



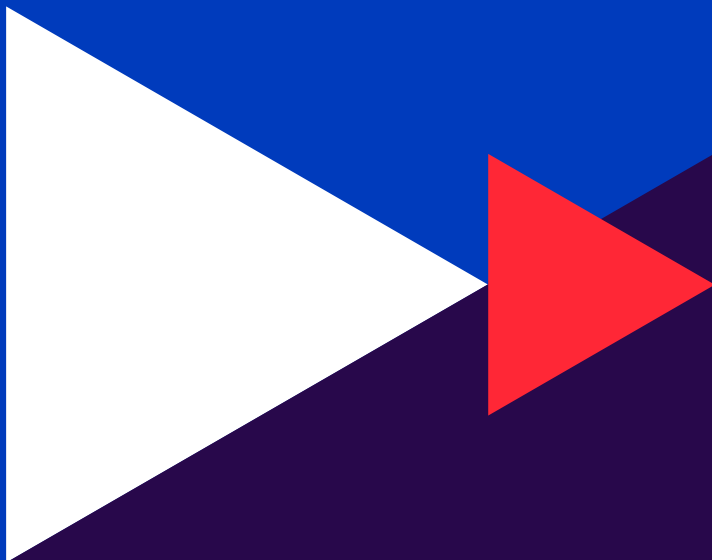
International
Labour
Organization

► ILC.111/DG/APP

► The situation of workers of the occupied Arab territories

Report of the Director-General
Appendix

International Labour Conference
111th Session, 2023



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

Report of the Director-General – Appendix

Copyright © International Labour Organization 2023

First edition 2023

Publications of the International Labour Organization (ILO) enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publishing (Rights and Licensing), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: rights@ilo.org. The ILO welcomes such applications.

Libraries, institutions and other users registered with a reproduction rights organization may make copies in accordance with the licences issued to them for this purpose. Visit www.ifrro.org to find the reproduction rights organization in your country.

The situation of workers of the occupied Arab territories. Geneva: International Labour Office, 2023

ISBN 978-92-2-037811-3 (print)

ISBN 978-92-2-037812-0 (web PDF)

ISSN 0074-6681 (print)

Also available in:

Arabic: ISBN 978-92-2-037821-2 (print), ISBN 978-92-2-037822-9 (web PDF);

Chinese: ISBN 978-92-2-037819-9 (print), ISBN 978-92-2-037820-5 (web PDF);

French: ISBN 978-92-2-037813-7 (print), ISBN 978-92-2-037814-4 (web PDF);

German: ISBN 978-92-2-037823-6 (print), ISBN 978-92-2-037824-3 (web PDF);

Russian: ISBN 978-92-2-037817-5 (print), ISBN 978-92-2-037818-2 (web PDF);

Spanish: ISBN 978-92-2-037815-1 (print), ISBN 978-92-2-037816-8 (web PDF).

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

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the ILO of the opinions expressed in them.

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

Information on ILO publications and digital products can be found at: www.ilo.org/publns.

► Preface

In accordance with the mandate given by the International Labour Conference, this year I sent a mission to once again 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 that has guided the preparation of this report. The mission also undertook a number of useful field visits to locations where conflict has recently impacted on workers, including to Hebron and the Jordan Valley and a refugee camp in the West Bank.

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

As Director-General, this is my first report on this topic to the International Labour Conference. We have reported annually to our constituency about the situation of workers of the occupied Arab territories for more than 40 years now. I wish that this year I could bring a message of hope to the Conference – justified hope that peace will prevail, that social justice will be established and that decent work will become a reality for the Palestinian worker. I am afraid, however, that such a message, as much as we might wish for it, would be out of tune with the realities on the ground. The situation of workers under occupation remains dire for the most part, and, unfortunately, there appears to be very little reason for optimism at this juncture.

As the report that follows depicts, conflict, violence and tension continue to pervade the Palestinian world of work and have become an integral part of workers' lives. Their rights are severely restricted by settlement expansion. The occupation is stifling the labour market, which in turn is not delivering what it could or should. Labour market outcomes as a whole remain poor. Unemployment persists at high levels and Palestinian livelihoods are at risk. Women and young jobseekers are particularly disadvantaged.

Nowhere, however, is the situation as dismal as in Gaza. Workers in the blockaded enclave are trapped in poverty, with few prospects for jobs, let alone opportunities for decent work. Under these circumstances it is easy to forget the potential that Gaza harbours. With its coastal location and an educated and entrepreneurial labour force, its workers and their families could thrive, if they were permitted.

It is noteworthy that over the last year, the Israeli authorities have allowed a growing number of Palestinian workers, including from Gaza, to seek jobs in Israel. Wages are higher there, but access and conditions remain difficult. Work is often precarious. Despite attempts at reform, unscrupulous brokers continue to dominate the permit trade.

It is in the interests of all parties to move beyond unilateral steps and bring the tripartite stakeholders from both sides together to work out practical and sustainable solutions. It will take

political will and commitment. Dialogue needs to be re-established and prioritized. Under my leadership, the ILO continues to stand ready to assist.

In 1919, the founders of the ILO declared that “universal and lasting peace can be established only if it is based upon social justice”. This report underlines that basic truth. Ultimately, there cannot be social justice under occupation. International engagement remains crucial in bringing the parties back to the table and ensuring that progress is being made towards achieving the vision of two states living side by side, based on relevant UN resolutions, previous agreements and international law. Integrated efforts and greater collaboration are critical. The international community and the stakeholders on the ground must work together to build peace and social justice, for the sake of the workers of the occupied Arab territories.

May 2023

Gilbert F. Houngbo
Director-General

▶ Contents

	Page
Preface	3
Introduction	7
Chapter 1. Work under an expanding occupation	9
Chapter 2. Elusive economic and social justice.....	15
Chapter 3. The impact of occupation on workers' rights	33
Chapter 4. Labour governance: Shrinking space and growing uncertainty.....	47
Chapter 5. Workers of the occupied Syrian Golan	57
Concluding observations.....	61
Annex. List of interlocutors	63

► Introduction

1. This Report of the Director-General presents the findings of the annual ILO mission to the occupied Arab territories and Israel, which is mandated to assess the situation of workers of the occupied Arab territories. As in all previous years, it has been carried out in accordance with the resolution concerning the implications of Israeli settlements in Palestine and other occupied Arab territories in connection with the situation of Arab workers, adopted by the International Labour Conference at its 66th Session (1980).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 Organization, 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, as well as the principles laid down in the relevant international labour standards and those enunciated by the supervisory bodies of the ILO.
3. In examining all the issues involved, both during the mission and in the preparation of this report, the Director-General's representatives bore in mind, as they have always done, the relevant standards of international humanitarian and human rights law, in particular the Hague Convention of 1907 (respecting the laws and customs of war on land) and the Fourth Geneva Convention of 1949 (relative to the protection of civilian persons in time of war). The 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). It was also mindful of the Advisory Opinion of 9 July 2004 of the International Court of Justice.³
4. The Director-General entrusted Frank Hagemann, Director of the Official Meetings, Documents and Relations Department, to lead the mission. The mission team included Kee Beom Kim, Macroeconomic and Employment Policies Specialist in the Employment Policy Department; Konstantinos Papadakis, Senior Social Dialogue and Governance Specialist in the Governance and Tripartism Department; and Lisa Tortell, Legal Specialist in the International Labour Standards

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 UN 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 International Court of Justice, "[Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory](#)", in *Reports of Judgments, Advisory Opinions and Orders*, advisory opinion, 9 July 2004.

Department. Frida Khan, 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 to 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 25 March to 6 April 2023. 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.⁴ 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 Syrian constituents on 2 March 2023, and the mission leader with the Arab Labour Organization on 17 February 2023.
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.

⁴ A list of interlocutors is contained in the annex to this report.

► Chapter 1. Work under an expanding occupation

9. The end of COVID-19 restrictions signalled a reset of labour markets in much of the world. Production rebounded, employment expanded and new working arrangements emerged. The crisis had also created new opportunities for both businesses and workers. Less so in Palestine, where other factors weigh on the labour market: restrictions and constraints larger and stronger than those imposed by the pandemic.
10. Palestinian workers continue to suffer under an entrenched and expanding occupation, now 55 years old. Movement of people and goods remains restricted, workers' rights are still being infringed and job creation continues to be constrained. There is a continuing lack of livelihood opportunities. High unemployment and poverty persist. Currently, 2.1 million, or almost 40 per cent of Palestinians, are in need of humanitarian assistance.⁵
11. Developments over the last year have led to more bloodshed. Violence is a daily reality for many Palestinians. Distressingly, there are few signs of any efforts to alter this overall context that predominantly determines the outcomes for Palestinian workers. There is no meaningful political process under way to end the occupation and resolve the conflict.

Absence of a political horizon

12. This year, the first Oslo Accord⁶ will be 30 years old. That could have been a cause for celebration, had the implementation of the Accord lived up to its promise and the general sense of hope that surrounded its signature by the Israeli Government and the Palestine Liberation Organization on 13 September 1993.
13. At that time, there was momentum for peace. The Accord was quickly followed by the Paris Protocol in April 1994,⁷ which laid down rules for economic relations between the Israelis and Palestinians, including on labour matters, and, in September 1995, by the second Oslo Accord.⁸
14. The Paris Protocol was integrated into the second Oslo Accord. It was meant to be valid for an interim period of five years, pending the outcome of negotiations on permanent status to be commenced no later than 1996. It is still in force today. A final status agreement on issues as fundamental as Jerusalem, refugees, settlements and borders has not yet been concluded. Momentum sagged and the Arab Peace Initiative and Roadmap,⁹ now both more than 20 years old, were unable to reignite the peace process.
15. It is fair to say that for most of this century there has been no progress towards peace between the two parties. The status of Palestine remains unresolved and its people, including workers, are

⁵ United Nations Office for the Coordination of Humanitarian Affairs (OCHA), *Humanitarian Needs Overview: Occupied Palestinian Territory*, January 2023, 23.

⁶ *Declaration of Principles on Interim Self-Government Arrangements*, UN General Assembly A/48/486 and Security Council S/26560, 11 October 1993.

⁷ 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.

⁸ *Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip*, UN General Assembly A/51/889 and Security Council S/1997/357, 5 May 1997.

⁹ The Arab Peace Initiative was adopted in 2002 (see [official translation](#)) and the Roadmap was announced in 2003: UN, *Letter dated 7 May from the Secretary-General Addressed to the President of the Security Council*, S/2003/529, 7 May 2003.

still trapped in a spiral of tension, coercion and violence. Prospects for the two-state solution have dimmed.

16. Amid a tense political standstill, there has been one of the most dangerous surges in violence in nearly 20 years. Initiatives by the international community to halt the negative trajectory remain few and far between and have been unable to dampen tensions and address the drivers of conflict.
17. Against the backdrop of escalation on the ground, Israeli and Palestinian senior officials met, at the invitation of the Government of Jordan, in Aqaba on 26 February 2023 together with counterparts from Egypt, Jordan and the United States of America. The two sides committed to end unilateral measures for a period of three to six months, and Israel committed to stop discussion of any new settlement units for four months and to stop authorization of any outposts for six months.¹⁰ The meeting was followed by a second round of talks in Sharm el-Sheikh some three weeks later, on 19 March 2023, at which economic and fiscal issues were also included on the agenda.¹¹
18. Both meetings failed to have any meaningful impact on developments on the ground. During the time the mission visited Israel and the Occupied Palestinian Territory, in the weeks after the Sharm el-Sheikh meeting, violence surged, including at Jerusalem's holy sites during the overlap of Ramadan and Passover, and between Israel and Hamas in Gaza. Moreover, representatives of the Government of Israel repeatedly announced further support for Jewish settlers in the West Bank.¹²

In the grip of occupation

19. Modern Palestinian history is defined by the Israeli occupation. While Gaza remains blockaded by land, air and sea, the West Bank has become ever more spatially fragmented.¹³ Movement of goods and people, including workers, is constrained by Israel through physical obstacles (such as roadblocks, gates and checkpoints) and administrative ones. Jerusalem has been cut off from the West Bank by the Separation Barrier.¹⁴ Area C, which remains out of bounds for most Palestinians and accounts for most of the land foreseen for a future Palestinian state, is now home to more Israeli settlers than Palestinians. A restrictive and discriminatory planning regime hampers any footprint of Palestinians in Area C. One third is designated as closed military zones (firing zones).¹⁵ Demolitions of Palestinian property, not only in Area C, but also in East Jerusalem, continue unabated, as do evictions of Palestinians from their land. The year 2022 saw the highest number of demolitions ever recorded.

¹⁰ US Department of State, "Aqaba Joint Communiqué", 26 February 2023.

¹¹ US Department of State, "Joint Communiqué from the March 19 meeting in Sharm El Sheikh", press release, 19 March 2023, para. 6.

¹² Hagar Shezaf, "Israel Set to Double Funds for Settlers Monitoring Palestinian Construction in West Bank", *Haaretz*, 4 April 2023.

¹³ 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.

¹⁴ The Separation Barrier, of which 85 per cent runs inside the West Bank, is approximately two thirds complete. Upon completion, the Separation Barrier will be 710 kilometres in length. The Advisory Opinion of the International Court of Justice on the Barrier delivered on 9 July 2004 called for an immediate cessation and reversal of construction activity and for reparations for all damage that had been caused by it. This was endorsed by the subsequent UN General Assembly [resolution ES-10/15](#) on 20 July 2004, published 2 August 2004.

¹⁵ OCHA, *Humanitarian Needs Overview: Occupied Palestinian Territory*, January 2023, 7.

20. Facts have been created on the ground that increasingly appear to be irreversible. The settlement venture is continuing with renewed vigour.¹⁶ Settlements are ubiquitous across the West Bank; there are now 695,000 settlers in the West Bank, including East Jerusalem,¹⁷ and their number keeps rising. There has also been a marked increase in settler violence – the highest since the Office for the Coordination of Humanitarian Affairs (OCHA) began recording it in 2006 – epitomized by the mob attack by settlers on the Palestinian town of Huwara in February 2023.¹⁸ The rights of workers, and the enforcement of those rights, are inevitably affected by the ongoing settlement activity and associated violence.
21. It should be recalled that all settlement on occupied territory is illegal under international law. UN Security Council resolution 2334 of 2016 reiterated its demand that Israel “immediately and completely cease all settlement activities in the occupied Palestinian territory, including East Jerusalem”.¹⁹
22. Significant concerns continue to be raised as to Israel’s responsibilities as an occupying power under international humanitarian law and its obligations under the Geneva Conventions.²⁰ In December 2022, the UN General Assembly requested an advisory opinion from the International Court of Justice on “the legal consequences arising from the ongoing violation by Israel of the right of the Palestinian people to self-determination”, including the legal status of the occupation and the legal consequences of that status for Member States and the UN.²¹ On 3 February 2023, the Court issued an order organizing the proceedings, setting the time limit for the written submission process as 25 October 2023.²²
23. In response to the UN General Assembly resolution, Israel introduced punitive measures against the Palestinian Authority, including the deviation of some US\$40 million in clearance revenues, collected on behalf of the Palestinian Authority in line with the Paris Protocol, to families of Israelis killed in Palestinian attacks. Subsequently, over 90 UN Member States issued a statement calling for the immediate reversal of the measures.²³

¹⁶ UN, “Security Council Expresses ‘Concern’, ‘Dismay’ over Israeli Settlement Expansions, Adopting First Presidential Statement on Question of Palestine in Years”, 20 February 2023.

¹⁷ OCHA, *Humanitarian Needs Overview: Occupied Palestinian Territory*, January 2023, 7.

¹⁸ Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO), “Statement by UN Special Coordinator for the Middle East Peace Process, Tor Wennesland, on the Situation in the Occupied West Bank”, 8 March 2023.

¹⁹ UN Security Council, resolution 2334 (2016), adopted by the Security Council at its 7853rd meeting, on 23 December 2016, S/RES/2334 (2016), 23 December 2016, para. 2.

²⁰ OCHA, *Humanitarian Needs Overview, Occupied Palestinian Territory*, January 2023, 13.

²¹ UN General Assembly resolution 77/247, adopted on 30 December 2022, [Israeli practices affecting the human rights of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem](#). On 17 January 2023, the UN Secretary-General relayed the request for an advisory opinion to the International Court of Justice on two questions:

- (a) What are the legal consequences arising from the ongoing violation by Israel of the right of the Palestinian people to self-determination, from its prolonged occupation, settlement and annexation of the Palestinian territory occupied since 1967, including measures aimed at altering the demographic composition, character and status of the Holy City of Jerusalem, and from its adoption of related discriminatory legislation and measures?
- (b) How do the policies and practices of Israel referred to ... above affect the legal status of the occupation, and what are the legal consequences that arise for all States and the United Nations from this status?

²² ICJ, *Legal Consequences Arising from the Policies and Practices of Israel in the Occupied Palestinian Territory, Including East Jerusalem (Request for Advisory Opinion): Order*, 3 February 2023.

²³ Tovah Lazaroff, “Over 90 Nations Demand Israel Lift Sanctions on Palestinians: Among Those That Signed the Text Were 23 Out of the 27 European Union Nations”, *Jerusalem Post*, 18 January 2023.

The economy and labour market in a straitjacket

24. The Palestinian economy expanded in 2022 by an estimated 3.9 per cent, a little more than half of the rate in 2021 and not enough to regain the pre-COVID levels of gross domestic product (GDP) of 2019. For this year, even lower growth is expected,²⁴ due to the accelerating fiscal crisis, which is curtailing public spending, and inflationary pressures on households, caused by rapidly rising prices for basic food staples and fuel, and further exacerbated by the conflict in Ukraine. Household resilience to shocks is increasingly wearing thin; many households are debt-stricken or are using savings to meet basic needs. There are few buffers.
25. The occupation plays its part. According to World Bank calculations, if Palestinian businesses had access to Area C, the economy would be boosted by a third.²⁵
26. Unsurprisingly, the Palestinian labour market continues to perform poorly, although 2022 saw an improvement in a number of key indicators. Employment expanded by 10 per cent, although most of it was accounted for by informal employment and was boosted by job growth for Palestinians in Israel and the settlements. The unemployment rate decreased by 2 percentage points, albeit from a high level. In the West Bank at least, women's and young people's employment has expanded disproportionately, yet women and young people continue to be disadvantaged in the Palestinian labour market. Girls now have significantly higher enrolment rates than boys in secondary and tertiary education;²⁶ however, less than one fifth of working-age women are economically active, and 40 per cent of those who have chosen to be economically active remain unemployed. Overall, Palestinian labour market outcomes remain dismal.
27. Employment in Israel and in the settlements is seen as a solution by many workers. There has been a significant increase during the last year, fuelled by an expansion of quotas for work permits by the Israeli authorities. A total of 192,700 Palestinian workers now work in Israel and the settlements, one third more than a year earlier. More than 40,000 work in settlements, within an unregulated environment and are often underpaid. About another 40,000 from the West Bank work within Israel undocumented and informally, rendering them particularly vulnerable to exploitation and abuse. Overall, about one fifth of the West Bank labour force is now employed in Israel. While the number of women working in Israel and the settlements remains small, it is increasing rapidly.
28. Work in Israel is increasingly aspired to by Palestinians, due to the higher wages it offers, and its contribution to Palestinian household income and GDP is also rising. However, many of the downsides exposed and discussed in earlier reports to the International Labour Conference remain, despite reform attempts by the Israeli Government. Chief among them is the persistence of the broker system, which continues to thrive and under which more than half of Palestinian workers with a permit employed in Israel pay intermediaries substantial monthly fees for a service which would not be necessary if demand was matched with supply in an organized and formal manner and the law was properly enforced in practice. In 2022, 40 per cent more workers than in 2021 used brokers to obtain a permit. This is vital income that is lost to workers, and there is an urgent need to rethink the reforms that have commenced on the Israeli side.

²⁴ International Monetary Fund (IMF), *West Bank and Gaza: Report to the Ad Hoc Liaison Committee*, September 2022.

²⁵ World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 22 September 2022.

²⁶ According to the UNESCO Institute for Statistics, in 2021 secondary enrolment rates were 96 per cent and 88 per cent for females and males respectively, while tertiary enrolment rates were 54 per cent and 32 per cent for females and males respectively.

Gaza is not a footnote

29. Gaza's door to the Israeli labour market has also been opened recently, and the number of permits issued in 2022 by the Israeli authorities more than doubled compared to a year earlier. A total of 27,000 permits were issued last year – the highest number since the beginning of the blockade – which allowed for an important injection of wages into the Gazan economy. However, the number and nature of the permits have to be seen in perspective. Overall, the number remains small compared to the West Bank. Moreover, only about 3 per cent of the permits Gazans received were proper work permits providing wage protection and social benefits. The mission was informed that most of the other permits, categorized as “economic needs” permits, were used for work in informal settings outside the purview of Israeli labour law.
30. As such, and as underlined repeatedly over the years by the international community, Gaza continues to be on the brink of collapse. Its 2.1 million inhabitants, or 40 per cent of all Palestinians in the Occupied Palestinian Territory, have been reeling under the 16-year siege imposed by Israel and the additional restrictions imposed by Egypt on the movement and access of people and goods.
31. There have been four major armed conflicts between Israel and Hamas, the de facto rulers of the enclave, the latest of which took place in May 2021. Another lethal escalation occurred barely a year later, in August 2022. At the time of the ILO mission in 2023, there were exchanges of fire between the two parties, including rockets and aerial bombings.
32. Meanwhile, the political division between Fatah and Hamas has endured. Reconciliation efforts, often facilitated by international partners, have largely failed. The latest such initiative was undertaken by the Government of Algeria, which invited both parties as well as a dozen other Palestinian factions to talks in Algiers on 13 October 2022. The outcome of the meeting, a joint declaration, was welcomed by the UN Secretary-General,²⁷ but did not alter the realities on the ground.
33. More than half of Gazans are now in need of humanitarian aid; almost one third of households have been identified as in “catastrophic” or “extreme” conditions of need.²⁸ Over the years, productive capacity has been decimated, and GDP per capita stands at only two thirds of the pre-blockade level in 2006.
34. Wages in Gaza are low and unemployment continues to be among the highest in the world. Almost every second economically active Gazan is out of work. For women and young people, the situation remains particularly desperate. Two thirds are unemployed and few can find a job. Living standards are now only a little more than a quarter of those in the West Bank, and the gap is widening. It is difficult to imagine how much further Gazans' resilience can be stretched.

Marginal policy space

35. After 30 years of state-building, the Palestinian Authority boasts an impressive range of institutions and policies. Yet, its policy space remains marginal and, greatly constrained by the occupation, it is further debilitated by an increasingly unmanageable fiscal crisis. Clearance revenues (value added tax and customs and excise taxes), which are collected by Israel on behalf of the Palestinian Authority and account for at least two thirds of the latter's total revenues, have

²⁷ UN, “Secretary-General Welcomes Signing of Algiers Declaration by Palestinian Groups – Statement”, press release, 15 October 2022.

