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# ► The situation of workers of the occupied Arab territories

Report of the Director-General  
Appendix

International Labour Conference  
112th Session, 2024

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

Report of the Director-General – Appendix



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## ► Preface

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In accordance with the mandate given by the International Labour Conference, this year I again sent a mission to prepare a report on the situation of workers of the occupied Arab territories.

Regrettably, the Government of Israel communicated in early February that the annual ILO mission could not be accommodated. Therefore, the mission was unable to visit the West Bank, Gaza, Israel or the occupied Syrian Golan. Instead, it went to Amman, Jordan, where it met with key Palestinian and other interlocutors from the Occupied Palestinian Territory. It also met with constituents of the Syrian Arab Republic in Damascus and with the League of Arab States and the Arab Labour Organization in Cairo. In addition, videoconferences were held with other interlocutors, including from Gaza and the West Bank, Israel, the occupied Syrian Golan, and representatives of the United Nations (UN) and other international and non-governmental organizations (NGOs). They all provided information which has guided the preparation of this report.

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

The past months have been disastrous for Palestinian workers. In the aftermath of the horrific Hamas-led massacre and abduction of hostages to Gaza on 7 October 2023, Israel unleashed a war on Gaza which has brought about death and devastation of a hitherto unseen magnitude. The testimonies given to the mission by workers, employers and their representatives express profound pain.

Prior to the war, Gaza did not have many jobs to offer. Already then, deprivation was dominant. Now, there is little employment left to speak of. The labour market has collapsed, amid widespread destruction, displacement, killing and hunger. Labour rights have been decimated. While I write this preface for my report to this year's session of the International Labour Conference, the suffering is continuing. Calls for sustainable peace have not yet been heeded.

Even once a ceasefire is agreed and humanitarian aid can enter Gaza at the required scale, the people of Gaza, and Gaza's labour force, will be scarred for years to come. Women will be disproportionately affected. The destruction of human and physical capital will have long-lingering effects.

While Gaza is in ruins, the West Bank has not been spared either. The ever-deepening occupation and mobility restrictions have caused business closures and widespread unemployment, which has been exacerbated by the loss of Palestinian employment opportunities in the Israeli labour market. Those who still hold a job in the West Bank are often not paid in full, especially in the public sector. Public fiscal space has been exhausted. Overall, opportunities for decent work are diminishing.

I repeat what I said in last year's report to the International Labour Conference. Social justice and occupation are incompatible. The occupation must end and the solution of two States, Israel and Palestine, living side by side in peace and security must be pursued with renewed vigour. There is no alternative.

Palestinians need decent jobs to stand on their own feet: jobs in Gaza, jobs in the West Bank and also jobs in Israel.

The International Labour Organization stands ready to help create these much-needed jobs as the situation on the ground allows. There is a rich body of experience within the ILO on how to make recovery and reconstruction job-rich, and how to put decent work at the heart of rehabilitation efforts. International labour standards provide the compass.

Social protection also needs urgently to be expanded. Jobless workers and war victims have little to lean on. The Palestinian Authority requires more support from the international community in its reform efforts in this area. The expansion of social security and cash transfer programmes is a priority.

As the past has demonstrated, there are mutual benefits to be derived from Palestinian employment in Israel. Israel should reopen its labour market to Palestinian workers. Furthermore, Palestinian work in Israel needs to be put on a fairer footing, with less hardship and more social protection. Workers should no longer be exploited by permit brokers. Again, the ILO stands ready to support all parties in finding lasting solutions based on tripartite consensus.

This year, I have included a set of recommendations in the final chapter of my report. I sincerely hope that we can work together on their swift implementation. Much of the upcoming work will require substantial financial support. I appeal to all constituents to help us in our efforts to protect workers and support sustainable enterprises, and to commit to providing the assistance Palestine urgently needs.

