known nothing other than living and working under occupation. But today's occupation is different from that of the early days. Over the years, it has significantly deepened and tightened. The West Bank is fragmented, the development and cultivation of Area C, which accounts for most of the land, are subject to extensive restrictions for Palestinians, while settlements grow unabated. Most Palestinian workers are ever more constrained by severe restrictions on mobility and access to land and resources. In Gaza, after 15 years of blockade, the labour market situation can only be described as catastrophic. Decent work is rare.

147. With limited means at its disposal, the Palestinian Authority has tried to regulate the labour market, protect workers and mitigate vulnerabilities through social assistance. However, a fiscal crisis of unprecedented proportions is making this task increasingly difficult. Fiscal leakages, including in the modalities for the collection and disbursement of Palestinian revenues by Israel, remain largely unaddressed. Many donors have reduced their assistance. As a result, civil servants are not being fully paid, social protection has been cut back and public investment has stalled. Governance is jeopardized and workers' livelihoods are at risk.

148. In ever greater numbers, Palestinian workers are turning to employment in Israel and the settlements. This is facilitated by a growing number of permits issued by Israel. However, in spite of recent reform endeavours by the Israeli Government, basic conditions have hardly improved. Tens of thousands of Palestinian workers still fall prey to illegal brokers taking as much as one third of workers' wages. Not all Palestinian workers in Israel are able to change employer and few have access to full social benefits. Too many are still dying or are injured at work, especially on construction sites.

149. Following recent decisions by the Israeli Government, more Gazans can now work in Israel and thousands have started to do so. The wages they bring back to Gaza will have significant ripple effects and boost household resilience. But, overall, Gaza will only be able to reverse its long-term decline and de-development once the blockade has been lifted. Key labour market indicators have been worsening over time, jobs are becoming scarcer, women are largely absent from the labour market, and unemployment, especially among youth, is rampant.

150. Meanwhile, in the occupied Syrian Golan, the situation of Syrian workers also remains largely determined by the occupation. Most Syrian citizens of the occupied Syrian Golan now seek employment in Israel, while discriminatory practices in their territory favouring Israeli settlers persist. Based on recent Israeli policy decisions to significantly increase Israeli settlements, Syrian citizens may soon become a minority in the occupied Syrian Golan.

151. All of this is evidence of how the occupation and external constraints make labour markets in the occupied Arab territories underperform and, ultimately, workers suffer. To reverse this situation, the international community will need to re-engage, help bring an end to the occupation and foster a two-state solution so that Arab workers currently under occupation can enjoy their full rights in accordance with international labour standards.

Annex: List of interlocutors

Palestinian Authority and other public institutions

Ministry of Labour

Nasri Abujaish, Minister of Labour

Abdel Kareem Daraghmeh, Deputy Assistant, Tripartite Dialogue Affairs

Ali Sawi, Deputy Assistant, Employment and Vocational Training Affairs

Buthaina Salem, Director-General, Legal Affairs

Salim Nakhleh, Director-General, Inspection and Work Protection

Iyham Nsour, Director-General, Occupational Safety and Health

Azmi Abdel Rahman, Director-General, Labour Policies

Abdel Kareem Mardawi, Director-General, External Employment

Hani Al-Shanti, Director-General, Projects and International Cooperation

Kamal Shafee, Director-General of Minister's Bureau

Dana Ismail, Minister's Advisor

Lama Awwad, Head of Gender Unit

Wael Qraiem, Consultant

Ministry of Foreign Affairs

Omar Awadallah, Ambassador, Multilateral Affairs, Head of United Nations and its Specialized Agencies Department

Ammar Hijazi, Ambassador, Assistant Minister for Multilateral Affairs

Abeer Abdalhaq, Third Secretary, Desk for Women's Affairs and Harmonization Committee

Mohammad Ayyad, Third Secretary, Desk for ICESCR

Ayoub Ayoub, Third Secretary, Desk for Environment and Human Rights

Ministry of Social Development

Ahmed Majdalani, Minister

Assem Khamis, Deputy Minister

Taghreed Kishek, Director-General of Minister's Bureau

Ministry of Women's Affairs

Amal Hamad, Minister

Hanna Nakhleh, Minister's Advisor

Sami Sehwail, Director of Planning

Rola Hanna, Head of Media and Protocol Department

Randa Janho, Director-General of Minister's Office

Bassam Zamel, Director of Minister's Office – Gaza

Palestine Monetary Authority

Fares Milhem, Governor

Mohammed Manasrah, Deputy Governor

Palestinian Central Bureau of Statistics (PCBS)