²⁸ OCHA, *Humanitarian Needs Overview, Occupied Palestinian Territory*, January 2023, 9.

been subject to Israeli unilateral deductions. In addition, a significant public wage bill, which accounts for 44 per cent of total public spending, adds to the fiscal woes.²⁹

36. In the past, donor funding, in the form of budgetary support and project-based aid, could remedy financial shortfalls and buffer the unpredictability induced by frequent Israeli deductions from clearance payments. Yet, due to pressures caused by recent crises and other geopolitical priorities, external funding has been in a precipitous decline over the last decade and a large financing gap has emerged.
37. The reduced agency of the Palestinian Authority impacts on its capacity to implement policy and constrains the provision of goods and services, infrastructure development and vital service delivery. Civil servants were not paid in full for much of 2022, and a teachers' strike in early 2023 kept public schools shut for months.
38. There have been no Legislative Council elections since 2006. The exercise planned for May 2021 has still not been rescheduled. A lack of political legitimacy and checks and balances, including shrinking civic space, has led to a growing deficit in trust and accountability. In 2022, a broad reform agenda was announced by the Prime Minister, but the means of implementation may not be sufficient and, overall, public trust appears to be eroding.³⁰

Unilateralism prevails

39. It may seem paradoxical that while tensions between the Israelis and Palestinians are running high and relations between the two parties have dropped to a new low, the labour markets have become increasingly integrated and mutually dependent.
40. The number of Palestinians working in Israel is now at a historical high. The share of Palestinian workers employed in Israel and the settlements (at 16.9 per cent in 2022) is beginning to approach levels seen before the second intifada (22.9 per cent in 1999). Overall, in the absence of a viable domestic base, the Palestinian economy is increasingly dependent on Israel and the settlements to drive job growth and support domestic aggregate demand.
41. The work of Palestinians in Israel could be made safer and have more social protection, less arduous access and a permit regime less prone to exploitation. So far, Israel has only taken unilateral action at reforming the governance of Palestinian labour in Israel. The result has been mixed at best. This is illustrated by the continued and increasing use of brokers, as well as by the large and growing number of Palestinians working without proper permits and outside the protection of Israeli labour law.
42. Effective policymaking in this area calls for coordination and dialogue between both sides, as is usually the case between labour-sending and labour-receiving parties. The channels of dialogue have existed since the Oslo Accords, but remain largely unused.

²⁹ IMF, *West Bank and Gaza: Report to the Ad Hoc Liaison Committee*, September 2022, 13; World Bank, *Wage Bill and Employment Diagnostic: Key Drivers and Policy Recommendations*, 15 December 2022, 6–7.

³⁰ Palestinian Center for Policy and Survey Research, *Public Opinion Poll No. (87)*, 14 March 2023.

► Chapter 2. Elusive economic and social justice

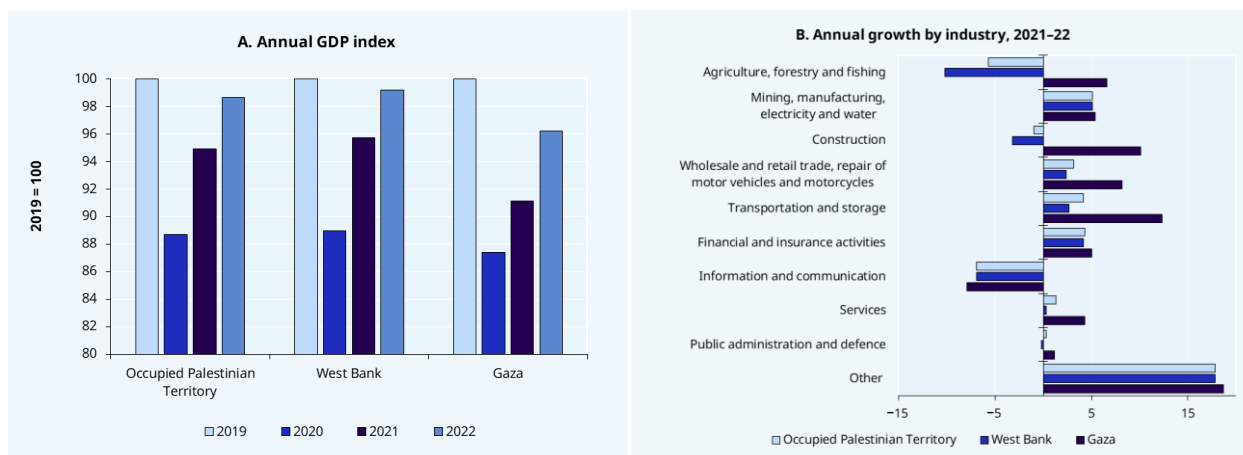
43. Last year's Report of the Director-General highlighted that the economic and labour market recovery following the easing of COVID-19 restrictions demonstrated the gains to be made if the restrictions on the movement of individuals and goods imposed as part of the occupation were lifted. In 2022, improvements have continued as the lingering effects of the pandemic have receded further. But developments in 2022 and early 2023 also paint a less optimistic picture of an economy and labour market struggling to sustain those gains under decades of occupation and as the initial base effects of the recovery are wearing off. It is also an economy and labour market becoming excessively reliant on Israel.
44. With inflation at its highest level in more than a decade, and without the Palestinian Authority having the monetary policy tools to address it, Palestinian workers are struggling under a cost-of-living crisis and eroding real wages. While most labour market indicators are back at pre-pandemic levels, GDP is not. This is likely a result of at least two factors. First, most of the jobs created have been in informal employment, the output of which is not fully captured by national accounts. In fact, excluding the employment of Palestinians in Israel and the settlements, all the employment gains in 2022 were in informal employment. Second, Israel and the settlements are accounting for an increasingly large share of Palestinian employment and the share of wages generated now represents almost half of all wages in the West Bank. However, not all of the wages are brought back to the Palestinian economy to sustain aggregate demand, as the brokering of permits for employment in Israel continues unabated.

Macroeconomic developments: A slowing rebound amid high inflation

45. GDP is estimated to have rebounded by 3.9 per cent in 2022, compared to 7.0 per cent in 2021. Despite the continued rebound into 2022, levels of economic activity in the Occupied Palestinian Territory remained at 98.6 per cent of the 2019, pre-pandemic level, highlighting the tremendous negative impacts that restrictions on economic activity can have and the fragility of recoveries from deep downturns (figure 2.1.A). At 99.2 per cent, GDP in the West Bank was almost back to 2019 levels, whereas, at 96.2 per cent, the return to pre-pandemic levels has been slower in Gaza. In comparison, after dipping in 2020, GDP in Israel in 2021 had surpassed the pre-pandemic levels of 2019 by 6.6 per cent.
46. Industry (mining, manufacturing, electricity and water) led GDP growth in 2022, which expanded by 5.1 per cent (figure 2.1.B). In the West Bank, industry recorded the highest rate of growth among sectors, whereas in Gaza, wholesale and retail trade grew fastest, at 12.3 per cent. Agriculture in Gaza rebounded by 6.6 per cent in 2022 as Israel allowed a broader range of agricultural goods from Gaza to be sold in Israel,³¹ which followed a massive contraction the year earlier as a result of the May 2021 escalation in violence. However, agriculture contracted by 10.2 per cent in the West Bank. The information and communications sector also declined by 6.9 per cent in 2022 as spending on information technology subsided after the pandemic.

³¹ Every seven years, Israeli farmers observing the sabbatical year, or *Shmita*, leave their farmland fallow. In those years, Israeli authorities allow more agricultural goods from Gaza to enter Israel in order to better meet domestic demand. *Shmita* was observed in 2022. See Gisha, Legal Center for Freedom of Movement, *Low-Hanging Fruit*, 8 November 2022.

► **Figure 2.1. Index of annual real GDP (constant 2015 prices) and annual growth in 2022 by industry (per cent)**



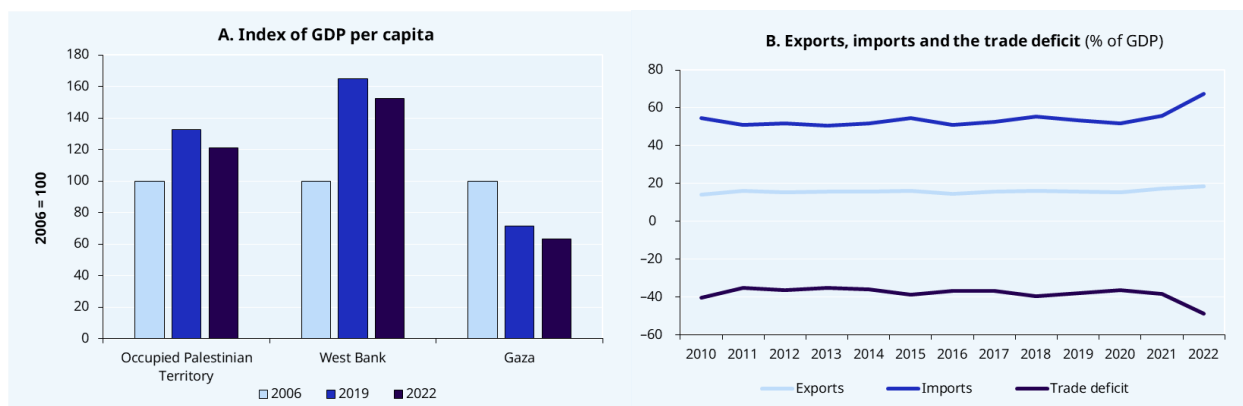
Note: Fourth-quarter 2022 GDP data on which the annual 2022 figure is based is preliminary and subject to revisions. "Other" includes primarily customs and VAT activities.

Source: ILO estimates based on Palestinian Central Bureau of Statistics (PCBS) National Accounts, 2023.

- 47.** Inflation accelerated at the fastest rate in more than a decade. The consumer price index increased by 3.7 per cent in 2022, in part as a result of the conflict in Ukraine as the Palestinian economy relies heavily on imports of wheat, sunflower oil and other commodities from Ukraine and the Russian Federation. The increase in 2022, the largest since 2010, was driven by food and beverage prices, which rose by almost 7 per cent. As poor households spend a larger share of their income on food (in the West Bank, food represents 38 per cent of total consumption for the poorest 10 per cent of households compared to 24 per cent for the wealthiest 10 per cent³²), price increases have a greater impact on the poorest households.
- 48.** Per capita GDP expanded by 1.2 per cent in 2022 (0.9 per cent in the West Bank and 2.7 per cent in Gaza) but continued to remain below the pre-pandemic levels of 2019. While per capita GDP in the West Bank was 52.5 per cent higher in 2022 than in 2006, in Gaza the corresponding level was 63.0 per cent of that in 2006, the year prior to the start of the blockade (figure 2.2.A). Living standards are almost four times higher in the West Bank than in Gaza.
- 49.** The constraints imposed by the occupation limit the capacity of Palestinian businesses to export goods and compete in world markets, which has led to persistent trade deficits (figure 2.2.B). In 2022, imports into the Occupied Palestinian Territory totalled US\$12.9 billion, an increase of 27.5 per cent from the prior year, whereas exports, at US\$3.5 billion, were around a quarter of imports. Exports also increased, but by 12.8 per cent, less than half the rate of increase in imports. As such, imports as a share of GDP ballooned to 67.4 per cent in 2022 while exports represented 18.5 per cent of GDP and the trade deficit widened considerably to -48.8 per cent of GDP: levels not seen in at least a decade.

³² World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 22 September 2022, 27.

► **Figure 2.2. Index of GDP per capita (constant 2015 US\$) and exports, imports and the trade deficit (as a percentage of GDP)**



Note: Fourth-quarter 2022 GDP data on which the annual 2022 figure is based is preliminary and subject to revisions.

Source: ILO estimates based on PCBS, National Accounts, 2023; Palestine Monetary Authority, Main Economic Indicators, 2023.

Fiscal risks remain acute

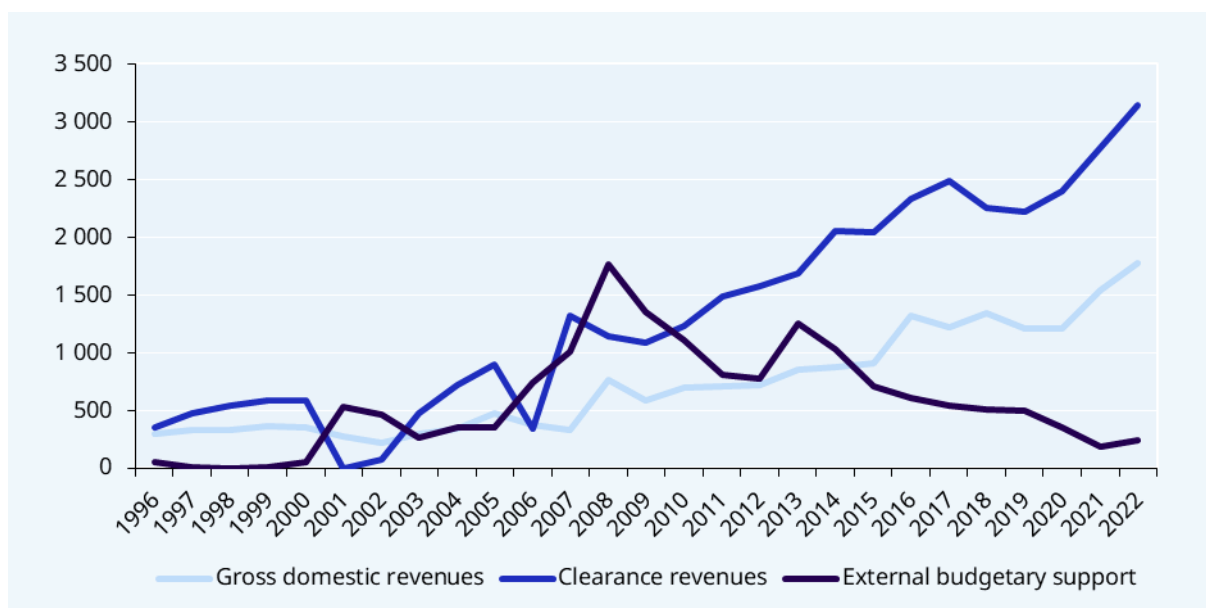
50. Public finances in the Occupied Palestinian Territory remain fragile. As economic activity picked up in 2022, gross domestic revenues, which include tax revenues, increased by 15.4 per cent compared to the previous year, and clearance revenues also increased, by 13.3 per cent (figure 2.3).³³ External budgetary support in 2022, at US\$239.9 million, represented an increase from US\$189.4 million the previous year, but still pales in comparison to the record levels seen in 2008. In the midst of low levels of donor support and with ongoing expenditure commitments, the Palestinian Authority continued to rely on borrowing and accumulation of arrears to private sector contractors and the public pension fund.³⁴ While total debt, both foreign and domestic, remained high, it declined from US\$3.8 billion in 2021 to US\$3.5 billion in 2022.³⁵ As part of its austerity measures, the Palestinian Authority continued to pay only 80 per cent of public sector salaries and it reduced or delayed transfers of the National Cash Transfer Programme. It is also looking to reduce its wage bill by implementing a net hiring freeze – hiring one person for every two separations.³⁶ While bringing savings, this is likely to impact women disproportionately, as, at 36.9 per cent, they are twice as likely to work in the public sector than men are.

³³ Clearance revenues are taxes and fees Israel is supposed to collect on Palestinian imports and exports on behalf of the Palestinian Authority and then remit them to the Palestinian Authority.

³⁴ There is uncertainty over the size of these arrears, with IMF staff estimates at 27.8 per cent of GDP while published end-2021 stock of arrears stood at 16.7 per cent of GDP. See World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 22 September 2022, 12.

³⁵ Palestine Monetary Authority, “External and internal debt on Palestinian government” (Excel file).

³⁶ It is estimated that such an attrition target will limit the growth of the public wage bill to 8.5 per cent by 2026, compared to an increase of 14 per cent without such a target. World Bank, *Wage Bill and Employment Diagnostic*, 33.

► **Figure 2.3. Key fiscal indicators of the Palestinian Authority** (millions of US\$)

Source: Palestine Monetary Authority, Main Economic Indicators, 2023.

- 51.** The fiscal situation is aggravated by the fact that the Palestinian Authority raises virtually no revenue in Gaza and East Jerusalem, while spending about a third of its budget in these areas. Nor does it raise any significant revenue from Area C in the West Bank. The Paris Protocol stipulates that the Israeli civil administration is responsible for collecting tax revenues from businesses operating in Area C and remitting them to the Palestinian Authority, but such transfers have not taken place.³⁷ In addition to the lack of revenue from Area C, which – if collected and remitted to the Palestinian Authority – would increase its revenues by 6 percentage points of GDP,³⁸ Israeli authorities also impose stricter restrictions on Palestinian workers and enterprises in Area C than in Areas A and B. A study by the United Nations Conference on Trade and Development (UNCTAD) estimated the cost of the additional restrictions in Area C – over and above those imposed on Areas A and B – to be around US\$3 billion in 2020 and the cumulative costs between 2000 and 2020 to total US\$50 billion.³⁹ If restrictions in Area C were reduced to the levels of those in Areas A and B, the size of the West Bank economy would be one quarter larger than it is today. These costs are dwarfed by the overall cost of the occupation on the Occupied Palestinian Territory, as was reviewed in last year’s Report of the Director-General.
- 52.** Clearance revenues have increased steadily in recent years and now account for two thirds of the total revenues of the Palestinian Authority. However, frequent, unilateral changes to the monthly deduction by the Israeli authorities from these revenues continue to complicate the day-to-day administration and planning of public finances, while forcing the Palestinian Authority to focus on current expenditures at the expense of investments in development projects. In early 2023, for example, 139 million new Israeli shekels (US\$41 million, representing about 15 per cent of average monthly clearance revenue transfers) was withheld from such revenues and transferred to the

³⁷ World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 22 September 2022, 18.

³⁸ World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 22 September 2022, 18.

³⁹ UNCTAD, *Report Prepared by the Secretariat of the United Nations Conference on Trade and Development on the Economic Costs of the Israeli Occupation for the Palestinian People: The Toll of the Additional Restrictions in Area C, 2000–2020*, in A/77/295, 16 August 2022.

families of Israeli terror victims as a punitive measure in response to the UN General Assembly's request to the International Court of Justice for an advisory opinion on matters concerning the occupation.⁴⁰ Subsequently, the Finance Minister of Israel also ordered the doubling of the amount Israel withholds monthly, from 50 million shekels to 100 million shekels (US\$30 million).⁴¹

53. In addition to taxation in Area C, there are a number of outstanding fiscal leakages that require resolution between the Israeli authorities and the Palestinian Authority that would lead to enhanced fiscal sustainability. These include transfers of indirect import taxes, loss of revenue from smuggling and evasion of customs duties and taxes, foregone value added tax in the telecommunications sector, the share of revenues from passenger exit fees at the Allenby crossing, and excessive handling/administrative fees on clearance revenues.⁴² The March 2023 meeting in Sharm el-Sheikh agreed to establish a mechanism to improve economic conditions and to significantly enhance the fiscal situation of the Palestinian Authority.⁴³ The mission was informed that this meeting had touched upon the issues of the excessive handling/administrative fees, particularly in the context of significantly increased trade volumes since the Paris Protocol of 1994, and the passenger exit fees from the Allenby crossing, especially as the Israeli authorities have increased these fees three times without having transferred the increased revenues to the Palestinian Authority. Nonetheless, these two items account for a relatively small 0.6 per cent of GDP annually, whereas total leakages are estimated at around 1.8 per cent of GDP.⁴⁴ The mechanism to be established would need to address all fiscal leakages for the Palestinian Authority's fiscal situation to be placed on a better footing.

Economic prospects in 2023 are skewed to the downside

54. Economic growth in the Occupied Palestinian Territory is projected to slow further to 2.5 per cent in 2023 as the precarious fiscal situation weighs on economic activity and as inflation continues to erode the purchasing power of income.⁴⁵ This rate of growth likely implies a reduction in per capita living standards in 2023. Headwinds also include the possibility that political developments in Israel in relation to judicial reforms will impact on economic growth,⁴⁶ with significant spillovers into the Palestinian economy and labour market. Furthermore, in the face of high inflation, the Bank of Israel raised interest rates to 4.5 per cent as of April 2023, the highest level since 2006. This will likely slow the Israeli construction sector, which relies on loans to finance projects, and which accounts for almost 60 per cent of Palestinian employment in Israel and the settlements.

⁴⁰ Jonathan Lis, "Smotrich Signs Order to Pay Seized Palestinian Tax Revenue to Israeli Victims' Families", *Haaretz*, 8 January 2023.

⁴¹ Jacob Magid, "PA: Israel Held \$78 Million from Monthly Tax Revenues Collected on Ramallah's Behalf", *Times of Israel*, 4 February 2023.

⁴² For a more detailed discussion on each of these areas, see *Report Prepared by the Secretariat of the United Nations Conference on Trade and Development on the Economic Costs of the Israeli Occupation for the Palestinian People: Fiscal Aspects*, in A/74/272, 2 August 2019, paras 14–29.

⁴³ US Department of State, "Joint Communique from the March 19 meeting in Sharm El Sheikh".

⁴⁴ IMF, *West Bank and Gaza: Report to the Ad Hoc Liaison Committee*, 17.

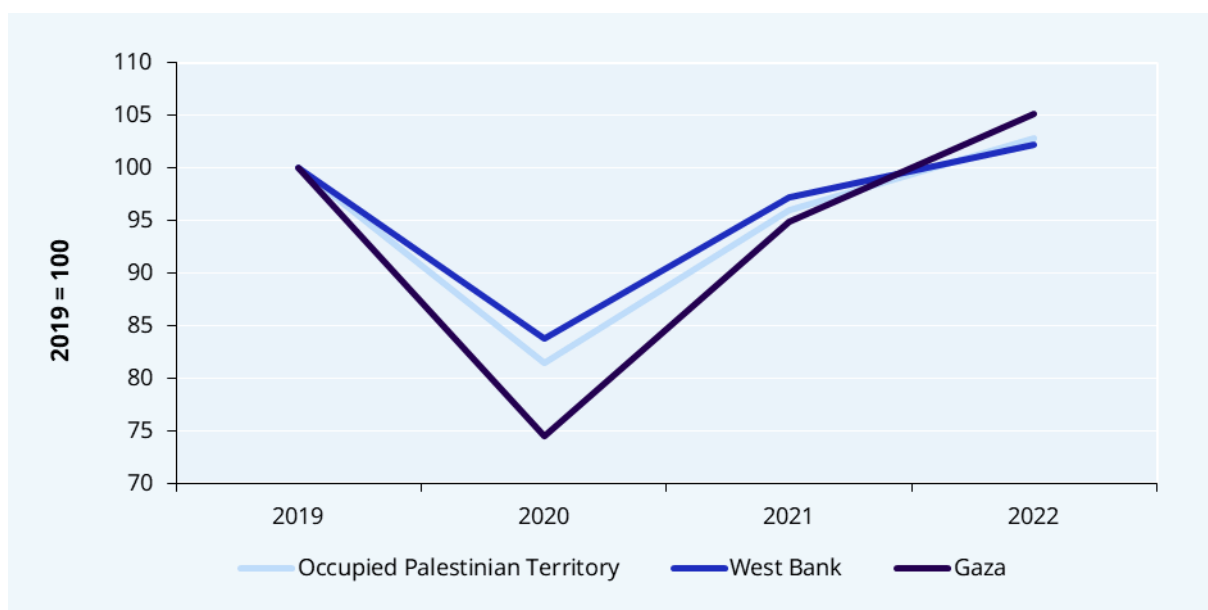
⁴⁵ Palestine Monetary Authority and PCBS, "The Performance of the Palestinian Economy in 2022, and Economic Forecasts for 2023", press release, 28 December 2022.