May 2024

Gilbert F. Hounbo

Director-General

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## ► Introduction

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### Mandate and procedure

1. This Report of the Director-General presents the findings of the annual ILO mission, which is mandated to assess the situation of workers of the occupied Arab territories. As in all previous years, the mission was carried out in accordance with the resolution concerning the implications of Israeli settlements in Palestine and other occupied Arab territories in connection with the situation of Arab workers, adopted by the International Labour Conference at its 66th Session (1980).<sup>1</sup> 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. 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 as well as the principles laid down in the international labour standards and those enunciated by the supervisory bodies of the ILO.
3. The Director-General entrusted Frank Hagemann, Director of the Sectoral Policies Department, to lead the mission. The mission team included Kee Beom Kim, Macroeconomic and Employment Policies Specialist in the Employment Policy, Job Creation and Livelihoods 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 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, a former long-standing member of the mission and currently Head of the Transport and Maritime Sectors Unit, Sectoral Policies Department, acted as technical adviser.
4. This year, in contrast with past practice, the mission could not visit Israel and the occupied Arab territories. In early February 2024, Israel informed the ILO Director-General that it could not accommodate the mission.<sup>2</sup> Instead, the mission visited Jordan from 16 to 28 March 2024, where it conducted both face-to-face and videoconference meetings with Palestinian and other interlocutors. This included representatives of various ministries and institutions of the Palestinian Authority, Palestinian social partners, Israeli trade unions, NGOs, research institutions, business people and workers. The mission also consulted representatives of the UN and other international organizations.
5. In addition, the mission leader held consultations with senior leaders of the League of Arab States and the Arab Labour Organization in Cairo on 29 February and with Syrian constituents in Damascus on 25 March 2024.

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<sup>1</sup> 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.

<sup>2</sup> Note Verbale to the Director-General of the ILO by the Permanent Representative of Israel to the United Nations Office in Geneva and other international organizations, 8 February 2024.

6. While regretting that the Israeli Government and employers' organizations did not take the opportunity to meet with his representatives, the Director-General was pleased to recognize that the mission enjoyed the cooperation of a wide range of both Arab and Israeli representatives in obtaining the factual information on which this report is based.
7. This report takes full account of written and oral information obtained by the mission, including relevant data, studies and reports. Information obtained in the meetings 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.

## The international law context

8. In the past year, recourse has been made to international courts in relation to various aspects of the conflict. The Chief Prosecutor of the International Criminal Court confirmed that his investigation into the "Situation in the State of Palestine" extended to "the escalation of hostilities and violence since the attacks that took place on 7 October 2023".<sup>3</sup> The International Court of Justice has begun its deliberations on the December 2022 request of the UN General Assembly for an advisory opinion on the legal consequences arising from the policies and practices of Israel in the Occupied Palestinian Territory, including East Jerusalem.<sup>4</sup> In early 2024, the International Court of Justice ordered provisional measures, having been called on to consider matters arising from the war in Gaza under the Convention on the Prevention and Punishment of the Crime of Genocide in late 2023.<sup>5</sup> The Court considered that Israel "must, in accordance with its obligations under the Genocide Convention, in relation to Palestinians in Gaza, take all measures within its power to prevent the commission of all acts within the scope of Article II of this Convention".<sup>6</sup>
9. 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, relevant 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), 2334 (2016), 2712 (2023), 2720 (2023) and 2728 (2024).
10. The Director-General's representatives were also mindful of the Advisory Opinion of 9 July 2004 of the International Court of Justice concerning the legal consequences of the construction of a wall

<sup>3</sup> International Criminal Court, "Statement of the Prosecutor of the International Criminal Court, Karim A.A. Khan KC, on the Situation in the State of Palestine: Receipt of a Referral from Five States Parties", 17 November 2023.

<sup>4</sup> International Court of Justice (ICJ), "Legal Consequences arising from the Policies and Practices of Israel in the Occupied Palestinian Territory, including East Jerusalem (Request for Advisory Opinion) – Conclusion of the Public Hearings Held from 19 to 26 February 2024", press release, 26 February 2024.

<sup>5</sup> ICJ, *Application of the Convention on the Prevention and Punishment of the Crime of Genocide in the Gaza Strip (South Africa v. Israel)*, Request for the Indication of Provisional Measures, Order of 26 January 2024; and Request for the Modification of the Order of 26 January 2024 Indicating Provisional Measures, Order of 28 March 2024. See further: Application by the Republic of South Africa instituting proceedings and request for the indication of provisional measures, 29 December 2023; the Urgent request by the Republic of South Africa and application for additional provisional measures, 6 March 2024; Observations of the State of Israel on the Republic of South Africa's "Urgent request for additional measures under Article 75(1) of the Rules of Court", 12 February 2024; and Observations of the State of Israel on the Request filed by the Republic of South Africa on 6 March 2024 for the indication of additional provisional measures and/or the modification of measures previously indicated, 15 March 2024.