Ola Awad, President

Suha Kana'an, Director of Labour Statistics Department

Ayman Qanir, Director of Industry and Constructions Statistics Department

Amina Khasib, Director of National Accounts

Faed Rayyan, Director of Government and Finance Statistics Department

Jawad AlSaleh, Assistant to the President

National Committee for Women's Employment

Asma Khayat, Head of Gender Unit, Ministry of Finance

Abeer Omran, Head of Gender Unit, Ministry of National Economy

Asma Al Kilani, Head of Gender Unit, Ministry of Culture

Taghreed Anati, Head of Gender Unit, Ministry of Public Works and Housing

Heba Jebat, Head of Gender Unit, Ministry of Social Development

Fida Halabi, Project Assistant, Cooperative Work Agency

Lubna Khraisheh, Project Coordinator, Palestinian Employment Fund

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

Hassan Mahareeq, Project Manager, Palestinian Initiative for the Promotion of Global Dialogue and Democracy (Miftah)

Akel Abu Qare, Programme Manager, Palestinian Working Women Society for Development

Ibtisam Zaidan, Member of Board of Directors, Women's Affairs Center

Abeer Hassan, Customer Protection and Social Performance Officer, Asala for Credit and Development Company

Basma Al Naji, Advisor and Researcher, Gender Issues and Socio-Economic Development, Union of Cooperative Associations for Saving and Credit