⁴⁶ Steven Scheer and Ari Rabinovitch, "Israel FinMin Officials Warn of Economic Backlash over Judicial Overhaul", *Reuters*, 21 March 2023.

Labour market remains chronically unhealthy despite recent improvements

55. In the labour market, working hours, which had dipped precipitously at the height of the COVID-19 pandemic, have now surpassed pre-pandemic levels, even after taking into account the growth of the working-age population. The population-adjusted aggregate working hours of Palestinian workers in 2022 were 2.9 per cent higher than prior to the pandemic in 2019 (figure 2.4). In the West Bank, adjusted working hours were 2.2 per cent higher, while they were 5.1 per cent higher in Gaza.

► **Figure 2.4. Population-adjusted working hours in the Occupied Palestinian Territory, 2019–22**



Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2019–22.

56. The working-age population and the labour force of the Occupied Palestinian Territory each grew by 95,000 (2.9 per cent and 6.8 per cent respectively), while employment increased by almost 100,000 (9.6 per cent). As a result, the labour force participation rate increased from 43.4 per cent in 2021 to 45.0 per cent in 2022, and the employment-to-population ratio increased by 2.1 percentage points to 34.0 per cent (table 2.1). Following the improvements in 2022, most labour market indicators in both the West Bank and Gaza are now back to or better than pre-pandemic levels. These improvements are critical and welcome, but have done little to improve the overall position of the Occupied Palestinian Territory, which has some of the highest rates of unemployment and some of the lowest employment-to-population ratios in the world.

► Table 2.1. Key labour supply indicators, 2021–22

	2021	2022	2021–22
			Percentage change
Population 15+ ('000s)	3 246	3 341	2.9
West Bank	2 003	2 056	2.6
Gaza	1 243	1 284	3.4
Labour force ('000s)	1 408	1 503	6.8
West Bank	918	976	6.3
Gaza	490	527	7.7
Employment ('000s)	1 036	1 136	9.6
West Bank	631	655	3.9
Gaza	260	288	10.8
Israel and settlements	145	193	32.5
			Percentage-point change
Labour force participation rate (%) – Occupied Palestinian Territory	43.4	45.0	1.6
Men	68.9	70.7	1.8
Women	17.2	18.6	1.4
Youth	28.8	30.8	2.0
Labour force participation rate (%) – West Bank	45.8	47.5	1.7
Men	73.6	75.3	1.7
Women	17.2	18.7	1.5
Youth	31.7	34.1	2.4
Labour force participation rate (%) – Gaza	39.4	41.0	1.6
Men	61.2	63.4	2.2
Women	17.3	18.3	1.0
Youth	24.5	25.8	1.3
Employment-to-population ratio (%) – Occupied Palestinian Territory	31.9	34.0	2.1
Men	53.4	56.3	2.9
Women	9.8	11.1	1.3
Youth	16.8	19.7	2.9
Employment-to-population ratio (%) – West Bank	38.7	41.2	2.5
Men	64.5	67.3	2.8
Women	12.2	14.3	2.1
Youth	22.9	26.4	3.5

	2021	2022	2021–22
Employment-to-population ratio (%) –			
Gaza	20.9	22.4	1.5
Men	35.6	38.6	3.0
Women	6.1	6.0	-0.1
Youth	7.6	9.6	2.0

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

Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

- 57.** Stark differences in labour market outcomes by gender and age continue to characterize the Palestinian labour market. In 2022, the labour force participation rate for women stood at 18.6 per cent, compared to 70.7 per cent for men, and at 30.8 per cent for young people (aged 15–24), compared to 51.4 per cent for adults (aged 25+). The employment-to-population ratio for men was 56.3 per cent, compared to 11.1 per cent for women, while the same ratio for young people stood at 19.7 per cent, compared to 40.4 per cent for adults. At the same time, employment expanded faster for women (by 16.0 per cent) and youth (by 19.0 per cent) compared to men (8.5 per cent).
- 58.** The number of unemployed workers decreased by 1.2 per cent, with the rate of decline fastest for young people (5.8 per cent) (table 2.2). Consequently, the unemployment rate dropped to 24.4 per cent in 2022, from 26.4 per cent the previous year; the corresponding rate for youth fell from 41.7 per cent in 2021 to 36.1 per cent in 2022. While the number of unemployed women increased, the number of employed women grew at a faster pace, such that the overall unemployment rate for women also decreased, from 42.9 per cent in 2021 to 40.4 per cent in 2022.
- 59.** In addition to the unemployed, there is a large pool of discouraged workers – people who are available and willing to work, who recently sought work, but have since abandoned their search due to labour market conditions, including the lack of suitable employment opportunities. The number of discouraged workers had peaked at the height of the COVID-19 pandemic but continued to decline in 2022, falling by almost a quarter. In particular the number of discouraged men fell by 39.1 per cent in 2022, whereas the number of discouraged women fell much more modestly, by 7.0 per cent. The LU4 rate, which is the composite measure of labour underutilization and includes the unemployed, underemployed and the potential labour force, fell to 31.0 per cent in 2022, from 34.3 per cent the previous year.⁴⁷
- 60.** The drop in the LU4 rate was particularly rapid for young people, as it fell by 6.7 percentage points, from 49.6 per cent in 2021 to 42.9 per cent in 2022. The share of the youth population who are not in employment, education or training also declined, from 31.2 per cent in 2021 to 28.2 per cent in 2022, with the rate falling to 23.4 per cent for young men and 33.2 per cent for young women. Labour underutilization indicators in the West Bank have returned to pre-pandemic levels but remain very high overall.

⁴⁷ The underemployed refers to time-related underemployment, that is, employed persons who would like to increase their working time, having worked fewer hours than a specified time threshold during the reference period. The potential labour force includes people available for work but not seeking employment, and those seeking work but not available.

► Table 2.2. Key indicators of labour underutilization, 2021–22

	2021	2022	2021–22
			Percentage change
Unemployment ('000s)	371	367	-1.2
Men	253	243	-3.9
Women	118	124	4.6
Youth	122	115	-5.8
Potential labour force ('000s)	129	112	-12.8
Discouraged workers	72	56	-23.4
Men	37	23	-39.1
Women	36	33	-7.0
Youth	21	18	-15.5
			Percentage-point change
Unemployment rate (%) – Occupied Palestinian Territory	26.4	24.4	-2.0
Men	22.4	20.3	-2.1
Women	42.9	40.4	-2.5
Youth	41.7	36.1	-5.6
Unemployment rate (%) – West Bank	15.5	13.1	-2.4
Men	12.4	10.6	-1.8
Women	28.9	23.7	-5.2
Youth	27.8	22.7	-5.1
Unemployment rate (%) – Gaza	46.9	45.3	-1.6
Men	41.9	39.1	-2.8
Women	65.0	67.4	2.4
Youth	68.9	62.6	-6.3
LU4 rate (%) – Occupied Palestinian Territory	34.3	31.0	-3.3
Men	27.7	24.3	-3.4
Women	56.3	53.0	-3.3
Youth	49.6	42.9	-6.7
LU4 rate (%) – West Bank	18.2	15.6	-2.6
Men	14.9	12.6	-2.3
Women	32.3	27.6	-4.7
Youth	31.6	25.8	-5.8

	2021	2022	2021–22
LU4 rate (%) – Gaza	58.8	55.5	–3.3
Men	50.1	45.2	–4.9
Women	79.7	80.2	0.5
Youth	77.5	71.1	–6.4

Note: Totals may not tally due to rounding.

Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

61. In 2022, the commerce, restaurants and hotels sector added the most jobs in the Occupied Palestinian Territory. In the West Bank, agriculture was the only sector that shed jobs, which declined by 4.4 per cent between 2021 and 2022; as a result, agriculture's share of employment in the West Bank fell from 6.9 per cent to 6.0 per cent. Restrictions on access to and use of water imposed by the occupation have changed the agricultural landscape in the West Bank (see box 2.1).

► Box 2.1. Restrictions on Palestinian access to and use of water in the West Bank

Earlier in 2023, the international community adopted the Water Action Agenda, which highlighted the centrality of water in sustainable development.¹ In the Occupied Palestinian Territory, Israeli restrictions on access to land and water have hampered inclusive development and have also led to a gradual decline of agriculture, including in the number of workers engaged in agriculture. All water resources in the Occupied Palestinian Territory were placed under Israeli military control in 1967 and, to this day, Israel retains exclusive control over them.² In Area C, Palestinians are prohibited from constructing new water installations or maintaining existing installations without a military permit – prohibitions that do not apply to settlers – and water structures built without them are often destroyed by Israeli authorities,³ as the mission saw first-hand through a visit to the Jordan Valley, the food basket of Area C.

As a result of restrictions, UNCTAD also notes that, despite sharing similar soil and climate, the yield of the Palestinian agricultural sector is half that of Jordan and 43 per cent of that of Israel, while farmers are compelled to grow rain-fed crops, which are on average 20 times less profitable than irrigated crops.⁴

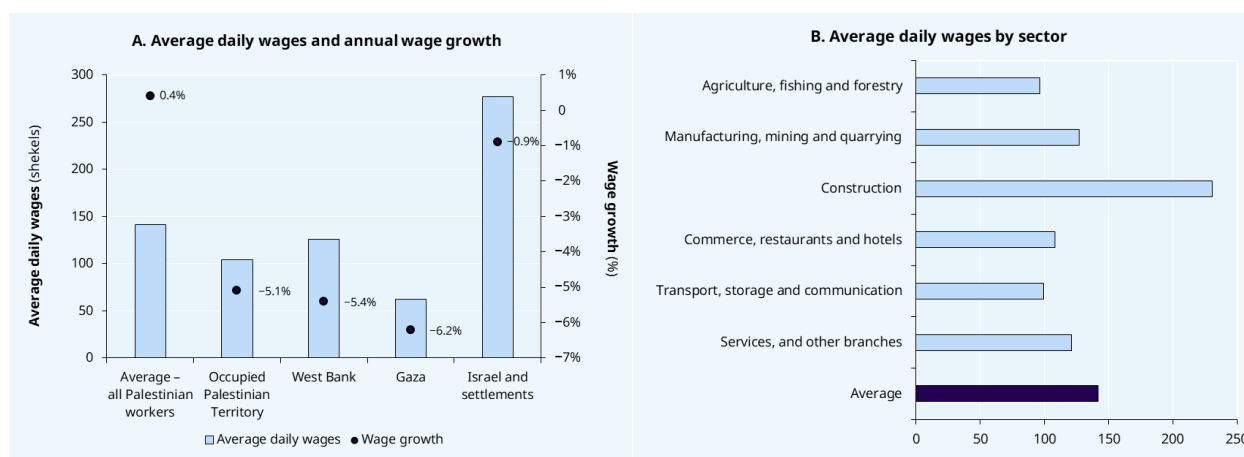
The Oslo II Agreement of 1995, which was intended to be replaced by a final agreement within five years, nevertheless remains the agreement on water issues that is in force today. Palestinians were allocated around 20 per cent of the “estimated potential” water resources underlying the West Bank, and Israel was allocated the rest. The Oslo II Agreement also established the Joint Water Committee to approve water-infrastructure matters in the West Bank. As the Committee's decisions are required to be taken by consensus, Israeli objections to Palestinian proposals on water-related development, maintenance and upgrades mean that Palestinians have extracted less water than specified in the agreement⁵ and that water infrastructure has deteriorated. One study estimates that, if the extraction rate of the Palestinian Authority from the Mountain Aquifer were raised to the full allowance provided for under the second Oslo Agreement, production of the West Bank would expand, leading to additional employment: employment of low-skilled male workers would expand by 4.5 per cent while that of high-skilled female workers would expand by 1.5 per cent.⁶

¹ UN, *New Agenda Sets Sail with Bold Action as UN Water Conference Closes*, 24 March 2023. ² B'Tselem, *Water Crisis*, 11 November 2017 (updated 3 June 2021). ³ United Nations High Commissioner for Human Rights (UNHCHR), *Allocation of Water Resources in the Occupied Palestinian Territory, Including East Jerusalem*, A/HRC/48/43, 15 October 2021, para. 24. ⁴ UNCTAD, *The Besieged Palestinian Agricultural Sector*, 2015, 23. ⁵ B'Tselem, *Water Crisis*. ⁶ Jonas Luckmann, Khalid Siddig and Johannes Agbahey, “Redistributing Water Rights between the West Bank and Israel – More Than A Zero-Sum Game?”, Economic Research Forum Working Paper No. 1410, 2020.

Palestinian workers have seen their real wages eroded

62. Nominal wages in 2022 were more or less stagnant, eking out a small increase of 0.4 per cent. Excluding the impact of wages from Israel and the settlements (which held up relatively well compared to wages in the West Bank and Gaza), average nominal daily wages in the Occupied Palestinian Territory declined by 5.1 per cent (figure 2.5.A). Taken together with an increase in consumer prices of 3.7 per cent in 2022, the purchasing power of Palestinian workers has declined by almost a tenth. The decline in average nominal daily wages was particularly rapid in Gaza (6.2 per cent). As a result of the relatively larger reduction in wages in the West Bank and Gaza compared to those in Israel and the settlements, the gap in wages between these areas widened even further. Wages of Palestinian workers in Israel and the settlements are 2.7 times higher than in the Occupied Palestinian Territory: 2.2 times higher than in the West Bank and 4.4 times higher than in Gaza. By sector, average daily wages are highest in construction, where they are 2.4 times higher than in agriculture, the sector with the lowest average daily wages (figure 2.5.B). By occupation, skilled agricultural and trades workers have the highest daily wages, while clerical, service and sales workers earn less than half of the daily wages of skilled agricultural and trades workers.

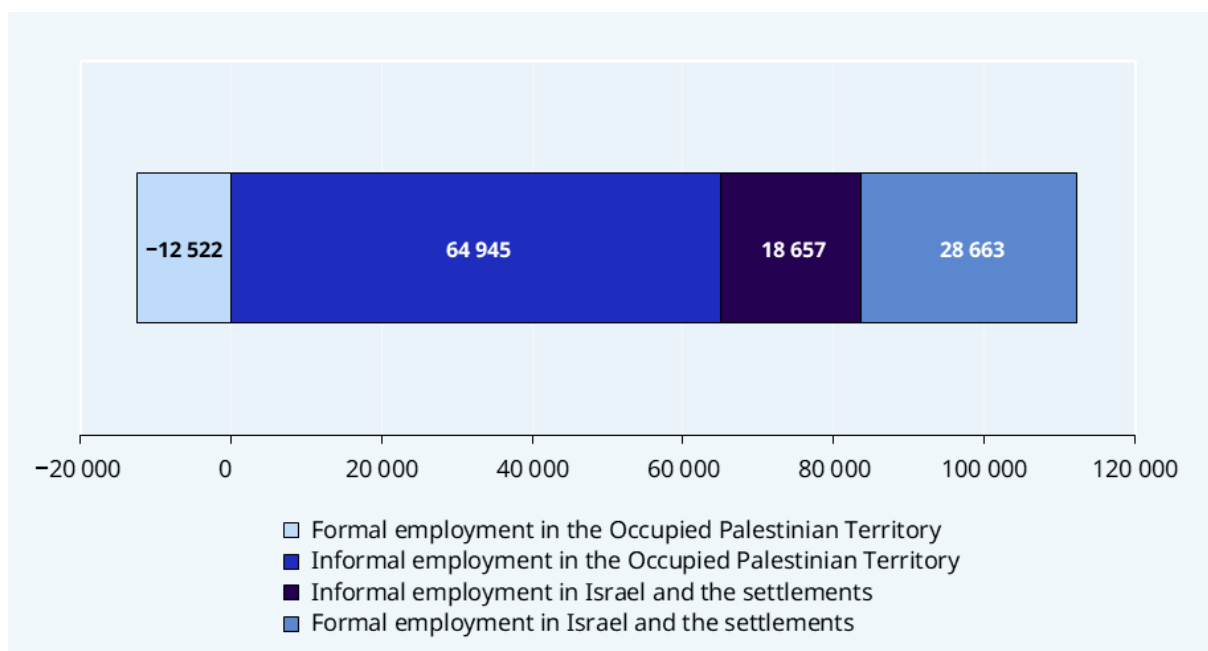
► **Figure 2.5. Average daily wages and annual wage growth by location, and average daily wages by sector, 2022 (shekels)**



Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

Informal employment on the rise

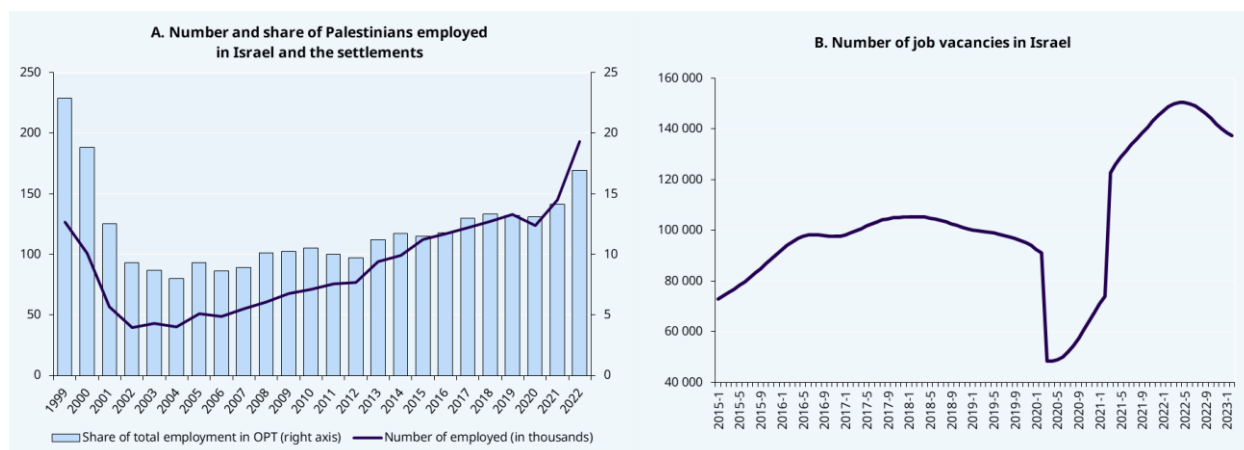
63. The incidence of informal employment is also a measure of job quality, as work in the informal economy is often a last resort, given its higher risk of vulnerability and precariousness. It rose from 51.0 per cent in 2021 to 53.9 per cent in 2022. The share of informal employment for women was 45.4 per cent in 2022, which was lower than that of men (55.5 per cent), but increased by 6.5 percentage points from the prior year, compared to an increase of 2.3 percentage points for men. In fact, in 2022 the net increase in formal employment for Palestinian workers took place entirely in Israel and the settlements (figure 2.6). Within the Occupied Palestinian Territory itself, there was a net decrease in the number of formal jobs, while all of the net increase in employment was in informal employment. Informal employment also expanded in Israel and the settlements.

► **Figure 2.6. Change in employment, by location and formality, 2022**

Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

Palestinians employed in Israel and the settlements: Numbers at an all-time high

- 64.** The large differential between wages in the Occupied Palestinian Territory and those in Israel and the settlements, coupled with elevated levels of job vacancies in Israel after the pandemic and the decision by the Israeli authorities to allow more Palestinian workers into Israel, have led to the number of Palestinians employed in Israel and the settlements reaching 193,000, an all-time high (figure 2.7). Those working in Israel and the settlements now account for 16.9 per cent of all employed Palestinians.

► **Figure 2.7. Number and share of Palestinians employed in Israel and the settlements (1999–2022), and number of job vacancies in Israel (2015–23)**

Source: ILO estimates based on PCBS, Labour Force Surveys, various years; Israeli Central Bureau of Statistics (CBS).

65. In 2022, the number of Palestinians employed in Israel and the settlements increased by 47,000 (33.1 per cent). Employment in the West Bank and Gaza increased by almost the same amount, meaning that almost half (47 per cent) of the growth in Palestinians' employment took place in Israel and the settlements. As a result, the reliance of the Palestinian economy on wages from Israel is becoming more deeply entrenched. In 2018, 22.1 per cent of workers in the West Bank earned their livelihood in Israel and the settlements, and the wages these workers earned accounted for nearly a third of all wages in the West Bank.⁴⁸ Four years later, the share of West Bank workers employed in Israel and the settlements has remained the same (22.7 per cent), but the wages that these workers earn now account for nearly half (47.5 per cent) of all wages in the West Bank.
66. According to data from the Palestinian Central Bureau of Statistics (PCBS), of the almost 200,000 Palestinians working in Israel and the settlements in 2022, the majority (113,000 or 58.6 per cent) held permits (table 2.3), while 40,000 did not. The number of undocumented workers had risen during the pandemic, mainly as a result of documented workers switching to undocumented employment.⁴⁹ It continued to grow in 2022 (by 8.1 per cent) but the rate of growth was much slower than for those with a permit (27.0 per cent).

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

	2019	2020	2021	2022	Change 2019–20 (%)	Change 2020–21 (%)	Change 2021–22 (%)
Employed in Israel and settlements ('000s) *	133	125	145	193	-6.2	16.4	32.5
Employed with work permits ('000s)	95	78	89	113	-17.6	14.0	27.0
Obtained permit from broker ('000s)	43	34	42	59	-19.7	24.4	40.5
Obtained permit without broker ('000s)	52	44	46	53	-15.9	5.6	15.2
Employed without work permit ('000s)	26	24	37	40	-7.8	52.0	8.1
Average monthly fee paid to broker (shekels)	2 360	2 464	2 457	2 429	4.4	-0.3	-1.1
	2019	2020	2021	2022	Change 2019–20 (percentage points)	Change 2020–21 (percentage points)	Change 2021–22 (percentage points)
Share of permit-holders paying broker (%)	45.1	43.9	48.0	52.4	-1.1	4.1	4.4

* Total includes those with an Israeli ID or a foreign passport.

Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2019–22.

Profits of permit brokers also at record highs

67. In 2019, the ILO worked with the PCBS to incorporate questions in the Palestinian Labour Force Survey with a view to assessing the nature and extent of the permit broker practices, and found that in its first survey year, some 45.1 per cent of those employed with a permit had paid a broker.

⁴⁸ ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.108/DG/APP, 2019.

⁴⁹ Haggay Ektes and Wifag Adnan, "Undocumented Palestinian Workers in Israel: Did the Israeli COVID-19 Policy Boost Their Employment?" in *INSS Insight* No. 1596, 22 May 2022.

In 2022, despite the various reforms promised by the Israeli authorities, 52.4 per cent of permit-holders paid a broker. That is, the persons obtaining a permit through a broker now outnumber those permit-holders that do not pay a broker. The increase in the number of people obtaining a permit through a broker far outstripped the increase in those who obtained a permit without a broker (40.5 per cent versus 15.2 per cent).

- 68.** The average monthly cost of a permit (2,429 shekels) has remained more or less the same in recent years. The 2020 edition of the Report of the Director-General had estimated the revenues and profits generated from the permit brokering system, and had found revenues of US\$338 million, of which profits were US\$119 million. In 2022, revenues were estimated to have risen to US\$513 million, of which the profits generated were a record high of US\$185 million. The 2020 report also noted that, critically, the revenues and profits presented were conservative estimates. That important caveat continues to apply to the 2022 estimates, particularly as the revenues are based on the maximum rates of mandatory deductions, whereas the profits earned by brokers are estimated as the difference between the monthly cost of the permit and the monthly mandatory deductions that the broker has to transmit to the relevant authorities.⁵⁰ If the lowest rates of mandatory deductions are applied, the profits of brokers soar to US\$279 million.
- 69.** The brokers' monthly profits represent monthly losses for the workers who obtained a permit from them, estimated at between 14 per cent and 21 per cent of a worker's average monthly wage.

Palestinian women are increasingly working in Israel and the settlements

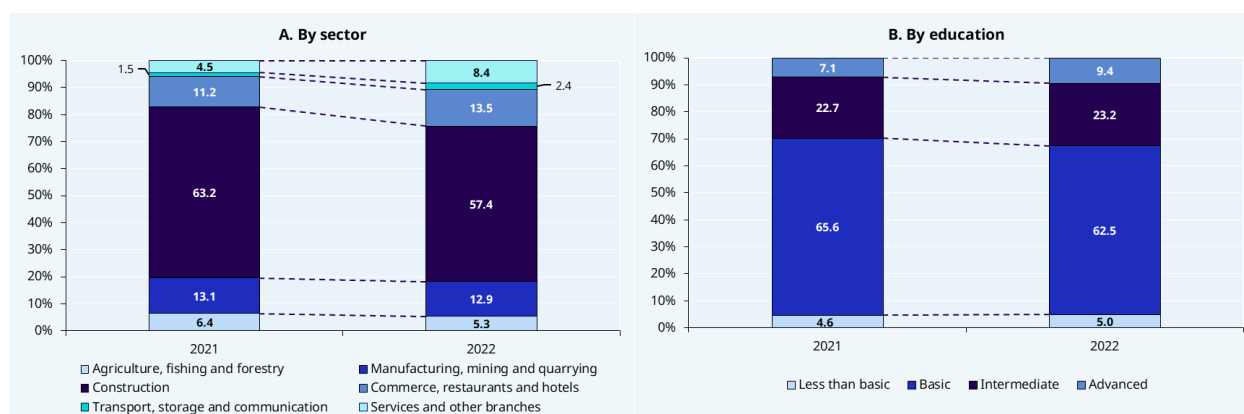
- 70.** Even a few years ago, the number of Palestinian women employed in Israel and the settlements was very low, at around 1,000, representing less than 1 per cent of all Palestinian workers. While the number remains low, by 2022 it had increased to around 6,300, accounting for 3.3 per cent of Palestinian workers.⁵¹
- 71.** There are important differences between the characteristics of Palestinian women and men working in Israel and the settlements, and the continuing increase in women's employment may change the composition of Palestinian work there. Men have typically found jobs in the Israeli construction sector, which accounted for 63.2 per cent of total Palestinian employment in Israel and the settlements in 2021 (figure 2.8.A). In 2022, as the Israeli authorities expanded the quota for industry and services, most women found employment in services and other branches, which accounted for three quarters of the increase in the employment of women. As a result, the share of services and other branches in total Palestinian employment in Israel and the settlements almost doubled, to 8.4 per cent (an increase of 3.9 percentage points), whereas the share of construction declined to 57.3 per cent (a decrease of 5.8 percentage points). Nonetheless, construction continues to account for the largest share of Palestinian employment in Israel and the settlements, while in 2022 commerce, restaurants and hotels overtook manufacturing, mining and quarrying to account for the second-largest share.
- 72.** Of the increase in women's employment in Israel and the settlements in 2022, 59 per cent was accounted for by women with advanced levels of education. In comparison, 57.2 per cent of the

⁵⁰ For example, the equalization levy (imposed to equalize the wage costs of Palestinians and Israelis) can be either 0.37 per cent or 6.39 per cent of a worker's gross monthly salary, depending on income and other circumstances. Similarly, rates of contributions to national insurance (Bituach Leumi) can be 0.03 per cent or 0.37 per cent.

⁵¹ Furthermore, the mission has been informed throughout the years that, owing to the stigma of women working in Israel and the settlements, it is likely that women's employment in Israel and the settlements is under-reported.

increase in men's employment was accounted for by men with basic levels of education. As such, the educational characteristics of Palestinian work in Israel and the settlements are also evolving (figure 2.8.B). The share of Palestinian workers employed in Israel and the settlements with a basic education decreased from 65.6 per cent in 2021 to 62.5 per cent in 2022, whereas the corresponding share with an advanced education increased from 7.1 per cent to 9.4 per cent in 2022.⁵² Among women, almost half (45.1 per cent) have an advanced education, as opposed to only 8.2 per cent of Palestinian men.

► **Figure 2.8. Palestinian employment in Israel and the settlements, by sector and education, 2021–22**



Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

- 73.** Almost half (45.6 per cent) of Palestinians employed in Israel and the settlements were in informal employment. There are wide discrepancies between sectors, with 66.3 per cent of those employed in agriculture being in informal employment compared to 22.4 per cent of those in transport, storage and communication.
- 74.** Many women have reportedly shunned employment in Israel and the settlements as a result of the stigma attached to such work and the indignity and difficulty of passing through checkpoints, particularly in a context where women also undertake a disproportionate share of the unpaid care work. The rapid increase in Palestinian women working in Israel and the settlements in the last year calls for much wider-reaching consideration of their concerns.

Spotlight on Gaza: Decades of blockade have stretched thin the resilience of its labour market

- 75.** The blockade, now in its 17th year, continues to be the main impediment to the development of Gaza. Following the hardship and devastation caused by the May 2021 escalation of hostilities, Israeli authorities began incrementally easing restrictions on goods and people entering and exiting Gaza. As such, restrictions on items such as epoxy and fiberglass were eased in 2022, and in 2023, some 44 materials, including iron sheets, drywall gypsum boards, bricks and solar panels, were removed from the list of items deemed to have both civilian and military uses requiring special coordination to enter Gaza ("dual-use" list). A total of 106,449 truckloads of authorized goods entered Gaza in 2022, and 7,530 exited.⁵³ While these figures represent the highest

⁵² The shares of those with less than basic and intermediate education remained more or less stable.

⁵³ OCHA, *Occupied Palestinian Territory – 2022 Overview*, factsheet, 2023.

numbers since the start of the blockade in Gaza in 2007, the number of truckloads entering Gaza is still 19 per cent lower than that prior to the blockade and the number of truckloads exiting is still 35 per cent lower. Furthermore, electricity supply remains limited to around 12 hours a day.⁵⁴ The requirement of the Israeli authorities for companies to have ISO 22000 certification, which is currently held by only 13 companies in Gaza,⁵⁵ also hampers exports of processed food from Gaza.

- 76.** When Gazan goods are sold in the West Bank, income and value added taxes are paid both to the de facto authorities and to the Palestinian Authority in the West Bank. Such double taxation acts as a disincentive for producers and traders wishing to sell their goods in the West Bank.⁵⁶ The digital economy provides opportunities for business expansion, but it is also stymied by restrictions on imports of equipment (for instance, internet routers) and by weak internet spectrum allocation (Gaza still operates on 2G). Initiatives such as the University College of Applied Sciences Technology Incubator are seeking to support start-ups, freelancers and gig workers, but such initiatives often rely heavily on donor funding and are insufficient to absorb new entrants into the labour market.
- 77.** One significant development for Gaza's labour force is the expansion of employment in Israel and the settlements. In 2022, the Israeli authorities issued 869 employment permits, 568 businessman card (BMC) permits, 6,452 commerce permits and 19,721 economic needs permits (table 2.4); only employment permits provide the protection of Israeli labour law and social benefits (see Chapter 3).

► **Table 2.4. Number of permits issued (per single resident) for Gazans, by type of permit, 2021–22**

	2021	2022
Employment	0	869
BMC (senior Palestinian business people)	851	568
Commerce	11 021	6 452
Economic needs	55	19 721
Total	11 927	27 610

Note: Figures do not include active permits throughout the year.

Source: Data provided to the mission by the Israeli Coordination of Government Activities in the Territories (COGAT).

- 78.** Thus far, the number of workers from Gaza employed in Israel and the settlements remains low, accounting for approximately 5 per cent of the Gazan labour force. While providing important earnings to individuals, the increase in work in Israel and the settlements has so far made little contribution to broader labour market outcomes in Gaza. The mission was informed, for example, that workers from Gaza employed in Israel and the settlements had used their earnings to first pay off accumulated debts, limiting the macroeconomic impacts of these wages. Nonetheless, if employment in Israel and the settlements is allowed to continue to increase, both macroeconomic and labour market outcomes in Gaza can be expected to change, as they have done in the West Bank. If the labour supply from Gaza continues to expand, it remains to be seen whether that

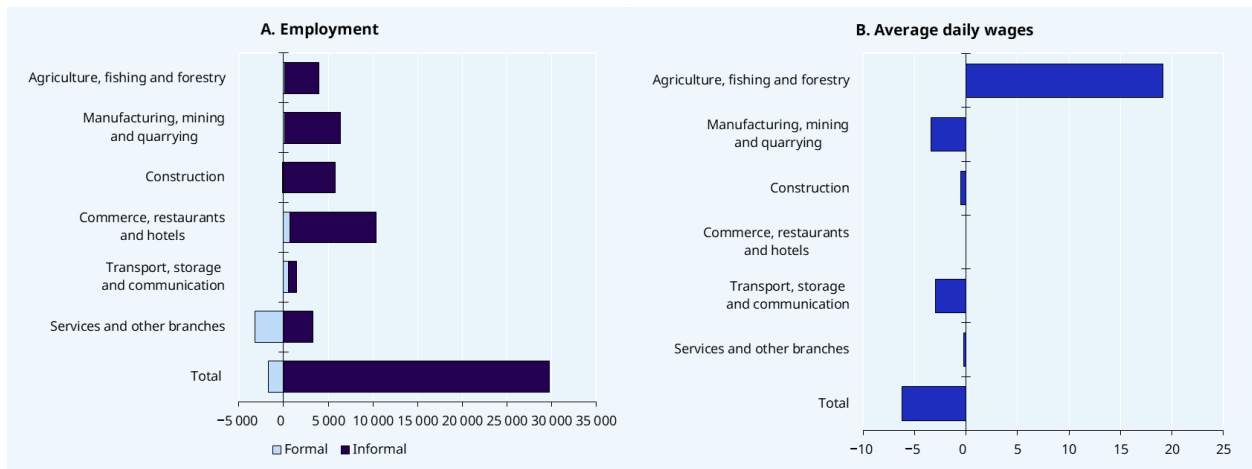
⁵⁴ OCHA, "Electricity in the Gaza Strip".

⁵⁵ Gisha, *Obstructed Process: Reviving Gaza's Processed Food Industry*, 1 December 2022.

⁵⁶ Misyeef and Mohammad Skaik, "The Condition of Gaza's Industry: Reality, Challenges and Required Interventions", Office of the Quartet in collaboration with the Palestinian Federation of Industries, May 2022, 57.

would have adverse impacts on the wages and employment of those from the West Bank employed in Israel.

- 79.** The labour force participation rate in Gaza rose from 39.4 per cent in 2021 to 41.0 per cent in 2022, but continued to remain at low levels (table 2.1). There is a large gender gap in these rates, of 45.1 percentage points (which is, however, less severe than that in the West Bank, where the gender gap is 56.6 percentage points). While women's labour force participation rate in Gaza is essentially the same (18 per cent) as that in the West Bank, the corresponding rate for men is much higher in the West Bank, leading to a higher gender gap in the West Bank. The employment-to-population ratio also increased, by 1.5 percentage points to reach 22.4 per cent in 2022, but these developments were driven by men, whose ratio expanded by 3.0 percentage points, compared to a small decline in the ratio for women of 0.1 percentage points. At 6.0 per cent in 2022, the employment-to-population ratio for women in Gaza is less than half of the already low rate in the West Bank.
- 80.** The overall unemployment rate in Gaza remained extremely high at 45.3 per cent in 2022 (table 2.2). Compared to 2021, the rate for men fell by 2.8 percentage points to 39.1 per cent in 2022, but the rate for women increased, from an already staggering 65.0 per cent in 2021 to 67.4 per cent in 2022. Furthermore, while the LU4 rate for men fell by 4.9 percentage points between 2021 and 2022, from 50.1 per cent to 45.2 per cent, the corresponding rate for women stayed essentially the same, at 80.2 per cent.
- 81.** Unsurprisingly, young men fared better than young women in Gaza's labour market. The rate of young men not in employment, education or training fell from 37.6 per cent in 2021 to 32.9 per cent in 2022. For young women, it declined only slightly, from 39.5 per cent to 38.1 per cent. Tellingly, the LU4 rate for young women in Gaza was 92.8 per cent in 2022.
- 82.** All of the expansion in employment in Gaza was in informal employment (figure 2.9.A). Formal employment fell by almost 2,000 (with the services and other branches sector shedding formal jobs), while informal employment expanded by almost 30,000 jobs. The share of informal employment in total employment in Gaza consequently rose from 55.7 per cent in 2021 to 60.6 per cent in 2022, whereas the share of those who do not contribute to social security also rose from 60.8 per cent to 65.4 per cent. As in the West Bank, the incidence of informal employment in Gaza is higher among men than women, the majority of whom are employed in the public sector: 62.3 per cent of men in Gaza are in informal employment compared to 49.7 per cent of women. However, the share of informal employment for women increased by 7.3 percentage points in 2022, compared to an increase of 4.3 percentage points for men. Average nominal daily wages also fell in Gaza, by 6.2 per cent, which indicates that workers in Gaza also lost a tenth of their purchasing power (figure 2.9.B). Average nominal daily wages declined fastest in manufacturing, mining and quarrying, falling by 3.4 per cent. With the exception of agriculture, wages declined in all sectors in Gaza.

► **Figure 2.9. Change in employment and average daily wages in 2022, Gaza**

Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

► Chapter 3. The impact of occupation on workers' rights

83. In 2022, the overarching impact of the occupation on the workers' rights of Palestinians continued, whether they work in the West Bank, including East Jerusalem, and Gaza, or in Israel and the settlements or are unemployed. Palestinian workers' enjoyment of their rights, including those set out in the body of international labour standards, is impeded by the economic and social consequences of the occupation and settlement activity.

The mechanics of occupation: Settlement expansion

84. The illegality of the Israeli occupation, including settlement expansion, has once again been stressed by the international community. Most recently, in February 2023, the President of the UN Security Council made a statement on behalf of the Council expressing its strong opposition to Israeli construction and expansion of settlements, confiscation of Palestinians' land, and the retroactive legalization of settlement outposts, demolition of Palestinians' homes and displacement of Palestinian civilians, which it considered to be unilateral measures that impede peace.⁵⁷
85. Regardless, illegal Israeli settlement activity persists and the settlements are expanding.⁵⁸ In 2022, plans for 4,427 housing units in West Bank settlements passed a planning stage, an increase from 3,645 in 2021.⁵⁹ The number of tenders announced accelerated in the first three months of 2023 to over 1,000.⁶⁰ In February 2023, the Civil Administration's Higher Planning Council approved the advancement of over 7,000 housing units in settlements, including 14 new neighbourhoods, some of which could be considered to be illegal outposts; some of the approvals retroactively legalize existing construction.⁶¹ In comparison, no plans for Palestinian housing units in Area C passed any of the planning stages in 2022,⁶² and in April 2023 it was reported that the Jerusalem municipality had retracted its support for a plan for a new Palestinian neighbourhood in the city, which would have been the first since 1967.⁶³
86. Settlement-related legal developments in the last year have included a decision of the Israeli High Court in May 2022 allowing the eviction of eight Palestinian villages (approximately 1,000 people) in Masafer Yatta, in the southeast West Bank, which had been declared a firing zone in 1981;⁶⁴ the Supreme Court's reversal in July 2022 of its 2020 ruling ordering the evacuation of settlers

⁵⁷ UN Security Council, *Statement by the President of the Security Council*, S/PRST/2023/1, 20 February 2023.

⁵⁸ UN Security Council, *Implementation of Security Council resolution 2334 (2016): Report of the Secretary-General*, S/2022/945, 14 December 2022, para. 68.

⁵⁹ Peace Now, "Settlements Data: Construction".

⁶⁰ Peace Now, "Settlements Data: Construction" and "Settlements Data: Jerusalem". Tenders are calls for proposals issued by the Government for the construction of housing units, after which construction and marketing can begin. Only 13 settlements require the process of tenders; in all other settlements, construction can begin without tenders being issued.

⁶¹ Peace Now, "The Government Announced the Promotion of 6,000 Housing Units in Settlements: In Practice, 7,157 Units Were Promoted, Including Five Additional Outposts", 19 February 2023, updated 23 February 2023.

⁶² Peace Now, "Settlements Data: Construction".

⁶³ Nir Hasson, "After 15 Years of Planning, Jerusalem Backtracks on Building New Palestinian Neighborhood", *Haaretz*, 19 April 2023.

⁶⁴ *Haaretz*, "Israel's High Court of Justice, the Occupation's Rubber Stamp", editorial, 8 May 2022; Hagar Shezaf, "Israeli Top Court Approves Eviction of Eight Palestinian Villages After Decades-Long Battle", *Haaretz*, 5 May 2022.

from the illegal Mitzpeh Kramim outpost;⁶⁵ and the passing of legislation in March 2023 allowing settlers to buy privately owned Palestinian land, or permitting the Government to allocate them state land, to rebuild four settlements evacuated by Israel in 2005.⁶⁶ The Supreme Court postponed the eviction of Palestinian families from their homes in the Sheikh Jarrah and Silwan neighbourhoods of occupied East Jerusalem.⁶⁷

- 87.** There was a sharp increase in violence against civilians on both sides in 2022: ⁶⁸ clashes between Palestinians and Israeli security forces, settler-related violence, attacks by Palestinians against Israelis, and operations by Israeli security forces. ⁶⁹ During 2022, 191 Palestinians were killed and 10,345 Palestinians were injured in the West Bank, Gaza and Israel in the context of occupation and conflict. Fatalities in the West Bank are the highest since OCHA started keeping records in 2008: 154 Palestinians were killed by Israeli security forces or settlers in 2022. In the first three months of 2023, 86 Palestinians were killed in the West Bank. This is already more than the number of fatalities in all of 2021. ⁷⁰ Israeli casualties were also higher in 2022: 21 Israelis killed ⁷¹ and 252 injured in the context of occupation and conflict. The year 2022 was the deadliest since 2015 in terms of the number of Israeli civilians killed in attacks by Palestinians in Israel and the occupied West Bank. ⁷²
- 88.** Settler violence increased significantly in 2022, with OCHA recording 849 incidents resulting in casualties and/or property damage, the highest since numbers were first recorded in 2006. ⁷³ Data for the first two months of 2023 indicates that these high numbers are continuing. ⁷⁴ Settlers are rarely held accountable for such attacks, which increases the level of threat to Palestinians and their property ⁷⁵ as well as the sense of impunity. ⁷⁶ Israeli data shows that 86 of the 100 Israeli towns and villages with the largest percentage of gun licence holders are West Bank settlements. ⁷⁷
- 89.** The increase in demolitions and seizures of Palestinian-owned property by Israeli authorities has continued, most often justified on the grounds that they lacked building permits, which are nearly impossible for Palestinians to obtain. Israeli authorities demolished, forced people to demolish, or seized 954 Palestinian-owned structures across the West Bank, including East Jerusalem, in 2022 (table 3.1). This is the highest number of demolitions since 2016 ⁷⁸ and, as a result, for the

⁶⁵ Hagar Shezaf and Chen Maanit, "Israel's Top Court Reverses Ruling on West Bank Outpost, Allowing Settlers to Stay", *Haaretz*, 27 July 2022.

⁶⁶ Peace Now, "Knesset Passes Amendment Repealing Disengagement Law for Northern West Bank in Final Vote", 22 March 2023; Hagar Shezaf and Jonathan Lis, "Explained: The Amended Law Allowing Israelis to Return to West Bank Sites Vacated During 2005 Disengagement", *Haaretz*, 23 March 2023.

⁶⁷ *Implementation of Security Council resolution 2334 (2016)*, para. 71.

⁶⁸ *Implementation of Security Council resolution 2334 (2016)*, para. 72.

⁶⁹ *Implementation of Security Council resolution 2334 (2016)*, para. 12.

⁷⁰ OCHA, "Data on Casualties", accessed on 3 May 2023.

⁷¹ Figures exclude eight Israelis killed in Israel, two where the immediate cause of death, or the perpetrator's identity or motives remains disputed or unknown, and six where the attack did not involve Palestinians from the Occupied Palestinian Territory.

⁷² *Implementation of Security Council resolution 2334 (2016)*, para. 75.

⁷³ OCHA, *Occupied Palestinian Territory – 2022 Overview* (2023).

⁷⁴ B'Tselem, "Data on Settler Violence".

⁷⁵ *Implementation of Security Council resolution 2334 (2016)*, para. 73.

⁷⁶ Loveday Morris, "As Settler Violence Surges, Palestinians Say They Have Nowhere to Turn", *Washington Post*, 17 March 2023.

⁷⁷ Josh Breiner, "West Bank Settlements Have Highest Percentage of Gun Owners, New Data Shows", *Haaretz*, 30 January 2023.