<sup>6</sup> ICJ, *Application of the Convention on the Prevention and Punishment of the Crime of Genocide in the Gaza Strip (South Africa v. Israel)*, Request for the Indication of Provisional Measures, Order of 26 January 2024, para. 78.



in the Occupied Palestinian Territory <sup>7</sup> in which the Court determined the relevant international legal obligations falling on Israel, including the applicability within the Occupied Palestinian Territory of international humanitarian law and human rights law. <sup>8</sup> In its resolution 1860 of 2009, the Security Council affirmed the status of Gaza as “an integral part of the territory occupied in 1967”. <sup>9</sup>

11. Pursuant to the Fourth Geneva Convention, concerning the protection of civilians subjected to military occupation in the absence of a final political statement, <sup>10</sup> an occupying power must adhere to the principle of respect for the human person and the inviolable character of the basic rights of individuals; <sup>11</sup> it must take all the precautions and measures in its power to prevent acts of violence or threats and to assist victims in case of need; <sup>12</sup> and protected persons must be treated humanely. <sup>13</sup> The motive of the Fourth Geneva Convention has been described as “an imperative call of civilization”. <sup>14</sup>
12. The International Court of Justice also confirmed in its advisory opinion of 2004 that Israel, in the exercise of its authority as the occupying power, is bound by the provisions of the International Covenant on Economic, Social and Cultural Rights – including those protecting the right to work and the enjoyment of just and favourable conditions of work (Articles 6 and 7) – and the International Covenant on Civil and Political Rights. In addition, the Court found that the Convention on the Rights of the Child is applicable within the Occupied Palestinian Territory.
13. Israeli settlement activity in the Occupied Palestinian Territory has no legal validity. In resolution 2334 (2016), the UN Security Council reaffirmed that it “constitutes a flagrant violation under international law” <sup>15</sup> and reiterated the demand that Israel immediately and completely cease all settlement activities. As long ago as 1980, international concern over the negative consequences of the settlements policy was the basis of the resolution adopted by the International Labour Conference at its 66th Session concerning the implications of Israeli settlements in Palestine and other occupied Arab territories in connection with the situation of Arab workers. At that time, the Conference strongly deplored the establishment of Israeli settlements and expressed its concern at their economic and social consequences, which seriously affected the social and economic

<sup>7</sup> ICJ, “[Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory](#)”, in *Reports of Judgments, Advisory Opinions and Orders*, advisory opinion, 9 July 2004.

<sup>8</sup> UN Security Council [resolution 2334 \(2016\)](#) reaffirmed “the obligation of Israel, the occupying Power, to abide scrupulously by its legal obligations and responsibilities under the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949”. UN Security Council [resolution 2728 \(2024\)](#) recalled “all of its relevant resolutions on the situation in the Middle East, including the Palestinian question” and reiterated “its demand that all parties comply with their obligations under international law, including international humanitarian law and international human rights law”. In its 1980 [Resolution concerning the Implications of Israeli Settlements in Palestine and Other Occupied Arab Territories in Connection with the Situation of Arab Workers](#), the International Labour Conference affirmed that the Fourth Geneva Convention was applicable to Palestine and other Arab territories occupied by Israel since June 1967, including Jerusalem.

<sup>9</sup> UN Security Council [resolution 1860 \(2009\)](#), adopted by the Security Council at its 6063rd meeting, 8 January 2009.

<sup>10</sup> UN, [Question of the Observance of the Fourth Geneva Convention of 1949 in Occupied Palestinian Territory](#), 1979, Introduction.

<sup>11</sup> International Committee of the Red Cross (ICRC), Commentary of 1958 on the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War, [Article 27](#).

<sup>12</sup> ICRC, Commentary of 1958, [Article 27](#).

<sup>13</sup> Fourth Geneva Convention, [Article 27](#).

<sup>14</sup> ICRC, Commentary of 1958, [Article 1](#).

<sup>15</sup> UN Security Council [resolution 2334 \(2016\)](#), adopted by the Security Council at its 7853rd meeting, 23 December 2016.

rights and interests of the Arab labour force.<sup>16</sup> For 44 years, successive Reports of the Director-General have described the impact on labour rights of a vicious cycle of occupation and conflict.

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<sup>16</sup> Resolution concerning the Implications of Israeli Settlements in Palestine and Other Occupied Arab Territories in Connection with the Situation of Arab Workers, paras 1 and 2.