Palestinian workers' and employers' organizations

Palestine General Federation of Trade Unions (PGFTU), Nablus

Shaher Sae'd, Secretary-General

Mohammad Al-Badri, Head of Telecommunication and Post Union

Mahmoud Al-Hawasheen, Head of Public Services Union

Abdel Karim Al-Lafdawi, Head of Printing and Media Union

Saher Sarsour, Head of Wood and Building Union

Juwairyeh Al Safadi, Head of Health Insurance Union

Khawla Elayyan, Head of Child Labour Unit

Mahmoud Thiab, Member of Wood and Building Union

Abdel Karim Dweikat, Head of Agriculture and Food Industries Union

Amal Al-Fitiani, Head of Textile Union

Tamam Abdel Hafith, Head of Public Transportation Union

Yassir Taha, Head of Public Services Union, Bedia Branch

Ghazi Abu El-Hayja, Head of Agriculture Union

Waseem Kalbouneh, Projects Coordinator

Imad El-Din Eshtawi, Head of Youth Department

Wijdan Rowaidi, Legal Advisor

Mohammad Said Kmeil, Treasurer of PGFTU, Jenin Branch

Nafeth Jaradat, Treasurer of PGFTU, Halhoul Branch

Sumaiah Al Hawamda, Treasurer of PGFTU, South Hebron Branch

Fawzi Shaban, Treasure of PGFTU, Jerusalem Branch

Hussein Khalifeh, Member of Wood and Building Union

Muna Jubran, Treasurer of PGFTU, Bethlehem Branch

Samir Hreizat, Treasurer of PGFTU, Yatta Branch

Issa Fayez, Worker

Palestine General Federation of Trade Unions (PGFTU), Gaza

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

Mohammad Hillis, Head of Building and Wood Workers Union

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

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

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

Jamal Jawabreh, Secretary-General

Atef Alawneh, FPCCIA's Advisor on Social Security Law

Nazih Merdawi, Director of Information and Technical Support Unit

Moussa Salameh, Director of Gender Unit

Mohammad Tahboub, Director of Public Relations

Ramallah Chamber

Ayman Al-Mimi, Director of Training Unit

Jerusalem Chamber

Luai Al Husseini, Director-General

Hebron Chamber of Commerce and Industry

Abdo Idrees, Chairman

Adnan Alnatsha, Board Member

Zuheir Neiroukh, Vice-Treasurer

Tareq Jalal Altamimi, Director-General

Raed Bayed, Public Relations Coordinator

Numan Seyoury, Media and Public Relations Officer

Gaza Chamber

Maher Al-Tabbaa, Acting Director

Mohammad Al Farawi, Treasurer

Khalil Attallah, Director of Media and Public Relations

Middle Gaza Chamber

Issa Abu Rabei, Director

Khan Younis Chamber

Amer Al Najjar, President

Loai Alaqqad, Treasurer

North Gaza Chamber

Imad Al Ghoul, Director-General

Bahaa Al Amawi, Public Relations and Protocol Officer

Rafah Chamber

Ayyad Abu Taha, Director of Public Relations

Palestinian Federation of Industries, Ramallah

Odeh Shihadeh Al-Zaghmouri, Secretary-General

Palestinian Businessmen Association, Ramallah

Mohammad Alamour, Chairman of the Board

Jehad Aqel, Acting General Manager

Palestinian civil society organizations and other stakeholders

Al-Haq, Ramallah

Shawan Jabarin, General Director

Rula Shadid, Head of Monitoring and Documentation

Zahi Jaradat, Field Research Coordinator

Zaid Shuaibi, Field Research Coordinator

AMIDEAST, Youth Exchange and Study Programs, Gaza

Khaled Shaath, Scholarships and Exchange Programme Coordinator

Center for Women's Legal Research and Consulting, Gaza

Zeinab El Ghunaimi, Director

Culture and Free Thought Association, Gaza

Mariam Zakoot, Director-General

Husseini & Husseini, Attorneys and Counsellors-at-Law, Ramallah

Hiba Husseini, Lawyer

Independent Commission for Human Rights, Ramallah

Ammar Dwaik, Director-General

Khadeja Zahran, Director of National Legislations and Policies Department

Ola Adawi, Head of International Relations

Taher Al-Masri, Legal Researcher

Aisheh Ahmad, Legal Researcher

Palestinian Medical Relief Society, Ramallah

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

Palestinian National Center of Occupational Safety, Health and Environmental Protection, Polytechnic University of Palestine, Hebron

Malik Salhab, Director

Palestinian Working Woman Society for Development, Gaza

Hind Abu Iyada, Director

Pal-Think for Strategic Studies, Gaza

Omar Shaban, Founder and Director

Save Youth Future Society, Gaza

Bahaa Aldin Faris, Executive Director

Ibrahim Abu Shwareb, Programmes Manager

Women's Affairs Center – Gaza

Amal Syam, Director

Yasser Arafat Foundation, Ramallah

Nabeel Shaath, Chairman of Yasser Arafat Foundation and Advisor to the President

Young Women's Christian Association of Jerusalem

Sandrine Amer, Executive Director

May Amireh, Vocational Training Center Supervisor

Youth Advisory Panel, Gaza

Angham Matar, Member

Ghada Zumlout, Member

Jumana Abu Nahleh, Member

Atta Hamoudeh, Member

Islam Masoud, Member

Yousef Abu Jaiab, Member

Field visits

Camel Sandals, Hebron

Hijazi Al Zatari, Director

Hanover Food Company, Gaza

Tamer Alwadiya, Member of the Board of Directors

Royal Industrial Trading Co., Hebron

Mazen El Zughier, Vice-President, Public Relations Manager

Unit One Group, Gaza

Saady Lozon, Chief Executive Officer

Ahmad Abu Shaban, Co-Founder

Government of Israel and other public institutions

Ministry of Foreign Affairs

Amir Weissbrod, Head of Bureau, United Nations and International Organizations Division

Judith Galili Metzer, Director, Department for UN Agencies and International Organizations

Yael Bitton, Deputy Director, Department for UN Agencies and International Organizations

Ministry of Economy and Industry

Rivka Werbner, Chief Labour Relations Officer

Hezi Schwartzman, Director of the Occupational Health and Safety Administration

Gali Levi, Prosecutor

Shiri Lev-Ran Lavi, Commissioner of Foreign Workers' Labor Rights

Ibrahim Kilani, Acting Deputy Chief Labour Relations Officer

Enforcement and Regulation of Labour Law Administration

Sharon Cohen, Senior Director

Israeli Institute for Occupational Safety and Hygiene

Sami Saadi, Head of Northern District

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Coordination of Government Activities in the Territories (COGAT)