⁷⁸ OCHA, "Breakdown of Data on Demolition and Displacement in the West Bank".

third year in a row, over 1,000 people were displaced.⁷⁹ In East Jerusalem, to avoid the payment of fines, 51 per cent of the structures were demolished by their owners following the issuance of demolition orders by the Israeli authorities, compared with an average of 34 per cent in the previous five years.

► **Table 3.1. Israeli-ordered demolitions and displacements in the West Bank, including East Jerusalem, by year**

	2019	2020	2021	2022	2023 (Jan.–Mar.)
Structures demolished	632	857	911	954	290
People displaced	907	1 004	1 209	1 032	413

Source: OCHA, [Data on Demolition and Displacement in the West Bank](#).

90. During 2022, 11 Palestinian-owned homes were demolished by the Israeli authorities on punitive grounds, following attacks or alleged attacks on Israelis carried out by family members.⁸⁰ This is compared with three in 2021 and seven in 2020. Collective punishment is prohibited under international law.

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

91. For many years, the Director-General has reported that the interplay of the unequal application of rules, administrative and physical restrictions on movement, and actual or threatened violence associated with the occupation has led to multiple decent work deficits for Palestinian workers in the West Bank. The impact of the occupation and settlement activity has restricted the rights of Palestinians to freedom of movement and residence, and access to resources, work and markets. This year is no different.

Unequal application of rules

92. Many interlocutors stressed that rules and laws were applied in the West Bank, including East Jerusalem, in a way that systematically discriminated against Palestinians. Past Reports of the Director-General have noted that Palestinians living in the West Bank, for example, were not entitled to the benefits and incentives offered to settlers in the West Bank, and that only 1 per cent of the land in Area C and 13 per cent of the land in East Jerusalem is allocated for the construction of infrastructure for Palestinians. Sophisticated infrastructure supports the expanding settlements, including a network of roads criss-crossing the West Bank to connect the settlements with each other and with Israeli urban centres. In some cases, only Israelis and those with Israeli military permits can use those roads. As commuting times are increased significantly compared to the most direct routes that are prohibited to them, this exacerbates difficulties for Palestinians in the West Bank, including East Jerusalem, in accessing their land and workplaces.
93. One long-standing example concerned the inability of Palestinians to obtain permits for the construction or development of livelihood structures, and the resulting demolitions and

⁷⁹ OCHA, [West Bank Demolitions and Displacement: An Overview – December 2022](#), 21 February 2023.

⁸⁰ OCHA, [Occupied Palestinian Territory – 2022 Overview](#) (2023).

displacements. Over half of the 954 Palestinian-owned structures demolished by Israeli authorities in 2022, including 57 in East Jerusalem, supported agricultural, herding or commercial livelihoods.⁸¹ Almost all – 519 of those 533 livelihood-related structures – were demolished in the context of a lack of permits. One of the ten structures demolished in refugee camps was a livelihood structure.

94. The unequal application of the law is particularly evident in the Jordan Valley, where 62 structures supporting agriculture and other livelihoods were demolished during 2022 for a lack of permits,⁸² and there are ongoing constraints on Palestinian use of water resources (see box 2.1).⁸³ All agricultural developments require an Israeli-issued permit, almost impossible for Palestinians to obtain, including, for example, the erection of a tent for cover from the sun, increased production from a water well, or the use of new machinery. This is a significant restriction on the productivity and sustainability of farming, which accordingly rarely provides a complete livelihood for owners, who are compelled to find work in nearby settlements or to leave their land. Large areas of the Jordan Valley have been designated as state natural reserves or as military firing zones, the use of which is either prohibited to Palestinians or severely restricted. In comparison, thousands of acres, including in natural reserves or military firing zones, are used for grazing by Israeli settlers from “dozens of shepherd outposts and farms” that have not been the subject of demolition orders or the attention of the authorities.⁸⁴

Physical and bureaucratic restrictions on movement

95. The year 2022 marked 20 years since the Israeli authorities started to build the Separation Barrier – a mix of concrete walls, fences, ditches, razor wire, sand paths, an electronic monitoring system, patrol roads, a buffer zone and several military checkpoints – with the stated aim of preventing violent attacks by Palestinians inside Israel.⁸⁵ The “seam zone” is the area in the West Bank between the Separation Barrier and the Green Line,⁸⁶ designated by the Israeli military as closed to Palestinians. As a result of the Barrier, approximately 11,000 Palestinians living inside the seam zone require Israeli-issued permits to live in their own homes,⁸⁷ and the 150 Palestinian communities living in the West Bank with farmland inside the seam zone require permits or special arrangements to farm their land.⁸⁸ Permits allow access to farmland during very limited opening hours and through particular gates.
96. Movement in the West Bank, including East Jerusalem, continued to be restricted and unpredictable in 2022. In addition to many ad hoc checkpoints set up at various times in the year, there are 77 staffed checkpoints in the West Bank controlling movement between cities and towns, 29 of which are in the H2 area of Hebron.⁸⁹ In the context of escalating violence in the

⁸¹ OCHA, “Breakdown of Data on Demolition and Displacement in the West Bank”.

⁸² OCHA, “Breakdown of Data on Demolition and Displacement in the West Bank”; *West Bank Demolitions and Displacement: An Overview – November 2022*, 27 December 2022.

⁸³ UNHCHR, *Allocation of Water Resources in the Occupied Palestinian Territory, Including East Jerusalem: Report of the United Nations High Commissioner for Human Rights*, 15 October 2021.

⁸⁴ Kerem Navot, *The Wild West: Grazing, Seizing and Looting by Israeli Settlers in the West Bank*, May 2022.

⁸⁵ OCHA, *The Humanitarian Impact of 20 Years of the Barrier*, December 2022.

⁸⁶ The “Green Line” is the Armistice Line between Israel and the West Bank, in place since 1949.

⁸⁷ OCHA, *The Humanitarian Impact of 20 Years of the Barrier*.

⁸⁸ OCHA, *Feeding Your Family When Your Fruit Trees Are Isolated behind a Fence*, 23 March 2023; OCHA, *The Humanitarian Impact of 20 Years of the Barrier*; HaMoked, “Following HaMoked Petition and a Six-Month Delay: The Military Enabled Farmers from Kufri Thulth to Briefly Access and Plow Their Lands Trapped beyond the Separation Wall”, 14 August 2022.

⁸⁹ OCHA, *Occupied Palestinian Territory – 2022 Overview* (2023).

West Bank, micro, small and medium-sized businesses in various locations were closed by Israeli orders for security reasons. For example, in October 2022, in response to what the Israeli security forces described as “the recent rise in terrorism within the city”, an estimated 200,000 people in Nablus were placed under a “semi-blockade” for over two weeks, reducing revenues of shops, emptying hotels, postponing court hearings and suspending university classes.⁹⁰ In November 2022, the Israeli army closed Palestinian shops in Hebron to allow a march by settlers that resulted in a riot.⁹¹ In February 2023, after the settler violence inflicted on Huwara, the Israeli security forces ordered 350 shops and other businesses to shut for five days, causing serious losses.⁹² In addition, at times owners of shops and other businesses in the West Bank felt obliged to close because of fear or the threat of violence; at other times, they closed following Palestinian calls for general strikes to mourn the loss of life due to conflict or to protest against Israeli actions.

97. Palestinians in East Jerusalem and Palestinians in the remainder of the West Bank continued to be isolated from each another because of the Separation Barrier and the 12 staffed checkpoints that are located around East Jerusalem.⁹³ About 100,000 Palestinians cross the Jerusalem checkpoints daily.⁹⁴ In October 2022, the Israeli security forces imposed a full closure of the Shu’fat refugee camp in East Jerusalem for five days, after a Palestinian killed a border police officer and injured two others. In response, Palestinian shop owners in wider East Jerusalem undertook a one-day general strike in protest against Israeli police raids.⁹⁵

Impact of violence on work and livelihoods

98. The particular impact of settler violence on agriculture in the West Bank was again highlighted during the two-month olive harvest. Scores of incidents of settler violence during the 2022 harvest, involving violence, theft, damage of equipment and the destruction of hundreds of olive trees, were reported to Israeli NGOs.⁹⁶ Many olive farmers were not able to gather a full harvest of olives again in 2022 due to the violence, combined with limitations imposed by the Israeli security forces on harvest times.⁹⁷ The yield of olive trees on the “Israeli” side of the Separation Barrier is 60 per cent higher than on the “Palestinian” side.⁹⁸ Settler violence also impedes other agriculture and work in the West Bank. Interlocutors from the Jordan Valley informed the mission that, during 2022, settlers had damaged solar panels (provided by international donors) three times and had been threatening and physically violent, impacting the ability of Palestinians to farm their land. Israeli security forces had previously bulldozed a water reservoir built with humanitarian aid. During the night of extreme violence in Huwara, livestock and olive trees were

⁹⁰ B’Tselem, *Israel Holding Nablus and Nearby Villages in Chokehold for 15 Days*, 26 October 2022; Patrick Kingsley, “‘You’re Suffocating Us’: Israeli Blockade in West Bank Angers Palestinians”, *New York Times*, 26 October 2022.

⁹¹ Hagar Shezaf, “Two Suspects, Including Off-Duty Israeli Soldier, Arrested Over Weekend Violence in Hebron”, *Haaretz*, 21 November 2022.

⁹² B’Tselem, *The Pogrom in Huwarah and Other Palestinian Communities in the Northern West Bank: The Jewish Supremacy Regime in Action*, 12 March 2023.

⁹³ OCHA, *Occupied Palestinian Territory – 2022 Overview* (2023).

⁹⁴ MachsomWatch, “Jerusalem: The Forbidden City”.

⁹⁵ Hagar Shezaf, Yaniv Kubovich and Yael Freidson, “Israeli Army Puts Nablus Under Lockdown Following Deadly Shooting Attacks”, *Haaretz*, 12 October 2022.

⁹⁶ B’Tselem, *Olive Harvest 2022: Another Display of State-Sanctioned Violence by Israeli Settlers and Soldiers against Palestinian Farmers*, 31 January 2023; Yesh Din, “Summary of the 2022 Harvest Season”, 4 January 2023.

⁹⁷ MachsomWatch, “Conversations with Friends: Masafer Yatta-Hebron-Burin”, 14 December 2022.

⁹⁸ OCHA, *The Humanitarian Impact of 20 Years of the Barrier*.

destroyed,⁹⁹ and at least eight commercial structures, including six car-repair shops, were burnt.¹⁰⁰

- 99.** The situation in the 19 refugee camps in the West Bank, including East Jerusalem, is particularly grim. In 2022, Israeli security forces' operations in refugee camps, including search-and-arrest operations, averaged 13 per week.¹⁰¹ The mission was informed that incursions by the Israeli security forces into refugee camps had included violence around schools and led to intermittent school attendance. The associated trauma and learning losses may impact the future labour market prospects of children. The raids particularly affect women, who care for the mental and physical well-being of often traumatized children and find their limited opportunities to work even more constrained.

Workers' rights in Gaza: The impact of blockade

- 100.** The blockade of Gaza, which restricts the movement of people living in the enclave as well as of goods, continues to have a profound impact on Palestinians' rights as workers. Yet again, this was compounded by an escalation of hostilities in August 2022, during which 50 Palestinians were killed and 383 others were injured.¹⁰² The majority of Gazans are refugees. In 2022, the poverty rate stood at 65 per cent, an increase from 59 per cent in 2021.¹⁰³ Social problems, including gender-based violence, have been aggravated.¹⁰⁴ There is a mental health crisis in Gaza.¹⁰⁵
- 101.** Dire humanitarian conditions and extreme poverty have a direct impact on the ability of Palestinians in Gaza to enjoy their rights as workers. Workers in profound need are vulnerable to exploitation and will often not seek to enforce their rights even when they are aware of them. The mission was informed that workers in Gaza would often agree to work for much lower wages than the legal minimum, for longer working hours than the legal maximum, and without security of employment, social security benefits, or regard for occupational safety and health standards. Workers were unlikely to take advantage of their freedoms of expression and association, to avoid any indirect effect on a hard-won job. Difficulties are compounded for women workers, who also face social barriers exacerbated by the policies and practices of the de facto authorities, violence in the workplace, and the need to balance work with household and childcare responsibilities. Despite the fact that minimum working conditions cannot be assured, online work in the gig economy continued to be referred to as a potential way for workers to "evade" the blockade and access work opportunities in the West Bank and abroad.
- 102.** In 2022, Israel continued to enforce "access-restricted areas" along the perimeter fence and coast of Gaza, constraining work in agriculture and fisheries. In 2022, Israeli forces shot at Palestinians 952 times ostensibly to prevent their access to land or sea areas in the access-restricted areas – the largest number since records started being kept in 2017.¹⁰⁶ Twenty adults and three children

⁹⁹ B'Tselem, *The Pogrom in Huwarah and Other Palestinian Communities in the Northern West Bank*.

¹⁰⁰ OCHA, *Protection of Civilians Report – 14–27 February 2023*, 4 March 2023.

¹⁰¹ OCHA, *Humanitarian Response Plan OPT*, Humanitarian Programme Cycle 2023, January 2023, 52.

¹⁰² OCHA, *Occupied Palestinian Territory – 2022 Overview* (2023). Of the 50 Palestinians killed, 30 were killed by Israeli forces, 16 by Palestinian armed groups with rockets/mortars falling short of their target, and 4 were killed in situations where the perpetrator's identity remains disputed or unknown.

¹⁰³ OCHA, *Movement In and Out of Gaza in 2022*, 22 February 2023.

¹⁰⁴ Al Mezan Center for Human Rights, *International Women's Day Factsheet*, 2022.

¹⁰⁵ OCHA, *Humanitarian Response Plan OPT*, January 2023, 51–52.

¹⁰⁶ OCHA, "Gaza Strip: Critical Humanitarian Indicators: Protection".

were injured.¹⁰⁷ In relation to farming, Israeli forces carried out dozens of incursions and levelling operations into land near the perimeter fence, and damaged farming assets during 2022.¹⁰⁸ In the maritime access-restricted areas, the Israeli navy arrested 64 Palestinians and seized 23 fishing boats.¹⁰⁹ A final decision is awaited from the Haifa District Court, in its role as the Maritime Court, on an Israeli request for authority to permanently confiscate boats seized for having exceeded the Israeli-imposed allowable fishing zones.¹¹⁰

Palestinian workers in the Israeli labour market: Inequality and vulnerability

103. The growing phenomenon of Palestinians working in the Israeli labour market was raised in almost all meetings during the mission. Some interlocutors were concerned that the high numbers of Palestinians working in Israel and the settlements – as seen in Chapter 2, a 40 per cent increase in the last year – meant shortages of skilled and semi-skilled labour in the West Bank and Gaza. Other interlocutors considered that the number should be higher still, to open the opportunities to more Palestinians. Yet others perceived inequality and disadvantage in the web of laws, regulations and policies that Israeli authorities explain as a response to the security context. There was a widespread perception of poor working conditions, patchy implementation of social security rights and an exploitative brokerage system, all requiring access through hostile crossings. Many interlocutors highlighted vulnerabilities among the Palestinians working in Israel, and particularly the settlements, without labour rights guaranteed by a work permit, pointing particularly to Palestinians from Gaza and women and children from the West Bank. Some wished for the Palestinian Authority to be more intrinsically involved in regulating the employment of Palestinians in Israel in accordance with the Paris Protocol, while others, distrusting the Authority, considered that the views of Palestinian workers should be more directly integrated into policymaking.

The reform of the permit system and enduring dominance of brokers

104. Two years ago, the mission noted with interest the implementation of the long-anticipated reform to the permit system in the construction and industry and services sectors.¹¹¹ Last year, the mission observed that the reform had not yet achieved its objective of eliminating trafficking in work permits and reliance on Israeli and Palestinian brokers.¹¹² Another year later, the situation has hardly advanced.

105. The issue of brokers and their hold over the access of Palestinians to the Israeli labour market continues to be a major challenge (see box 3.1). PCBS data indicates that 52 per cent of Palestinian workers now pay brokers for permits, 4 percentage points more than in 2021. The software application that was intended to reduce the need for the brokers by matching registered Israeli employers with Palestinian workers is offline while it is being further developed. There was a suggestion that brokers had effectively developed their business model to use the application to their advantage. The Coordination of Government Activities in the Territories (COGAT) informed

¹⁰⁷ OCHA, "Gaza Strip: Critical Humanitarian Indicators: Access".

¹⁰⁸ OCHA, "Gaza Strip: Critical Humanitarian Indicators: Access".

¹⁰⁹ Al Mezan, *Executive Summary of Al Mezan's Annual Report on the Situation of Economic, Social, and Cultural Rights in the Gaza Strip in 2022*, March 2023, 5.

¹¹⁰ Gisha, *Israel vs. the Boat: Continued*, 21 March 2023.

¹¹¹ ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.109/DG/APP/2021, para. 86.

¹¹² ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.110/DG/APP, 2022, para. 82.

the mission that the long-planned electronic payment of wages is operational for approximately 70 per cent of workers from the West Bank with work permits. Workers had to be reassured that their money would be untouched by taxes or fees, after a one-day strike in August 2022 against the decision to pay their salaries into Palestinian bank accounts rather than in cash.¹¹³ The mission heard numerous allegations that, in practice, electronic payments are limited to the minimum wage, with the remainder paid in cash to reduce employers' social security obligations. Workers are obliged to meet their monthly payments to brokers, regardless of whether they work.¹¹⁴ The US Department of State trafficking report for 2022 notes that Palestinian workers who are charged monthly fees by brokers or hired out by their employers to work in other workplaces continue to be vulnerable to forced labour, and that the employer-based work permit system enables some employers to exploit workers in forced labour.¹¹⁵

► Box 3.1. The permit broker system

A large proportion of Palestinians working in Israel make a monthly payment to a broker. On average, this monthly payment amounts to 2,429 shekels, and is required to be paid regardless of the number of days that the Palestinian works that month.

Over many years, interlocutors have consistently informed the mission that the brokerage system infringes the ability of Palestinian workers to enjoy their rights as set out in the international labour standards. The system imposes significant stress on workers, contributes to their vulnerability to abuse, and entrenches a knowledge imbalance. There appears to be widespread agreement between Israeli and Palestinian stakeholders that the practice is illegal, corrupt and extremely unjust.

The brokerage system is exploitative and opaque. It is also complex, requiring both Palestinian and Israeli involvement. Interlocutors indicated that Palestinians wishing to cross into Israel and the settlements for work would rely on brokers in various ways, including through:

- **connections to obtain a place within the Israeli quota for the construction and industry and services sectors** that entitles Palestinian workers to find an Israeli employer who could provide a work permit;
- **connections to Israeli employers who provide Palestinian workers with work permits.** Palestinian workers may work in a direct employment relationship for those employers, be "traded" by the employer to other employers, or be left to find working relationships in any sector. Workers will have the security of the work permit allowing entry to Israel, electronic payment of minimum wages, and basic social security benefits as required by Israeli regulation. In some cases, in addition to the monthly payment to the broker, workers will be required to pay an initial advance to the broker of approximately 5,500 shekels, equivalent to the Israeli minimum wage, to compensate for the first month of payments under the electronic wage transfer system;
- **connections to Israeli employers or intermediaries who provide employment for Palestinian workers** on a permanent or temporary basis, and sometimes on a seasonal or task-based need, such as in agricultural settlements or with employers who are not entitled to employ Palestinian workers. Workers who have been prevented by Israeli security forces or police from entering Israel may find work in settlements or the informal economy. Workers will be paid in cash and outside the control of the Israeli authorities;
- **assistance to cross from the West Bank to Israel**, through shared transportation operated for Palestinians with work permits or, for those without work or other entry permits, to be smuggled across the border.

¹¹³ Adel Abu Neama and Nidal Al-Mughrabi, "Palestinians Working in Israel Strike Over Demand for Bank Accounts", *Reuters*, 21 August 2022.

¹¹⁴ Kav LaOved, "Roadmap to Health: Palestinian Workers in Israel's Construction Sector", 2022, 14–15.

¹¹⁵ US Department of State, *2022 Trafficking in Persons Report: Israel*.

- 106.** Brokers link the Palestinian and Israeli sides of the Green Line. The mission was informed that the brokerage system is largely a joint Palestinian–Israeli venture: brokers operating in the West Bank have partners in Israel who obtain the work permits and retain part of the broker fee. Such a joint venture demands a joint response. However, once again, no bilateral steps against brokers were taken by the Israeli and Palestinian authorities during 2022. The Palestinian Ministry of Labour indicated that during 2022 it had formed a ministerial committee and a series of governorate-level committees to pursue permit brokers.¹¹⁶ Israeli authorities had refined administrative procedures to detect potential trade in permits and brought administrative enforcement procedures against 95 Israeli employers during 2022, placing conditions on or cancelling their registration. In September 2022, the implementation plan of the Israeli Action Plan to Combat Human Trafficking for the Years 2022–26 was approved and a dedicated inter-ministerial team to address the prevention of exploitation of Palestinian workers will soon start its work.¹¹⁷
- 107.** Some interlocutors, seeing these problems as inevitable “teething” problems, believed that certain modifications, including full enforcement of the electronic payment of wages and a reinvigorated software application matching employers and workers, would ensure that the reform would eventually reach its objectives. Other interlocutors suggested more profound change was needed, such as replacing the permit system with a “green card” style system.¹¹⁸ Under the Paris Protocol, employment of Palestinians should be coordinated with the Palestinian Authority.¹¹⁹
- 108.** During 2022, the Government of Israel continued to take other steps to try to reduce the vulnerability of Palestinians working in Israel and the settlements, often in conjunction with the social partners. For example, administrative, civil and criminal law enforcement units within the Labour Branch of the Israeli Ministry of the Economy and Industry instituted investigations and cases to enforce the rights of Palestinian workers in relation to wages, deductions, working hours and workplace safety. The Commissioner for Foreign Workers’ Labour Rights opened 98 investigations against employers of Palestinian workers in 2022, an increase from 78 in 2021. Social media campaigns to raise awareness of safety issues reached Palestinian workers through the Facebook page of COGAT, with posts being shared with all holders of work permits, and printed copies handed out at checkpoints.

Quotas, permits and access

- 109.** In 2022, the quotas of maximum numbers of permits for Palestinian workers were higher in most sectors than they were at the beginning of 2021, as were the numbers of permits issued within those quotas. In June 2022, COGAT increased the maximum quota of Palestinians who could work in Israel and relaxed the age and marital requirements for Palestinians to apply for work permits.¹²⁰ Quotas for the construction and industry and services sectors were increased in January 2023 compared to one year earlier. At the same time, COGAT figures show that only 5 of the quota of 200 permits in the high-tech sector that was introduced last year have been issued.