## ► Chapter 1. A catastrophic situation

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14. This has been the hardest year for Palestinian workers since the occupation began in 1967.
15. The abhorrent Hamas-led attacks in Israel on 7 October 2023 resulted in the deaths of almost 1,200 Israelis and foreign nationals and the taking of some 230 hostages to Gaza. A Special Representative of the UN Secretary-General described “an indiscriminate campaign” including sexual violence and people being hunted down or burnt alive.<sup>17</sup> This led to a devastating war in Gaza that has wrought enormous death and destruction on the Occupied Palestinian Territory. Livelihoods are shattered and work is scarce. Unemployment is at an all-time high; more than half a million jobs have been lost in Gaza and the West Bank since October.<sup>18</sup> Immense hardship has been inflicted upon Palestinian workers and employers.
16. But the suffering did not start in October 2023. Rather, the war in Gaza and its manifold spillover effects in the West Bank, including East Jerusalem, have dramatically accentuated and amplified the structural weaknesses of a long-ailing labour market stifled by decades of occupation. Key drivers include expanded Israeli settlement activity, spatial fragmentation of Palestinian land and occupation-imposed restrictions on movement, access, trade and public finances.

### Gaza workers in and under the rubble

17. Before turning to the plight currently endured by workers in Gaza, it is instructive to review the situation prior to October 2023. Subjected to a 17-year blockade by land, air and sea, the majority of Palestinians in Gaza were already subsisting below the poverty line before the latest war. Many experienced food insecurity. The enclave was mired in a chronic socio-economic and humanitarian crisis, compounded by frequent military escalations with Israel. Access to goods, services and finance as well as private sector activity were severely limited by the blockade. Unemployment in Gaza was more than three times that of the West Bank and stood at 45 per cent in the third quarter of 2023. Among women and young people, it was particularly high. Key labour market indicators conveyed a grim picture of everyday livelihood struggles, collapse and deprivation. Gaza had already been de-developing for a long time.
18. Now, more than six months into the war, Gaza is largely in ruins, with little semblance of any economy or labour market remaining. Intense Israeli bombardments and ground operations, heavy fighting between Israeli forces and Palestinian armed groups, and an Israeli-imposed siege preventing the provision of electricity<sup>19</sup> and limiting access to humanitarian supplies, including water, have resulted in an extreme humanitarian crisis. As of 29 April 2024, more than 34,000 Palestinians in Gaza had been killed, most of whom women and children, more than 7,000 had been reported missing or under the rubble and more than 77,000 had been injured.<sup>20</sup> Close to 14,000 children are reported to have been killed;<sup>21</sup> many more have been injured and

<sup>17</sup> Office of the Special Representative of the Secretary-General on Sexual Violence in Conflict, *Mission Report: Official Visit of the Office of the SRSG-SVC to Israel and the Occupied West Bank 29 January – 14 February 2024*, 4 March 2024, para. 44.

<sup>18</sup> ILO, “Impact of the War in Gaza on the Labour Market and Livelihoods in the Occupied Palestinian Territory”, Bulletin No. 3, 18 March 2024.

<sup>19</sup> Electricity is also critical for humanitarian and livelihood needs, such as desalination of water and sewage treatment.

<sup>20</sup> OCHA, “Hostilities in the Gaza Strip and Israel – Reported Impact, Day 206”, 29 April 2024.

<sup>21</sup> UN, “Gaza: ‘Double-Digit’ Number of Children Reported Killed Overnight”, 26 March 2024.

traumatized. Over 1.7 million people – three quarters of Gaza’s population – have been internally displaced.<sup>22</sup> As of March 2024, the Global Famine Review Committee of the Integrated Food Security Phase Classification (IPC) found that famine was projected and imminent in the north of Gaza. All of Gaza’s population was found to have exceeded famine thresholds for acute food insecurity and 1.1 million among them were experiencing catastrophic conditions of hunger.<sup>23</sup> Reports in the first quarter of 2024 point to a serious under-delivery of humanitarian goods into the enclave, constrained by obstructed access.<sup>24</sup>