Ltc. Alon Shacham, Head of Foreign Relations Branch

Maj. Moti Stolovich, Deputy Head of Economics Branch

Israeli workers' and employers' organizations

Histadrut – General Federation of Labour in Israel

Peter Lerner, Director-General of International Relations Division

Hila Shinuk, Head of Policy Department, Economics and Policy Division

Avital Shapira, Director of International Relations

Wael Amer, Construction Union

Tal Burshtien, Construction Union

Manufacturers' Association of Israel

Michal Waxman Hili, Director of Labour and Human Resources Division

Israel Builders Association

Ziv Lazar, Head of Economics and Data Analysis

Neomi Tirnover, Head of Labour and Wages Department

MAAN – Workers Association

Assaf Adiv, Executive Director

Roni Ben Efrat, MAAN Development Manager and International Relations

Abir Joubran Dakwar, Lawyer

Israeli civil society organizations and research institutes

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Gal Ginosar, Research Assistant

Machsom Watch – Women against the Occupation and for Human Rights

Sylvia Piterman, Volunteer

Kav LaOved

Adi Maoz, Director

Khaled Duchi, Head of Palestinian Workers Department

Aelad Chana, Lead Lawyer, Legal Department

Diana Baron, Head of Policy and Research Department

United Nations, international organizations and donors

Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO)

Tor Wennesland, UN Special Coordinator for the Middle East Peace Process

Lynn Hastings, Deputy Special Coordinator for the Middle East Peace Process, Resident/ Humanitarian Coordinator

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Sarah Muscroft, Head of Office

Ray Dolphin, Researcher/Writer

Andrea De Domenico, Deputy Head of Office

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Gwyn Lewis, Director of UNRWA Operations, West Bank

Thomas White, Director of UNRWA Operations, Gaza

World Food Programme

Samer Abdeljaber, Representative and Country Director

World Bank

Kanthan Shankar, Country Director

International Monetary Fund

Thomas Laursen, Resident Representative

Representative Office of the Federal Republic of Germany – Ramallah

Hanna Ilge, Deputy Head of Development Cooperation

Occupied Syrian Golan

Majd Kamal Kanj Abu Saleh, Lawyer

Wael Tarabieh, Artist, Activist in Human Rights

Thaer Abu Saleh, Farmer

Saleh Maktbe, Farmer

Salman Abu Awad, Farmer

Nizar Ayoub, Director, Al-Marsad Arab Human Rights Center in Golan Heights

Karama Abu Saleh, Lawyer, Al-Marsad Arab Human Rights Center in Golan Heights

Nazeh Brik, Researcher, Al-Marsad Arab Human Rights Center in Golan Heights

Fouad Qassem Al-Shaer, Farmer, Al-Marsad Arab Human Rights Center in Golan Heights

Taiseer Maray, General Director, Well Brain

Other meetings

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Mohammed Seif El-Din, Minister

Rakan Al-Ibrahim, Deputy Minister

Yasser Abed Al Ahmed, Deputy Minister

Mahmoud Al Kawa, Director of Planning and International Cooperation Directorate

Mahmoud Domrani, Director of Labour Directorate

Ali Hmedy, Coordinator of Cooperation with ILO

Ministry of Foreign Affairs and Expatriates – Damascus

Wael Ismail Al Khalil, Organizations Management

Ministry of Industry – Damascus

Assad Wardeh, Deputy Minister

General Federation of Trade Unions – Damascus

Jamal Al Hajali, Executive Office Manager

Chamber of Commerce – Damascus

Yasser Karim, Director

Amer Karbotli, Board Member

Chamber of Industry of Damascus and its Countryside

Obay Roshn, Head of Labor Unit, Specialized Committees Coordinator

Quneitra Governorate

Hussein Mohammed Ishak, Governor Deputy

New York University, Abu Dhabi

Wifag Adnan, Assistant Professor of Economics

Arab Labour Organization

Arab Labour Organization, Cairo

Fayez Al-Mutairi, Director-General

Emad Sherif, Director of External Relations and International Relations Department

Marwan Rais, Office of the Director-General