¹¹⁶ Palestinian Ministry of Labour, briefing note provided to the mission (unpublished).

¹¹⁷ Government resolution No. 1862 dated 18 September 2022 (unofficial translation).

¹¹⁸ MAAN–Workers Association, “Give the Palestinian Workers a ‘Green Card’”, 24 July 2022.

¹¹⁹ 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: “The Palestinian side has the right to regulate the employment of Palestinian labor in Israel through the Palestinian employment service, and the Israeli Employment Service will cooperate and coordinate in this regard”.

¹²⁰ MachsomWatch, “Once the Cameras Stopped Rolling”, 20 April 2022.

110. The practice of Palestinians being prevented by the security forces from obtaining Israeli work permits for unspecified security concerns continued in 2022, although in many cases advocacy by NGOs such as MachsomWatch or Israeli lawyers, including through the court system, resulted in the blacklisting being lifted. In May 2022, Israel was reported to have revoked the entry and work permits of 1,100 Palestinians whose relatives were alleged to have been involved in recent terror attacks.¹²¹ In the same month, following an attack by two residents of the West Bank town of Rummanah, all its 4,000 residents were prevented from entering Israel for over three weeks and 206 residents with work permits found them revoked.¹²² A recent report provided testimonies that security forces may provide permits to Palestinians in exchange for collaboration.¹²³ Although improved in recent years, many crossings were reported to still be hostile and unpredictable,¹²⁴ and there were allegations of sexual harassment of women in the often overcrowded lines.¹²⁵

Conditions of work: Social security and occupational safety and health

- 111.** For many years, the Report of the Director-General has followed the situation with regard to the unclaimed pension funds for Palestinians working in Israel that have accumulated, in some cases since the 1970s, within the Israeli Population, Immigration and Border Authority (PIBA). The mission was informed by the Israeli authorities that in early 2023 it had transferred the accumulated pension funds to Amitim, a semi-public Israeli company, to administer and receive future contributions and disburse benefits. While the Government remained the governing entity of the fund for Palestinian workers, Amitim would provide operational services. After having been largely uninvested for many years, the accumulated pension funds would be invested under the guidance of a professional investment committee. Israeli authorities indicated that at the end of 2022, the accumulated pension funds amounted to approximately 3.7 billion shekels, each shekel of which was attributed to approximately 100,000 workers individually, based on their personal deductions.¹²⁶ It was hoped that it would be fully operational towards the middle of 2023.
- 112.** Israeli authorities indicated that they had taken this step as the Palestinian Authority had not established a social security fund to which it could transfer the accumulated funds pursuant to the Paris Protocol.¹²⁷ In contrast, the Palestinian Authority, which has estimated significantly higher accumulated pension funds, pointed to legislation from 2016 that established a social security institution for the Palestinian private sector, which it hoped would be functioning shortly. The mission was informed that high numbers of Palestinians working in Israel withdrew their

¹²¹ Yaniv Kubovich, "Israel Revoked 1,100 Entry Permits of Palestinians Close to Terrorists in Recent Spate of Attacks", *Haaretz*, 10 May 2022.

¹²² Hagar Shezaf, "Three Weeks After Attack, Israel Keeps Sanctions on Assailants' West Bank Hometown", *Haaretz*, 25 May 2022.

¹²³ Breaking the Silence, *Military Rule: Testimonies of Soldiers from the Civil Administration, Gaza DCL and COGAT – 2011–2021*, 2022, 23, 67–68.

¹²⁴ MachsomWatch, "Once the Cameras Stopped Rolling".

¹²⁵ MAAN–Workers Association, "Palestinian Women Entering Israel to Work Complain of Sexual Harassment on the Waiting Line Inside the Checkpoint", 11 September 2022; "An End to Sexual Harassment of Palestinian Women Workers at the Sha'ar Ephraim Checkpoint (near Tulkarm)", 20 November 2022.

¹²⁶ Israeli Ministry of Finance, briefing note provided to the mission.

¹²⁷ The Paris Protocol envisaged contributions being transferred into a Palestinian institution: Article VII, paragraphs 4–5, state that "Israel will transfer, on a monthly basis, to a relevant pension insurance institution to be established by the Palestinian Authority, pension insurance deductions ... Upon the receipt of the deductions, the Palestinian Authority and its relevant social institutions will assume full responsibility ... for pension rights and other social benefits of Palestinians employed in Israel" (Gaza–Jericho Agreement, Annex IV, Paris, 1994).

pension contributions,¹²⁸ rather than wait for pension benefits to be paid in due course: 82,000 applications for withdrawal were received by PIBA during 2022, which was an increase from 48,000 Palestinians who had withdrawn money from the fund in 2021 and 74,000 in 2020. PIBA indicated that at the beginning of 2022, 289 Palestinians were receiving old-age, survivor or disability pensions from Israel, which was the same number as in 2021 and 10 fewer than in 2020.

- 113.** Occupational safety and health continued to be a concern in relation to Palestinian workers in the Israeli labour market. Once again, the mission received varying statistics on fatalities in occupational accidents among Palestinian workers in Israel in 2022.¹²⁹ The Palestinian National Center for Occupational Safety and Health and Environmental Protection at the Polytechnic University of Palestine in Hebron reported that 18 Palestinians died in the Israeli labour market in 2022, including 13 in the construction sector, but excluding Palestinians who died travelling to and from work.¹³⁰ The Palestinian Ministry of Labour reported 53 fatalities among Palestinians working in Israel,¹³¹ of which 44 were in the construction sector.¹³² Based on figures from the Israeli Central Bureau of Statistics (CBS), Kav LaOved reported that 18 Palestinians died in work accidents in the Israeli labour market during 2022.¹³³ The General Federation of Labour in Israel (Histadrut) reported that 23 workers were killed in occupational accidents in the construction sector in 2022.¹³⁴ According to the Palestinian General Federation of Trade Unions (PGFTU), six Palestinian workers were killed by Israeli security forces while travelling to workplaces in Israel or the settlements.¹³⁵ The number of Palestinians receiving compensation for occupational injury or illness is likely to be lower than the actual number reported and, according to Israel's National Insurance Institute, accurate figures are probably lacking due to under-reporting.¹³⁶
- 114.** Israeli tripartite constituents continued to develop and undertake initiatives for Palestinians working in the Israeli construction sector. This included awareness-raising about rights and occupational safety and health, including through round tables and checkpoint visits, as well as skills training for Palestinian workers working in Israel. It was hoped that some future initiatives would be carried out in partnership with the Palestinian constituents. The planned mandatory requirement of a test on occupational safety and health before a permit was issued had been abandoned during 2022. A new collective agreement in the Israeli construction sector has been signed that, while not singling out Palestinian workers, was considered to be to their advantage. The Grievance Committee, established under the current collective agreement, provided conflict resolution in 1,600 cases in 2022. During 2022, a second committee was established in the Jerusalem area.¹³⁷

¹²⁸ See further, Kav LaOved Workers' Hotline and MAAN-Workers Association, "A Joint Statement from Kav LaOved – Worker's Hotline and MAAN-Workers Association concerning the Transfer of Palestinian Workers' Pension Funds to the Amitim Company", 2 January 2023.

¹²⁹ No figures were received from the Israeli authorities.

¹³⁰ Palestinian National Center for Occupational Safety and Health and Environmental Protection, *The Palestinian National Center for Occupational Safety and Health and Environmental Protection Issues the Annual Report on Work Accidents in Palestine for the Year 2022* [unofficial translation from Arabic], 17 January 2022.

¹³¹ Briefing note provided to the mission by the Palestinian Ministry of Labour.

¹³² Palestinian Ministry of Labour, *The Devastating Effects of the Israeli Occupation on the Economic and Social Affairs in Palestine, 2022*.

¹³³ Kav LaOved, *Occupational Safety – 2022 Annual Report*.

¹³⁴ Histadrut, "Annual Report to the ILO Mission, 2023" (unpublished).

¹³⁵ PGFTU, "Fact Sheet Summary: Labor Martyrs 2022 – The Massacre is Still Going On?!"

¹³⁶ Kav LaOved, *Roadmap to Health: Palestinian Workers in Israel's Construction Sector*, 4.

¹³⁷ Histadrut, "Annual Report to the ILO Mission, 2023" (unpublished).

Undocumented and other informal workers

- 115.** The challenges associated with the permit system and structural disadvantages for Palestinian workers in the formal Israeli labour market are accentuated for Palestinian workers in the informal economy. The mission was informed that, within a context in which rights could not be enforced, incidents of unpaid wages and safety concerns were higher than among workers with permits. These undocumented workers may have entered Israel by being smuggled through the Barrier or by entering legally but without work permits. By definition it is not easy to determine how many Palestinians work in the informal Israeli labour market, but estimates reach up to some 90,000.¹³⁸
- 116.** In 2022, an increased number of Palestinians from Gaza were allowed to enter Israel to work. OCHA has estimated that up to 89 per cent of the daily exits in February 2023 were for work-related purposes, most of which were by Palestinians employed as day labourers in Israel.¹³⁹ These workers enter, however, on “economic needs” permits that do not entitle workers to the protection of Israeli labour law or the social security system.¹⁴⁰ Interlocutors stressed the particular vulnerability of workers from Gaza. The Israeli Builders’ Association indicated that employers may be wary of formally employing them, as any security closure of Gaza in the event of an escalation of violence would mean that they could not enter Israel, particularly in the context of the unclear legal status of their work permits. COGAT informed the mission that a quota of 20,050 work permits for Palestinians from Gaza was in place at the end of 2022. The economic needs permits would be gradually transformed into work permits as, rather than being renewed, employers applied for work permits for the workers according to the quota. At the end of 2022, this was the case for only 869 workers.

Work in settlements

- 117.** COGAT informed the mission that almost 42,000 Palestinians were working in Israeli settlements in the West Bank at the beginning of 2023. This number has almost doubled in five years. Once again, interlocutors suggested that the real number was considerably higher. It was indicated that many Palestinians worked in the agricultural settlements as seasonal labour for part of the year or on irregular, part-time or daily labour, to supplement low salaries in the West Bank.
- 118.** The mission was again informed that women, in particular, often worked in settlements in low-status jobs in agriculture and housekeeping. There were ongoing allegations of child labour in agricultural settlements, as well as of wages below the minimum wage, and sexual harassment of women. The PGFTU hotline for complaints from Palestinian women workers has received complaints from women working in Israeli settlements. The Palestinian Ministry of Labour informed the mission that it was aware of very poor working conditions in agricultural settlements, with long working hours, wages less than the minimum wage, and limited social security rights.¹⁴¹ An Israeli State Comptroller report in 2022 concluded that there were ongoing problems with the enforcement of Israeli labour law for the 14,100 Palestinians working in the 35

¹³⁸ PGFTU, “Fact Sheet Summary: Labor Martyrs 2022”.

¹³⁹ OCHA, *Movement In and Out of Gaza: Update Covering February 2023*, 22 March 2023.

¹⁴⁰ Gisha, *At All Costs*, 1 September 2022.

¹⁴¹ Palestinian Ministry of Labour, briefing note provided to the mission.

industrial zones in Israeli settlements.¹⁴² MAAN–Workers Association has continued to organize Palestinian workers in settlements and to negotiate collective agreements.¹⁴³

¹⁴² State Comptroller, *Israeli-Managed Industrial Zones in the Judea and Samaria Region – Follow-up Audit*, February 2023, unofficial translation.

¹⁴³ MAAN–Workers Association, [“A Second Collective Agreement Signed in Zarfaty Garage”](#), 16 April 2023.

► Chapter 4. Labour governance: Shrinking space and growing uncertainty

- 119.** Within the constraints of limited economic, fiscal and political autonomy, policies aimed at generating employment and income opportunities, ensuring social security and social welfare and promoting good labour governance remain largely below potential. In conditions of fiscal crisis and declining donor aid, the Palestinian Authority continued to apply an austerity plan that resulted, notably, in a 20 per cent cut in public servants' salaries.¹⁴⁴
- 120.** Public trust in the Palestinian Authority and in the ability of institutions to respond effectively to socio-economic challenges arising from the occupation appears to be low and declining.¹⁴⁵ Perceptions of corruption and a lack of transparency and accountability are widespread.¹⁴⁶ Civic space continues to shrink in the wake of measures by both Israel and the Palestinian Authority against civil society and human rights groups.¹⁴⁷

Continuing efforts to develop and enforce labour governance regulation

- 121.** Efforts to strengthen labour governance continued in 2022 and early 2023, often reflecting support by UN agencies and programmes on the ground. The vision for labour market governance in the Occupied Palestinian Territory is laid out in four core planning documents: the National Development Plan 2021–2023;¹⁴⁸ the Labour Sector Strategy 2021–2023;¹⁴⁹ the National Employment Strategy 2021–2025;¹⁵⁰ and the third Decent Work Programme 2023–2025. The Decent Work Programme was officially released in March 2023 after extensive consultations among the ILO, social partners, several line ministries, UN agencies and donors.¹⁵¹ One common thread in these planning documents is a focus on improving the integration of women, youth and persons with disabilities in the world of work.
- 122.** For years, reforming Palestinian Labour Law No. 7 of 2000 has been a key priority of the Palestinian Authority. In 2022 and early 2023, tripartite social dialogue continued in order to reach consensus on a new draft of the Labour Law. Disagreements among the tripartite partners persisted, often over clauses with cost implications, such as such as maternity protection, working time, managing enterprise restructuring and dismissals, and severance pay ("end of service"

¹⁴⁴ The first wage cuts were initiated in 2019 after the withholding by the Israeli authorities of significant amounts of the clearance revenues it collects for the Palestinian Authority.

¹⁴⁵ Palestinian Center for Policy and Survey Research, "Press Release on Public Opinion Poll No. (87)", 14 March 2023.

¹⁴⁶ See AMAN–Transparency Palestine website: <https://www.aman-palestine.org/en>.

¹⁴⁷ OCHA, *Humanitarian Needs Overview 2023: Occupied Palestinian Territory*, January 2023, 19.

¹⁴⁸ Palestinian National Authority (PNA), "National Development Plan: Resilience, Disengagement, and Cluster Development towards Independence, 2021–2023". Revised in 2021, the National Development Plan contains a labour component that emphasizes the need to promote national production and investment in human resources, notably technical and vocational education and training, and to develop a resilient, rights-based labour market.

¹⁴⁹ PNA, Ministry of Labour, *Labour Sector Strategy (2021–2023): The Road to Decent Work and Employment Opportunities Improvement*, April 2020.

¹⁵⁰ PNA, Ministry of Labour, "National Employment Strategy (2021–2025)", March 2021.

¹⁵¹ The third Decent Work Programme is anchored in the UN Sustainable Development Cooperation Framework for 2023–25.

indemnity). The mission was informed that most of the proposed amendments to the Law had been agreed on, including bolstering gender equality, preventing violence and harassment, and promoting occupational safety and health, and that the Ministry of Labour had developed a proposal to amend only eight articles of the Labour Law of 2000. These articles are critical for achieving consistency between the reformed Labour Law and the latest version of the draft Social Security Law, particularly regarding provisions related to severance pay, old-age pension insurance, worker injury and maternity insurance, and the retirement age.

- 123.** The Ministry of Labour has continued to strengthen its labour inspection services, notably through training its 105 labour inspectors, including 25 newly hired inspectors (12 of whom are women).¹⁵² In 2022, inspections covered over 10,000 facilities (of a total of around 140,000 facilities operating in the Occupied Palestinian Territory). A special focus has been on those facilities where work is hazardous, primarily in manufacturing, construction and quarrying, and those employing many women, particularly services. Inspections led to over 5,200 measures against non-compliant workplaces. These included 70 referrals to court and the closure of 30 establishments, mainly for violations relating to health and safety. The Ministry of Labour registered 15 fatal work-related injuries in 2022. The Ministry also dealt with 571 complaints, mainly wage-related.¹⁵³ In parallel, multiple awareness-raising campaigns reached over 2,000 establishments in 2022, targeting mainly the agricultural and construction sectors, most of them focusing on applying the new minimum wage, protecting young workers, promoting occupational safety and health, and preventing child labour.¹⁵⁴ A National Labour Inspection Policy and Strategy that was finalized in September 2022 but has not yet been approved by the Council of Ministers contains provisions on the use of social media for promoting compliance with the Labour Law.
- 124.** The mission was informed that labour-related disputes brought to court are still settled by local civil courts, following procedures applied to civil cases, thus extending the backlog of labour cases in these courts.¹⁵⁵ Several government, employers' and workers' representatives whom the mission met pointed once again to the urgent need to establish dedicated labour courts to expedite labour litigation – a proposal that has so far been turned down by the Ministry of Justice and the Higher Judicial Council, due to cost implications. Officials from the Ministry of Labour, the Ministry of Justice and the Higher Judicial Council and social partners have initiated exchanges on establishing alternative labour dispute resolution mechanisms, particularly mediation and conciliation.¹⁵⁶ So far, such mechanisms are available only for commercial disputes within the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA), notably in the Hebron Chamber of Commerce, which since 2019 has resolved some 56 cases through arbitration and informal reconciliation.¹⁵⁷

Bipartite and tripartite social dialogue: A renewed commitment

- 125.** After the first National Social Dialogue Conference in March 2021, which set an ambitious agenda, bipartite and tripartite social dialogue appear to have accelerated, particularly in the context of

¹⁵² PNA, General Directorate of Inspection and Labour Protection, "Annual Report 2022", 5.

¹⁵³ PNA, "Annual Report 2022", 18.

¹⁵⁴ PNA, "Annual Report 2022", 11.

¹⁵⁵ In 2019, some 20,000 cases.

¹⁵⁶ A report prepared for the ILO forms the basis for the discussion: Mohammad Hadieh, "Mechanisms for Settling Individual and Collective Labour Disputes", 2022 (unpublished).

¹⁵⁷ Hebron Chamber of Commerce and Industry, "Report on the Work of the Commercial Arbitration Center", No. 60/2023/440/C.C., 9 April 2023 (unpublished).

the reform of the Palestinian Labour Law of 2000 and the review of the Social Security Law of 2016.

- 126.** Sectoral social dialogue has showed some signs of progress: collective agreements were signed in two sectors (marble and stone, and public services), while two new ones are under negotiation (for the private education and medical services sectors). The agreements include clauses that promote written employment contracts for all workers, the minimum wage, equal remuneration for work of equal value, safety and health at the workplace, complaints mechanisms in cases of violence and sexual harassment, and legal and psychological support for victims. Additionally, a construction-sector tripartite agreement led to the creation of a pilot apprenticeship programme aimed at promoting skills and employability in the sector.
- 127.** The National Wage Committee and 11 wage subcommittees operating at the governorate level were mandated to propose measures for implementing the new national minimum wage, particularly in sectors and professions with a low compliance record.¹⁵⁸ Overall, while the national legal minimum wage was set at 1,880 shekels per month as of January 2022 (up from 1,450 shekels before 2022), some 40 per cent of private sector employees in the Occupied Palestinian Territory earn less than the minimum wage (19 per cent in the West Bank and 89 per cent in Gaza).¹⁵⁹ Indeed, representatives of the Gaza Chambers of Commerce and other private sector organizations informed the mission that many jobseekers would accept jobs for 300–700 shekels a month in Gaza.
- 128.** Work on a draft Trade Union Organizations Law has been on hold since 2019. Still, new unions continue to be registered – a hopeful sign of associational life despite the shrinking civic space. In 2022, trade union density in the Occupied Palestinian Territory stood at 19.3 per cent.¹⁶⁰ Unionization among male workers was 18.0 per cent and among women workers 25.8 per cent. In Gaza, 37.1 per cent of workers are union members, and in the West Bank 13.2 per cent.¹⁶¹ By the end of 2022, there were 433 national, sectoral and enterprise-level trade unions.¹⁶²
- 129.** In March 2023, the Palestinian chambers of commerce concluded their elections for the board members of the regional chambers. Of the 212 newly elected members of the general assembly of the FPCCIA, 4 were women.¹⁶³ Previously, only 1 woman entrepreneur sat on the board of a regional chamber of the FPCCIA.
- 130.** The year 2022 and early 2023 were marked by industrial action in the public sector. A strike by public school teachers over pay, working conditions and freedom of association grievances was particularly disruptive and affected most public schools in the West Bank, including East Jerusalem.¹⁶⁴ Furthermore, at the time of writing, a strike of staff from the United Nations Relief

¹⁵⁸ Notably, the private education and professional services sectors. PNA, General Administration of Labour Sector Policies, “Annual Report 2022”, undated, 4.

¹⁵⁹ PCBS, “The Results of the Labour Force Survey 2022”.

¹⁶⁰ The trade union density rate is the share of employees who are union members, expressed as a percentage. Trade union membership excludes union members who are not in paid employment (self-employed, unemployed, retired and so on). See ILO, “Statistics on Union Membership”, ILOSTAT database.

¹⁶¹ ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

¹⁶² PNA, “Report of the Department of Union Organisations for the year 2022”, 16 January 2023 (unpublished).

¹⁶³ FPCCIA, “Report Submitted to The Fact-Finding Mission of the International Labour Organization 2023”, 30 March 2023.

¹⁶⁴ The strike commenced on 5 February 2023 as a reaction against the Government’s decision to withdraw from an earlier agreement in May 2022 to give a 15 per cent allowance increase to teachers from January 2023 and to respond to calls for a democratically elected teachers’ union. The agreement aimed to resolve a labour dispute initiated by a broad social movement organized via social media, with no identifiable leadership. An administrative court ruling of 13 March 2023 ordered an end to the

and Works Agency for Palestine Refugees in the Near East (UNRWA) in the West Bank who demanded a wage increase had caused the programme to suspend critical services to nearly 900,000 Palestinian refugees across the West Bank.¹⁶⁵ Meanwhile, the Ministry of Labour and the social partners continued to use collective bargaining agreements as a tool for managing enterprise-level collective disputes, many of which were wage-related.¹⁶⁶ At the request of trade unions, the Ministry facilitated dialogue to settle disputes, which resulted in 14 collective agreements (covering some 3,700 workers) in 2022.¹⁶⁷

Social security and social protection: Hopes for progress

- 131.** In the Occupied Palestinian Territory, only public sector workers – civil servants and members of the security forces – enjoy social security coverage through mandatory contributions to the Palestinian Pension Agency.¹⁶⁸ These workers account for around 21 per cent of all employed Palestinians.¹⁶⁹ The COVID-19 pandemic highlighted the lack of adequate social security in the Occupied Palestinian Territory.¹⁷⁰ According to the PCBS, the share of workers not contributing to either a public or private scheme rose from 61.4 per cent in 2021 to 63.1 per cent in 2022.¹⁷¹
- 132.** The Social Security Law of 2016 – the basis for establishing the Palestinian Social Security Corporation (PSSC) in 2018 – was suspended by presidential decree in early 2019, after widespread protests against it had erupted in the West Bank. Efforts to reactivate dialogue among stakeholders to review and amend the Social Security Law resumed in mid-2021 after the first National Social Dialogue Conference in March 2021. These efforts accelerated throughout 2022 and early 2023. A Tripartite Drafting Committee mandated to redraft the Law considered the different concerns that had triggered its suspension, examined proposed revisions, analysed their financial implications and explored options for ensuring good governance and the sustainability of the system. This process led to a revised draft law in October 2022, which will be the basis for continuing consultations in 2023. In February 2023, the Ministry of Labour and the social partners agreed to set up technical teams for coordinating awareness-raising on the benefits of social security and for enhancing public trust in the law and the PSSC's governance structures.
- 133.** This reform process reflects a tripartite consensus about the potential to boost the attractiveness of the private sector for jobseekers, as well as the ambition to host the pension funds and other entitlements accumulated over decades by Palestinian workers in Israel. Several interlocutors informed the mission that, for private sector workers to entrust their contributions to the

strike in the absence of representatives of the defendants, raising doubts about fair trial principles. OCHA, “[Palestinian Territory: Meeting Teachers’ Demands is Crucial for Students’ Exercise of Right to Education](#)”, 21 March 2023.

¹⁶⁵ UNRWA, “[UNRWA Calls on West Bank Staff Union to End Strike and Stop Intimidating Staff Who Wish to Work](#)”, 12 April 2023.

¹⁶⁶ PNA, “Annual Report of the Individual and Collective Disputes Department (1 January to 31 December 2022)”, 16 January 2023.

¹⁶⁷ PNA, “Annual Report of the Collective Bargaining Department for the Year 2022”, 22 January 2023.

¹⁶⁸ Concerns expressed by international agencies over the financial situation and long-term sustainability of public pension funding continues. According to the World Bank: “arrears to the pension fund are around US\$2 billion only for civil schemes, while data is unavailable on the security schemes.” See World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 22 September 2022, para. 12.

¹⁶⁹ ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

¹⁷⁰ In 2022, some 23,000 workers affected by the COVID-19 crisis continued to receive 700 shekels per month as part of a World Bank–Ministry of Labour–Ministry of Social Development programme. PNA, “Executive Summary of the Annual Completion Report 2022”, February 2023 (unpublished).

¹⁷¹ In the public sector, only 6.8 per cent of workers do not contribute to social security; this rises to 77.8 per cent in the private sector. ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2021–22.

reinstated PSSC, stringent safeguards would need to be put in place, including in relation to sound governance, external oversight and transparent controls over the use of funds.

- 134.** Social assistance, albeit insufficient and fragmented, remains a key pillar of the Palestinian social protection floor. The Palestinian National Cash Transfer Programme, managed by the Ministry of Social Development and costing about US\$100 million annually, is the main social protection programme in the Occupied Palestinian Territory. Funded by the European Union (60 per cent) and the Palestinian Authority (40 per cent), with technical support from the World Bank,¹⁷² the Programme covers some 119,000 households (approximately 75,000 in Gaza and 44,000 in the West Bank). Yet since early 2021, due to the fiscal crisis and delays in receiving the donor's contribution, the Programme has disbursed only part of the intended payments.¹⁷³ In parallel, several international institutions, NGOs and donors provide a wide range of social assistance programmes.¹⁷⁴
- 135.** To strengthen coherence and coordination between the multiple humanitarian, development and governmental programmes of social protection, a Social Protection Cash and Voucher Assistance Thematic Working Group was established in 2022. It is preparing a road map to better align the social protection system with emerging needs in the Occupied Palestinian Territory. Furthermore, building on a social protection floor assessment concluded in 2021,¹⁷⁵ the Ministry of Social Development has been exploring the feasibility of establishing social allowances for persons with disabilities and for the elderly (in line with the National Strategic Plan for Older Persons, 2021–2026). This initiative draws on the Ministry's national social registry of vulnerable people. With rising consumer and producer prices, there will likely be even more pressure on the poor and most vulnerable, as well as an increased reliance on such social protection schemes.

Employment promotion, skills and entrepreneurship

- 136.** The National Employment Strategy (2021–2025) aims to coordinate and strengthen employment and labour market interventions in the Occupied Palestinian Territory. In February 2023, the Palestinian Authority held a meeting in Amman, Jordan, where development partners discussed ways to support the Strategy's implementation.¹⁷⁶ The meeting was an opportunity to present the needs identified in the Strategy, align interventions, discuss funding gaps and scale up support for implementation. Several bilateral agreements and projects were signed between the Ministry of Labour and international partners and donors, for a total estimated amount of US\$40.7 million. The overall cost of implementing the Strategy is estimated at US\$243 million.¹⁷⁷
- 137.** Guided by the National Employment Strategy, the Palestinian Authority continued to expand technical and vocational education and training (TVET) services. In 2022, over 9,000 students graduated from 147 TVET centres, up from 7,000 in 2021. An additional 7,160 completed their

¹⁷² Palestine Economic Policy Research Institute (MAS), "Comprehensive Mapping of Cash and In-kind Governmental and Non-Governmental Social Assistance Programmes in the Palestinian Territories", 25 December 2022, 12 (unpublished).

¹⁷³ World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 22 September 2022, paras 13 and 28.

¹⁷⁴ Palestine Economic Policy Research Institute (MAS), "Comprehensive Mapping of Cash and In-Kind Governmental and Non-Governmental Social Assistance Programmes in the Palestinian Territories".

¹⁷⁵ ILO, *On the Road to Universal Social Protection: A Social Protection Floor Assessment in the Occupied Palestinian Territory*, October 2021.

¹⁷⁶ Co-hosted by the ILO, the Arab Labour Organization and the Federal Government of Germany, the meeting was attended by over 200 participants. See ILO, *Partners' Meeting in Support of the Palestinian National Employment Strategy: Meeting Summary*, February 2023.

¹⁷⁷ PNA, Ministry of Labour, National Employment Strategy (2021–2025), March 2021, 124.

training at 136 private centres that were licensed or had their licence renewed in 2022.¹⁷⁸ There is a continuing need to increase the relevance of TVET centres and improve their quality, in order to meet labour market needs.¹⁷⁹ The National TVET Council was set up in early 2021 under Decree Law No. 4 to coordinate TVET management, policies and regulations. It continued its efforts to develop an updated system of private-centre licensing, the long-awaited National Qualifications Framework and a national TVET fund – all required to make TVET more attractive to experienced teaching staff, students and businesses – thus strengthening linkages between TVET and the private sector. Critically, several interlocutors pointed to an increasing shortage of skilled and semi-skilled workers, especially in the private sector, as skilled Palestinian workers preferred to seek employment in the Israeli market where wages are higher. The construction sector appeared most affected by this trend.¹⁸⁰

- 138.** The Palestinian Employment Fund, which started operations under its new governance structure in 2021, provided funding and training to micro and small enterprises, to grassroots organizations and to cooperatives, targeting particularly university and TVET graduates, women, persons with disabilities and unemployed people. The Fund supported the establishment of 366 small businesses, creating some 680 jobs for a budget of US\$3.2 million. Support included loans and legal and marketing advice to start-ups. It also funded projects aimed at incentivizing firms to hire some 350 unemployed people, including by funding part of their salaries (US\$1.2 million). Finally, through an “emergency response programme” (US\$8 million), it created around 4,500 temporary jobs. The Fund began developing its operational plan for 2023–25, which includes agreements with three international development agencies for a total of some US\$15 million, to support the creation of about 3,600 jobs.¹⁸¹
- 139.** The Palestine Monetary Authority also promotes job creation and entrepreneurship, through its Istitama (Sustainability) financing programme. Istitama was created in 2021 to assist micro, small and medium-sized enterprises during the COVID-19 crisis by enabling them to access low-cost loans. Since its launch, the programme has mobilized funds of about US\$426 million.¹⁸² A total of 2,677 projects have received funding from the programme, including zero-interest loans for 1,700 microenterprises. Some 20 per cent of this funding went to women entrepreneurs. By March 2023, the programme had benefited around 22,000 workers.¹⁸³ Work is under way to launch the Istitama Plus Programme (funded by the European Investment Bank), which will finance projects in renewable energy and manufacturing for up to ten years.
- 140.** Promoting job creation through cooperatives is another key priority under the National Employment Strategy. Draft amendments to Cooperative Law No. 20 of 2017, along with by-laws establishing two promotional bodies – the Cooperative Development Fund and the Cooperative Training Institute – of the Cooperative Work Agency are still awaiting publication. The Cooperative Work Agency has been developing action plans for enabling unions of cooperatives to offer better services to their members, especially on devising and implementing sound business plans, and on accessing financing.

¹⁷⁸ PNA, “Executive Summary of the Annual Completion Report 2022”, February 2023, 3.

¹⁷⁹ IMF, *West Bank and Gaza: Selected Issues*, 14 April 2023, 8–9.

¹⁸⁰ FPCCIA, “Report Submitted to the Fact-Finding Mission of the International Labour Organization 2023”, 30 March 2023 (unpublished).

¹⁸¹ Palestinian Employment Fund, “Summary of the Fund’s Achievements”, 2022.

¹⁸² The Palestine Monetary Authority’s contribution has been US\$210 million. The remaining funding comes from loans from the Islamic Development Bank (US\$24 million) and from the European Investment Bank (US\$192 million).

¹⁸³ Palestine Monetary Authority, “Istitama Fund to Provide Financing for Economic Sectors”, 31 March 2023 (unpublished).

141. Improving the environment for entrepreneurship in the Occupied Palestinian Territory is key to creating enterprises and jobs. The Companies Law, aimed at improving the business climate, came into force in April 2022. A draft Competition Law, intended to remove obstacles to faster processing of municipal business licences, was finalized in 2021 and is awaiting the President's signature. An amended Telecommunication Law, which may enhance prospects for digital business activity, is awaiting presidential approval.¹⁸⁴

Empowering women: Little tangible progress

142. Palestinian women face multiple barriers to accessing jobs, controlling resources and enforcing their rights. Barriers that are entrenched in social norms implicitly shape laws and regulations, which often reproduce patriarchal stereotypes against women's managerial and leadership skills.¹⁸⁵ In 2022, women employed in the private sector continued to receive lower wages than their male counterparts in comparable positions and with comparable qualifications. They earned 79 per cent of men's wages, and skilled agricultural and trades women workers earned less than half of men's wages in the same position.¹⁸⁶ Some 50 per cent of female wage employees earned less than the minimum wage of 1,880 shekels, compared with 38 per cent among men. Only half of the women working in the private sector who were entitled to maternity leave¹⁸⁷ were able to benefit from it.¹⁸⁸

143. To promote equal pay for men and women and to strengthen monitoring, in 2022 the Ministry of Women's Affairs and the Ministry of Labour established a National Committee on Pay Equity, composed of representatives of the two ministries as well as the PGFTU and the FPCCIA. By April 2023, the Committee had held two meetings to devise policies for addressing gender pay gaps.

144. Progress in harmonizing Palestinian laws with international labour standards and the Convention on the Elimination of All Forms of Discrimination against Women remains sluggish. Another year later, the Convention has not yet been published in the *Official Gazette*. In 2020, a committee comprising representatives from the Ministry of Women's Affairs, the Ministry of Foreign Affairs and Emigrants, the Supreme Constitutional Court and the Cabinet Secretariat drafted a decree law on the publication of the Convention, which is yet to be approved by the President.¹⁸⁹ Hence, it is not currently enforceable.¹⁹⁰ Laws expected to define and prohibit discrimination against women, and to penalize violence and harassment, such as the Family Protection Law and amendments to the Penal Code and to the Personal Status Code, as well as national legislation to protect women and girls from gender-based violence¹⁹¹ have remained in draft form for years.

¹⁸⁴ World Bank, *Economic Monitoring Report to the Ad Hoc Liaison Committee*, 22 September 2022.

¹⁸⁵ For example, while tax laws are not explicitly biased against women, exceptions and deductions for household dependants are mostly granted to men. IMF, *West Bank and Gaza: Selected Issues*, 10.

¹⁸⁶ ILO estimates based on PCBS, *Quarterly Labour Force Surveys, 2021–22*.

¹⁸⁷ Article 103 of the current Labour Law provides for a 10-week maternity leave paid by the employer. The extension of maternity leave from 10 to 14 weeks, and the adoption of a three-day paternity leave as of 2021, concern only public sector employees.

¹⁸⁸ IMF, *West Bank and Gaza: Selected Issues*, 9.

¹⁸⁹ UN, Committee on the Elimination of Discrimination against Women, *Information Received from the State of Palestine on Follow-up to the Concluding Observations on Its Initial Report*, CEDAW/C/PSE/FCO/1, 19 August 2020, para. 14.

¹⁹⁰ UN, Economic and Social Commission for Western Asia, *Social and Economic Situation of Palestinian Women and Girls: July 2020 – June 2022*, E/ESCWA/CL2.GPID/2023/TP.3, 2023, 20.

¹⁹¹ In 2022, gender-based violence affected some 1.5 million Palestinians, 80 per cent of them women, and 65 per cent in Gaza. OCHA, *Humanitarian Needs Overview*, 10 and 49.

- 145.** The National Committee for Women’s Employment, comprising the gender units of several line ministries, civil society organizations and the social partners, has stepped up its advocacy action to promote gender equality and decent work for women. A National Coalition for Advocating for Women’s Decent Work and Economic Rights, composed of 65 women’s civil society organizations, trade unions, cooperatives and development partners, was established in 2022. The PGFTU created 14 “complaints units”, including four in Gaza, to deal mainly with cases of violence and harassment. The FPCCIA developed an affirmative-action strategy and established gender units in four regional chambers to promote women’s entrepreneurship. In 2022–23, 22 enterprises employing some 5,000 workers adopted codes of conduct on preventing violence and harassment at the workplace in line with the principles of the ILO Violence and Harassment Convention, 2019 (No. 190).
- 146.** Women remain under-represented in decision-making in the public and private spheres, including in government, trade unions and employers’ organizations. Although the share of women working in the public sector has reached 48 per cent, that of women holding higher-level positions (director-general and above) is only 14 per cent.¹⁹² The share of women elected in the 2021–22 local elections was 21 per cent. Women constitute only 19 per cent of the members sitting on the Palestinian National Council (up from 11 per cent in 2020),¹⁹³ and 12 per cent on the Council of Ministers (down from 21 per cent in previous Councils).¹⁹⁴ Only one woman holds the position of governor (out of 15 governors) and only 1 per cent of heads of local councils are women. About 19 per cent of judges are women. The four women recently elected to sit on the boards of the Chambers of Gaza, Nablus, Bethlehem and Ramallah represent less than 2 per cent of the members of the general assembly of the FPCCIA. The newly elected board of the FPCCIA remains all-male. The PGFTU has conducted several awareness-raising campaigns to increase women’s participation and leadership in trade unions.

Action against child labour

- 147.** Palestinian Labour Law No. 7 of 2000 prohibits the employment of children under the age of 15 years, and hazardous or long hours of work for young people between 15 and 17 years of age. In 2022, the number of child labourers between the ages of 10 and 14 increased to 7,321, from 6,169 in 2021, pushing up the incidence of child labour to 1.2 per cent among this age group. The growth of hazardous work among young people aged 15–17 was more acute, rising from some 12,000 (3.6 per cent) in 2021 to almost 17,000 in 2022 (4.9 per cent).¹⁹⁵ Children (especially boys) not attending school are more likely to engage in child labour and in hazardous work.¹⁹⁶ Child labour appears to be most prevalent in family businesses¹⁹⁷ and among informal street vendors. It also occurs in the agricultural sector, notably in Area C agricultural areas.¹⁹⁸

¹⁹² PCBS, “The Reality of the Palestinian Women on the Eve of the International Women’s Day, 08/03/2023”, press release, 7 March 2023.

¹⁹³ PCBS, “The Reality of Palestinian Women”.

¹⁹⁴ Equality Now and Young Women’s Christian Association Palestine, *Information on the State of Palestine for Consideration by the Committee on the Elimination of Discrimination against Women*, submission to the 85th Pre-Sessional Working Group of the Committee on the Elimination of Discrimination against Women, 3 October 2022, para. 22.

¹⁹⁵ ILO estimates based on PCBS Quarterly Labour Force Surveys, 2021–22.

¹⁹⁶ PCBS, *Palestinian Multiple Indicator Cluster Survey 2019–2020: Survey Findings Report*, January 2021, section 9.3.

¹⁹⁷ According to the PCBS, 37 per cent of working children aged 10–17 years are working as unpaid family members. PCBS, “The Palestinian Children’s Situation on the Occasion of the Palestinian Child Day”, press release, 5 April 2023.

¹⁹⁸ US Department of Labor, *2021 Findings on the Worst Forms of Child Labor: West Bank and the Gaza Strip – Minimal Advancement*.

148. Action against child labour mainly takes place within the framework of labour inspections by the Ministry of Labour, monitoring by Child Protection Networks, and rehabilitation services offered by the Ministry of Social Development.¹⁹⁹ In 2022, labour inspections of 7,371 facilities (employing some 32,000 workers) detected 129 boys working, predominantly in the manufacturing and commerce sectors.²⁰⁰ The Ministry of Labour issued notifications and warnings against employers found to be engaging children. During an inspection campaign in garages in the Beitunia and Al-Bireh industrial zones, labour inspectors in collaboration with Child Protection Networks terminated the contract of a juvenile engaged in hazardous work and referred one child labour case to the Ministry of Social Development. After extensive consultations with the Ministry of Justice and a wide range of other actors, in April 2023 the Ministry of Social Development announced an updated National Referral System for Child Protection, which aims at making child protection services more accessible to child victims of violence, abuse, neglect or exploitation.²⁰¹

Persons with disabilities still facing obstacles

149. Persons with disabilities face formidable obstacles to accessing their rights, training and job opportunities in the Occupied Palestinian Territory. Article 13 of the Palestinian Labour Law of 2000 requires employers to engage at least 5 per cent of their workforce from among workers with disabilities. However, there is no effective enforcement of this requirement,²⁰² nor any binding rules on ensuring that workplace arrangements are suitable for workers with disabilities. A draft decree law and national policy on the rights of persons with disabilities are still in preparation.

150. In April 2023, the UN Committee on the Rights of Persons with Disabilities transmitted to the Palestinian Authority a list of issues in relation to the latter's initial report in 2019 under the Convention on the Rights of Persons with Disabilities, to which it had acceded in 2014. Among other matters, the Committee requested information on steps taken to enforce the 5 per cent quota, to tackle discrimination against persons with disabilities seeking employment, and to ensure that employees with disabilities receive reasonable accommodation in the workplace, as well as on remedies available in cases where reasonable accommodation is denied.

Gaza in permanent distress

151. Gaza's public sector and labour administration continue to operate in dire conditions. The mission received fragmented information on the numbers of civil servants in Gaza, whether on the payroll of the Palestinian Authority or of the de facto authorities. According to the World Bank, some 39,000 civil servants were paid by the Palestinian Authority in 2022, but it was unclear how many were allowed to perform their duties by the de facto authorities.²⁰³ In addition, a considerable number of civil servants are employed by Hamas, paid on a different salary scale to that of the Palestinian Authority. Actual figures are difficult to confirm.

¹⁹⁹ Child Protection Networks are responsible for detecting exploited children and referring them to protection and rehabilitation services under the auspices of the Ministry of Social Development. The latter operates 13 Youth Social Rehabilitation Centres, responsible for providing services such as technical and vocational education and training.

²⁰⁰ PNA, "General Directorate of Inspection and Labour Protection, Annual Report 2022" (unpublished), 21.

²⁰¹ OCHA, "Strengthening the Child Protection National System in the State of Palestine: MOSD, UNICEF & TdH Launch the Technical Guidelines for Case Management to Protect Children", press release, 16 April 2023.

²⁰² OXFAM, "Pilot on Shock Responsiveness of Cash-based Social Assistance to Enhance Social Protection for Persons with Disabilities", report submitted to the ILO, October 2022, 7.

²⁰³ Based on information received from interlocutors and World Bank, *Wage Bill and Employment Diagnostic*.

- 152.** Labour laws and regulations adopted by the Palestinian Authority are extremely difficult to enforce in Gaza. In 2023, some 32 inspectors paid by the Palestinian Authority but reporting to the de facto authorities operated in the enclave – a threefold increase from 2019.²⁰⁴ However, there is no reliable information on their actual inspection work and achievements. Women in Gaza are disproportionately affected by a lack of protection against excessive hours of work for very low wages.²⁰⁵ One positive development in 2022 was a decision by the Palestinian Authority’s Ministry of Labour to stop registering women workers earning less than 600 shekels as “employed”, which had previously prevented them from accessing social assistance or applying for temporary jobs offering better wages.
- 153.** Bipartite and tripartite social dialogue appear to be non-existent in Gaza. Restraints on trade union rights imposed by the de facto authorities have severely affected the PGFTU, which is being prevented from using its infrastructure, visiting workplaces or recruiting members. An “alternative” PGFTU controlled by the de facto authorities has been operating in Gaza for years. Two Gazan women’s unions – the Kindergarten and Day-Care Workers’ Union, and the Beauty and Hairdressers Workers’ Union – which were formally registered by the Ministry of Labour in Ramallah over four years ago have seen their requests to open bank accounts in Gaza denied.²⁰⁶ Meanwhile, two new Gazan unions were registered by the Ministry of Labour of the Palestinian Authority in 2022.²⁰⁷ The mission was informed that, for the first time since the blockade was imposed, in 2022 five PGFTU officials from Gaza attended the Federation’s general assembly in the West Bank after receiving authorization to transit through Israel. Permit requests for another three officials in the delegation were rejected by the Israeli authorities.

²⁰⁴ ILO, *The Situation of Workers of the Occupied Arab Territories*, 2019, para. 138.

²⁰⁵ Democracy and Workers’ Rights Center in Palestine, “The Situation of Women Workers in the Occupied Palestinian Territories”, 30 March 2023 (unpublished).

²⁰⁶ Democracy and Workers’ Rights Center in Palestine, “The Situation of Women Workers in the Occupied Palestinian Territories”.

²⁰⁷ The Union of Workers of the Near East Council of Churches and the General Union of Municipal Workers and Employees. PNA, “Report of the Department of Union Organisations for the Year 2022”, 16 January 2023 (unpublished).

► Chapter 5. Workers of the occupied Syrian Golan

- 154.** Annexed by Israel in 1981 in violation of international law, the occupied Syrian Golan typically stays in the shadows of international attention. Earlier this year, in April 2023, the area was briefly thrust back under the spotlight as it came under rocket attacks from the Syrian Arab Republic, allegedly in retaliation to raids by Israeli authorities on the Al-Aqsa Mosque in the same month.²⁰⁸
- 155.** Away from the spotlight, the occupation continues to extend its reach. UN Security Council resolution 497 (1981) states that the Israeli decision to impose its law, jurisdiction and administration in the occupied Syrian Golan is null and void and without international effect. More recently, UN General Assembly resolution 77/125 of 12 December 2022 reaffirmed the Security Council resolution, while continuing to call 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.²⁰⁹ Nonetheless, these actions have continued.
- 156.** As documented in last year's Report of the Director-General, in late 2021 plans were announced by the Government of Israel to significantly increase the number of Israeli settlers in the occupied Syrian Golan, with a view to doubling the number of settlers by 2027 and expanding the number of settlements from 34 to 36. Throughout 2022, actions were undertaken to give effect to these plans. In June 2022, a decree was signed authorizing a shortened process for building and expanding settlements.²¹⁰ In July 2022, the National Planning and Building Council of Israel approved the establishment of the two new settlements (Orcha and Matar) in the occupied Syrian Golan, each of which is expected to have 2,000 housing units.²¹¹
- 157.** Approximately 1 billion shekels was expected to be invested as part of the Israeli Government's plan to develop the occupied area.²¹² Interlocutors indicated that plans for the development of the Syrian villages, however, paled in comparison to those intended for settlers. The mission was informed by the Israeli Ministry of Agriculture that Israeli Government resolution No. 717 provides for the socio-economic development of the Syrian villages with a budget of up to 5.68 million shekels between 2021–23 – which would represent less than 1 per cent of the planned 1 billion. Each year, a budget of up to 2.44 million shekels is to be allocated for the rehabilitation of agricultural roads and up to 0.4 million shekels for the construction and restoration of water pipelines for agriculture. Interlocutors also informed the mission that such plans were undertaken without any earnest consultations with the communities. In particular, the Syrian community had in the past boycotted the elections for local councils, and consequently those appointed to the councils did not adequately represent the Syrian community.

²⁰⁸ Yaniv Kubovich and Adi Hashmonai, "Israel Launches Airstrikes in Syria Following Rocket Attack on Golan Heights", *Haaretz*, 8 April 2023.

²⁰⁹ UN General Assembly, [The occupied Syrian Golan](#), resolution 77/125, adopted by the General Assembly on 12 December 2022, 15 December 2022.

²¹⁰ Danny Zaken, "Israel Cuts Red Tape to Expand Construction in Golan Heights", *Al-Monitor*, 8 June 2022.

²¹¹ Sue Surkes, "Planning Committee Approves Two New Jewish Villages on Golan Heights", *Times of Israel*, 7 July 2022.

²¹² Surkes, "Planning Committee Approves Two New Jewish Villages on Golan Heights".

- 158.** In 2022, an estimated 26,900 Syrian citizens and 24,800 Israeli settlers lived in the occupied Syrian Golan.²¹³ Over the last 15 years, the number of Israeli settlers has increased at a rate of 43.4 per cent, twice the rate of increase in the number of Syrians, at 22.3 per cent. Nonetheless, the mission was informed that despite the Israeli policy, the number of settlers was not growing as much as intended because the occupied Syrian Golan was considered by many Israelis to be in the periphery. Information from interlocutors, which was corroborated by Israeli media, indicated that the number of Syrian citizens, particularly young people, accepting Israeli citizenship had increased in the last year, due primarily to the convenience in terms of travel and the educational and scholarship opportunities provided by naturalization.²¹⁴
- 159.** The labour force participation rate of Syrian citizens of the occupied Syrian Golan was estimated at 43.1 per cent in 2022, while the unemployment rate stood at 7.1 per cent.²¹⁵ In comparison, the labour force participation rate in the Northern District of Israel, which includes the Golan, is higher, at 54.6 per cent, while the unemployment rate is lower, at 4.8 per cent.²¹⁶ The labour force participation rate for Syrian men, at 54.9 per cent, is significantly higher than that for women, at 28.3 per cent. In 2022, some 7,300 Syrians were employed, almost three quarters of whom were men. The employed are overwhelmingly engaged as employees (86 per cent), with the remainder in self-employment, including as employers. Some 20 per cent of employed Syrians work in the construction sector. The others are mostly in services, with education and public administration each accounting for another 10 per cent, while the wholesale and retail trade, transport and storage, and accommodation and food service sectors each account for another 8 per cent.
- 160.** Since 2013, there has been no trade with the Syrian Arab Republic. The Quneitra crossing has remained closed since then and there are currently no prospects for its reopening; however, there was brief speculation at the end of 2022 that consideration may be given to reopening it in order to allow students to travel to universities in the Syrian Arab Republic.²¹⁷
- 161.** With trade with the Syrian Arab Republic closed and Syrian farmers facing continued challenges in accessing water and unable to compete with the subsidized agricultural production of the settlements, livelihoods have been reoriented and the importance of agriculture in the occupied Syrian Golan has declined.²¹⁸ Furthermore, there are concerns that, in the name of security, Syrian farmers' access to the agricultural lands in the vicinity of the planned wind turbines would be limited to a certain number of days a year, which would affect their capacity to fully harvest the cherries or apples being grown.
- 162.** The mission was informed that tourism was becoming an increasingly important source of livelihoods in the Syrian villages. Nonetheless, the expansion of this industry was being constrained by the difficulty in obtaining building permits. After their businesses had folded during the COVID-19 pandemic, many Syrian citizens had built structures such as wooden cottages or additional rooms to provide accommodation to the increasing number of tourists.

²¹³ Data based on CBS, "Population – Statistical Abstract of Israel 2022, No. 73". For purposes of data analysis, the category of "Arabs" is used as a proxy for the Syrian citizens of the Golan.

²¹⁴ See also Fadi Amun, "As Ties to Syria Fade, Golan Druze Increasingly Turning to Israel for Citizenship", *Times of Israel*, 3 September 2022.

²¹⁵ CBS, Israel Labour Force Survey data on the Golan, as communicated by CBS via email to the ILO on 19 March 2023.

²¹⁶ CBS, "Labour Market – Statistical Abstract of Israel 2022, No. 73".

²¹⁷ "Israel Under Pressure to Re-open Golan Border Crossing with Quneitra to Students", *Middle East Monitor*, 21 November 2022.

²¹⁸ The Israeli Ministry of Agriculture reported that plans to increase water supply had been implemented but that the issue of water pressure and flow rates would be resolved with the construction of a new pumping station in Berket Ram; briefing note provided to the mission, March 2023 (unpublished).

These were now under threat of demolition by the Israeli authorities for having been built without permits.

- 163.** Such constraints also apply outside of tourism. The evidence suggests that obtaining building permits for the Syrian villages is difficult: between 2012 and 2021, around 2,100 permits were issued for the settlements compared to half of that amount for the five Syrian villages, despite their approximately equal numbers of residents.²¹⁹ Also constraining the expansion of the villages and, by extension, the diversification of livelihoods was appropriation of land, including for the construction of additional wind turbines, the establishment of nature reserves and military purposes.

²¹⁹ Al Marsad – Arab Human Rights Center in Golan Heights, *Ethnic Planning: A Comparison between Israel's Ethnic Spatial Planning Policies in Israeli Jewish Settlements and Syrian Villages in the Occupied Syrian Golan*, June 2022.

► Concluding observations

- 164.** While the Palestinian labour market has now largely recovered from the fallout of the COVID-19 pandemic, workers are continuing to suffer the socio-economic consequences of the 55-year occupation. Settlements in the West Bank keep expanding and the blockade of Gaza is holding the enclave on the brink of collapse. Workers' rights are being infringed by the entrenched occupation. The labour sector is underperforming.
- 165.** There is no political horizon to change the overall debilitating context. Prospects for peace and an end to the conflict have dimmed. The process towards the two-state solution lacks momentum and leadership. Coordination and dialogue between the Israeli and Palestinian sides on vital matters of joint concern, including labour issues, are absent.
- 166.** A range of Palestinian labour market indicators improved in 2022. Nonetheless, a return to pre-pandemic levels represents a return to an only slightly less dire reality. Nowhere else is that more evident than in Gaza, where there is an overwhelming and unmet need for employment as a result of the stifling siege. For most Palestinians, informal employment is often the only option, but it is characterized by a high degree of vulnerability and poverty. Workers' real wages are also being eroded amid declining nominal wages and high inflation.
- 167.** The Palestinian economy and labour market are becoming increasingly reliant on Israel and the settlements to drive job creation and sustain aggregate demand. The growing numbers of Palestinians holding permits to work in Israel are often perceived to be privileged to have access to the Israeli labour market, in view of the high unemployment and low wages in the West Bank and Gaza. Yet, long-standing structural disadvantages and abusive practices affecting Palestinian workers in Israel persist. Despite efforts by the Government of Israel to reform the exploitative and illegal permit brokerage system, it remains a defining feature of Palestinians' work in Israel. Brokers on both sides of the Green Line are making millions in profits. Nowhere is the need for a joint response between the Palestinian Authority and the Israeli authorities more evident.
- 168.** With limited fiscal capacity, shrinking civic space and declining trust in institutions, societal frustrations are increasing, as exemplified by the strike of Palestinian public schoolteachers at the time of the mission. Finalizing the Palestinian labour law reform and the new law on social security for private sector workers will be crucial for improving labour governance and prospects for social cohesion. Social dialogue and tripartism are fundamental to the legitimacy and effectiveness of the legislation.
- 169.** Integration of the occupied Syrian Golan into Israel continues, with policies to develop the area and double the number of settlers. Most Syrian citizens of the occupied Golan have now transitioned away from their traditional livelihoods in agriculture, with many turning to construction and tourism. This deepening integration is accompanied by a continuing sense of unequal treatment.
- 170.** Social justice requires equality, freedom and dignity. These values, upon which international labour standards are built, are undermined by the occupation and the increasing violence across the occupied Arab territories and Israel. In this context, decent work appears to be ever more elusive. The protection of rights at work as set out in the international labour standards is integral to the fulfilment of international human rights obligations.

► Annex. List of interlocutors

Palestinian Authority and other public institutions

Prime Minister's Office

Mohammad Shtayyeh, Prime Minister
Daoud Al Deek, Advisor to Prime Minister for Strategic Affairs
Taghrid Sinwar, Advisor to Prime Minister for Diplomatic Affairs
Shaker Khalil, Advisor to Prime Minister for Economic Affairs

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
Bilal Ahmad Omar, Deputy Assistant, Labour Administration Affairs
Buthaina Salem, Director-General, Legal Affairs
Abdel Kareem Mardawi, Director-General, External Employment

Ministry of Foreign Affairs

Omar Awadallah, Ambassador, Multilateral Affairs, Head of United Nations and its Specialized Agencies Department
Lana Khader, Diplomatic Attaché
Khuzama Hanoon, Diplomat, ILO Desk Officer
Mohammad Ayyad, Diplomat, Legal Advisor

Ministry of Social Development

Ahmed Majdalani, Minister
Akram Al Hafy, Deputy Assistant, Southern Governorates
Manal Abu Ramadan, Director General, Planning and Aid Management
Sami Alasa, Head of International Relations
Mohamad Hanini, Director of Media Unit

Ministry of Women's Affairs

Amal Hamad, Minister
Hanna Nakhleh, Minister's Advisor
Amin Asi, Director-General, Planning and Policies
Sami Sehwal, Director of Planning

Carol Ziyadeh, Advisor, Economic Empowerment
Randa Janho, Director-General of Minister's Office

Palestine Monetary Authority

Firas Milhem, Governor
Mohammed Manasrah, Deputy Governor

Palestinian Central Bureau of Statistics

Ola Awad, President
Suha Kana'an, Director of Labour Statistics Department

National Committee for Women's Employment

Mohammad El Araj, Director-General of Employment, Ministry of Labour
Azmi Abdel Rahman, Director General, Labour Policies
Lama Awwad, Head of Gender Unit, Ministry of Labour
Abeer Al Barghouti, Secretary of Gender Unit, Ministry of Labour
Asmahan Jabareen, Head of Gender Unit, Prime Minister's Office
Rana Al Asi, Head of Monitoring and Auditing Unit, Prime Minister's Office
Asma Khayat, Head of Gender Unit, Ministry of Finance
Asma Al Kilani, Head of Gender Unit, Ministry of Culture
Sireen Al Shanti, Head of Gender Unit, Ministry of National Economy
Khitam Hamayel, Head of Gender Unit, Ministry of Agriculture
Taghreed Anati, Head of Gender Unit, Ministry of Public Works and Housing
Heba Jebat, Head of Gender Unit, Ministry of Social Development
Fayhaa Suliman, Head of Gender Unit, Palestinian General Federation of Trade Unions
Carine Metz Abu Hmeid, Projects and External Relations Coordinator, Democracy and Workers' Rights Center
Lamis El Sheibi, Project Manager, Palestinian Initiative for the Promotion of Global Dialogue and Democracy (Miftah)

Palestinian workers' and employers' organizations

Palestine General Federation of Trade Unions (PGFTU), Nablus

Shaher Sae'd, Secretary-General
Ashraf Al-Awar, Treasurer of PGFTU
Aysha Hmouda, Head of Gender Unit, Member of General Secretariat
Iman Abu Salah, Member of Executive Committee
Mahmoud Al-Hawasheen, Head of Public Services Union, Member of General Secretariat

Saher Sarsour, Head of Building and Wood Workers Union, Member of General Secretariat
Juwairyeh Al Safadi, Head of Health Insurance Union, Member of General Secretariat
Abdel Karim Dweikat, Head of Agriculture and Food Industries Union
Tamam Abdel Hafith, Head of Public Transportation Union
Waseem Kalbouneh, Projects Coordinator
Imad El-Din Eshtawi, Head of Youth Department, Member of General Secretariat
Mohammad Kmeil, Treasurer of PGFTU, Jenin Branch
Nafeth Jaradat, Treasurer of PGFTU, Halhoul Branch
Sumaiah Al Hawamda, Treasurer of PGFTU, South Hebron Branch
Fawzi Shaban, Treasurer of PGFTU, Jerusalem Branch
Samir Hreizat, Treasurer of PGFTU, Yatta Branch
Khaled Swafi, Trade union member
Majd Ghaleb Berri, Trade union member

Palestine General Federation of Trade Unions (PGFTU), Gaza

Bashir Al Sisi, Member of General Secretariat, General Secretary of General Union of Public Service and Commercial Workers
Tariq Al Hindi, Member of General Secretariat, President of Agricultural and Fishery Workers' Union
Salameh Abu Zeiter, Member of General Secretariat, Head of General Union for Health Services
Yahya Abu El Atta, Member of General Secretariat, Deputy Head of Public Transportation Union
Wael Khalaf, Member of General Secretariat, Deputy Head of Public Sector Employees Union
Eatimad Abu Jalalh, Women's Committee Chairperson
Abdel Rahman Abdallah, Trade union member

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

Abdo Idrees, Chairman of the Board of Directors for FPCCIA, Chairman of Hebron Chamber
Jamal Jawabreh, Secretary-General
Nazih Merdawi, Director of Information and Technical Support Unit
Moussa Salameh, Director of Gender Unit
Mohammad Tahboub, Director of Public Relations

Ramallah Chamber

Abdel El Ghani Al Attari, Chairman

Jerusalem Chamber

Samer Nusseibeh, Deputy Chairman

Luai Al Hussein, Director-General

North Hebron Chamber

Abed, Board Member

Ahmad Manasra, Director

South Hebron Chamber

Bassem Abu Alan, Chairman

Bethlehem Chamber

Samir Hazboun, Chairman

Gaza Chamber

Aed Abu Ramadan, Chairman

Eman Awwad, Deputy Chairman

Maher Al-Tabbaa, Director-General

Nabil Shurrab, Treasurer

Khalil Attallah, Director of Media and Public Relations

Maher Haboush, Head of Public Relations Committee

North Gaza Chamber

Abdel Aziz Mqat, Deputy Chairman

Imad Al Ghoul, Director-General

Rafah Chamber

Fathi Qeshta, Chairman

Abdallah Al Satari, Deputy Chairman

Issa El Nems, Treasurer

Palestinian Federation of Industries, Gaza

Khader Shanioura, Executive Manager

Wadah Bsaiso, Media Spokesperson

Palestinian Construction Industries Union, Gaza

Mohammad Elassar, Secretary-General

Farid Zaqout, Director

Palestine Information Technology Association, Gaza

Ashraf El Yazori, Deputy Chairman

Palestinian Contractors Union, Gaza

Alaa Eldin El Araj, Chairman

Palestinian Committee for Restaurants, Hotels and Touristic Services, Gaza

Abdo Ghonaim, Chairman

Wood Industries Union, Gaza

Mohammed El Reyashi, Executive Manager

Precious Metal Industries Union, Gaza

Saed Hakoura, President

Textile Industries Union, Gaza

Sami Zaqout, Deputy Chairman

Palestinian civil society organizations and other stakeholders

Al Azhar University, Gaza

Samir Abu Mudalalah, Dean of Commerce and Economics Faculty

Al-Haq, Ramallah

Shawan Jabarin, General Director

Palestine Economic Policy Research Institute (MAS)

Raja Khalidi, Director-General

Ismat Quzmar, External Relations Officer

Islam Rabee, Researcher

Palestinian Forum for Israeli Studies (MADAR)

Walid Habbas, Researcher

Palestinian Medical Relief Society

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

Bahia Amra, Director of External Relations

Women's Affairs Center – Gaza

Amal Syam, Director

Field visits

Badri and Hania Factory, Gaza

Mohammed Abu Jalhoum, Operations Manager

Mahmoud Ghannam, Production Manager

Mohammed Wadi, Quality Assurance Manager

Hebron City (H2), West Bank

Diana Anani, Humanitarian Affairs Analyst, Head of South Coordination Unit, OCHA

Jalazone Refugee Camp

Hani Hussein, Team Leader, UNRWA

Manar Bsharat, Camp Service Officer, UNRWA

Mozain Armoush, Director of AlKarameh Center

Suha Elbahnaj, Registered refugee (unemployed worker)

Ahlam Abu Awwad, Registered refugee (unemployed worker)

Alice Ibrahim, Registered refugee (unemployed worker)

Fidaa Elayyan, Registered refugee (unemployed worker)

Rana Saqer, Registered refugee (unemployed worker)

Najat Anbar, Registered refugee (unemployed worker)

Suad Shahwan, Registered refugee (unemployed worker)

Zeinab Adawi, Registered refugee (unemployed worker)

Areej Shawkat, Registered refugee (unemployed worker)

Jordan Valley, West Bank

Smoud Abu Khdeir, Humanitarian Affairs Associate, OCHA

Karmel Najjar, Humanitarian Affairs Associate, OCHA

Malvina Khoury, OXFAM Policy and Campaigns

Fidaa Al Hussein, Project Manager, OXFAM

Mohammad Najjar, Project Manager, OXFAM

Ahmad Sharif, Worker

Montaser Sharif, Worker

Montaser Masadah, Worker

Mahmoud Sharif, Worker

Mohammad Salah, Worker

UCAS Technology Incubator, Gaza

Mohammed Hassouna, Director

Mohammed Mushtaha, Vice-President for International Relations

Tariq Thabet, Director of Development and International Relations

Mohammed Alafifi, Fundraising and International Relations Officer

Samah Muheisen, Project Director

Hani Abu Omar, Head of Marketing and Coordination

Asma Abdo, Proposal Writer

Areej Al Rantisi, Proposal Writer

Government of Israel and other public institutions

Ministry of Foreign Affairs

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

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

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

Ministry of Finance

Avi Salzman, Head of Interior and Environment at the Accountant General's Department

Ministry of Justice

Ayelet Levin, Acting Director, Human Rights, Office of the Deputy Attorney General (International Law)

Ministry of Economy and Industry

Rivka Werbner, Chief Labour Relations Officer

Sharon Cohen, Senior Director, Enforcement and Regulation of Labour Law Administration

Gali Levi, Chief Prosecutor

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

Aharon Bloch, Substitute Senior Research and International Relations Director

Israeli Institute for Occupational Safety and Hygiene

Sami Saadi, Head of Northern District

Population, Immigration and Border Authority

Anat Tvito, Employer Service Division Manager

Shoshana Strauss, Senior Deputy to the Legal Advisor

Coordination of Government Activities in the Territories (COGAT)

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-Shabirow, Director of International Relations

Wael Amer, Construction Union

Tal Burshtien, Construction Union

MAAN – Workers Association

Assaf Adiv, Executive Director

Roni Ben Efrat, MAAN Development Manager and International Relations

Yoav Tamir, Organizing Officer

Aya Bartenstein, Legal Advisor

Manufacturers' Association of Israel

Nir Deutsch, Director, Foreign Trade and International Affairs Division

Michal Waxman Hili, Head of Labour and Human Resources Division

Natanel Haiman, Head of Economics Division

Ella Gurevich, Manager of Economic Research Division

Idan Zinal, Head of Vocational Training & Employment Division

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

Israeli civil society organizations and other stakeholders

Haaretz

Amira Hass, Haaretz Correspondent for the Occupied Territories

Kav LaOved

Aelad Chana, Lead Lawyer, Legal Department

Diana Baron, Head of Policy and Research Department

MachsomWatch – Women against the Occupation and for Human Rights

Sylvia Piterman, Volunteer

United Nations and international organizations

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

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

Svenja Pettorino, Coordination Officer

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

Andrea De Domenico, Acting Head of Office

Noel Tsekouras, Head of Sub-Office, Gaza

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

Adam Bouloukos, Director of UNRWA Operations, West Bank

Thomas White, Director of UNRWA Operations, Gaza

World Bank

Gianluca Mele, Lead Economist and Program Lead

Nur Nasser Eddin, Senior Country Economist

International Monetary Fund

Thomas Laursen, Resident Representative

OXFAM, Gaza

Najla Shawwa, Country Relations Broker-MENA

Occupied Syrian Golan

Al Marsad Arab Human Rights Center in Golan Heights

Karama Abu Saleh, Lawyer

Wael Tarabieh, Director of Cultural Rights Programme

Salam Sayed Ahmad, Operations Assistant

Fouad Qassem Al-Shaer, Worker

Nabih Al Shaer, Worker

Email Masoud, Worker

Al Maghariq Association

Taiseer Maray, General Director

Other meetings

Government of the Syrian Arab Republic

Ministry of Social Affairs and Labour – Damascus

Mohammed Seif El-Din, Minister

Mohammad Firas Al Nabhan, Deputy Minister for Labour Affairs

Mohammed Ramadan, Director of Labour Inspection

Rasha Nabhan, Director of Organization of Work

Chamber of Industry of Damascus and its Countryside

Ayman Mawlawi, Secretary of Damascus Chamber of Industry

General Federation of Trade Unions – Damascus

Jomaa Hijazi, Director of the Labour Observatory

Arab Labour Organization

Fayez Al-Mutairi, Director-General

Emad Sherif, Director of External Relations and International Relations Department

Marwan Rais, Office of the Director-General