19. On 26 January 2024, the International Court of Justice issued a binding Order indicating provisional measures in the case of *South Africa v. Israel* concerning the application of the Convention on the Prevention and Punishment of the Crime of Genocide. The Order required Israel to ensure the provision of urgently needed basic services and humanitarian assistance to address the adverse conditions of life faced by Palestinians in Gaza. On 28 March 2024, the Court indicated additional provisional measures, based on the deteriorating situation in Gaza, in particular the “catastrophic living conditions ... in view of the prolonged and widespread deprivation of food and other basic necessities to which the Palestinians in the Gaza Strip have been subjected”.<sup>25</sup>
20. Gaza’s gross domestic product (GDP) dropped by 81 per cent in the last quarter of 2023. Physical destruction is impacting every sector of the economy. In addition to the 62 per cent of homes destroyed (as at January 2024),<sup>26</sup> nearly 80 per cent of Gaza’s commerce, industry and service sector establishments have been damaged or destroyed, causing business closures and almost total economic disruption.<sup>27</sup> The agricultural sector has been similarly affected.<sup>28</sup> By early 2024, agricultural production had practically ceased and the entire population was dependent on food aid. Economic production losses throughout the Occupied Palestinian Territory are estimated at almost US\$19 million per day.<sup>29</sup>
21. Economic activity in Gaza has largely ground to a halt. Reliable statistics are hard to come by, as it has been impossible to collect labour force survey data in the enclave since October 2023. In December 2023, the Palestinian Central Bureau of Statistics (PCBS) and the Palestine Monetary Authority estimated unemployment to have risen to 74 per cent. In March 2024, the newly appointed Palestinian Prime Minister, Mohamed Mustafa, quoted an increased figure of 89 per cent.<sup>30</sup> Total labour income loss in Gaza was estimated at US\$4.1 million per day<sup>31</sup> as a result of

<sup>22</sup> OCHA, “Hostilities in the Gaza Strip and Israel – Reported Impact, Day 181”, 5 April 2024.

<sup>23</sup> IPC, *IPC Global Initiative – Special Brief*, 18 March 2024, 1–2.

<sup>24</sup> In March 2024, for instance, only one third of the number of truckloads required to meet basic humanitarian needs were allowed to enter Gaza; see UNRWA, “UNRWAWORKS. Frontline Heroes: The Race Against the Clock to Avert Famine”, press release, 18 March 2024.

<sup>25</sup> ICJ, “*Application of the Convention on the Prevention and Punishment of the Crime of Genocide in the Gaza Strip (South Africa v. Israel): The Court Indicates Additional Provisional Measures*”, press release, 28 March 2024.

<sup>26</sup> More than 1 million people have lost their homes.

<sup>27</sup> World Bank, European Union and United Nations, *Gaza Strip – Interim Damage Assessment: Summary Note*, 29 March 2024, 14.

<sup>28</sup> PCBS, “Press Release on the Impact of the Israeli Occupation Aggression on the Agricultural Sector in Gaza Strip, 2023”, 28 November 2023.

<sup>29</sup> PCBS, “Press Release on the Losses of Private Sector in Palestine due to the Israeli Occupation Aggression on Gaza Strip”, 10 March 2024.

<sup>30</sup> Jack Khoury, “Incoming Palestinian Prime Minister Forms New Cabinet in West Bank Amid Wartime Economic Devastation”, *Haaretz*, 29 March 2024.

<sup>31</sup> ILO and PCBS, “Impact of the War in Gaza on the Labour Market and Livelihoods in the Occupied Palestinian Territory”, Bulletin No. 3, 18 March 2024.

job losses, partial payment of public sector salaries and reduced incomes of private sector workers.

22. As such, there is no longer any functioning labour market in Gaza. Whatever little work remains is reported to be informal and survival-driven, such as street trading, and often carried out by children. Moreover, all formal education and training, including vocational training, has been suspended in Gaza since October 2023. Educational institutions are reported to have been systematically targeted, to the point where the whole system has collapsed.<sup>32</sup> Most school and university buildings have either been destroyed or damaged or are being used as shelters for internally displaced persons. Hundreds of teachers, trainers and university lecturers have been killed.
23. Before the onset of the war, some 20,000 Palestinians from Gaza worked in Israel. Given the overwhelming wage gap between Israel and Gaza,<sup>33</sup> they contributed significantly to the household income of their extended families and to the overall financial resilience of the enclave. Within days of the Hamas attack on 7 October 2023, the permits of workers from Gaza were revoked by the Israeli authorities. Thousands of workers were arbitrarily detained by the Israeli authorities and released only several weeks later. There are reports of severe mistreatment, relayed by workers and their representatives, as well as by Palestinian, Israeli and international human rights organizations.<sup>34</sup> Most of those workers were eventually returned to Gaza, into a war zone, with their personal belongings confiscated. By April 2024, thousands still remained in the West Bank, sheltering either in private homes or in Palestinian Authority accommodation centres. Cut off from their families and communities in Gaza without any meaningful ways to support themselves, they are struggling to survive.

## A shattered economy and labour market in the West Bank

24. Since war broke out in Gaza, the occupied West Bank has been in the shadow of international attention. Yet, it has remained far from sheltered from the fallout. GDP in the West Bank contracted sharply and declined by 19 per cent from the third to the fourth quarter of 2023.<sup>35</sup> As a result, and compounded by the economic meltdown in Gaza, overall GDP in the Occupied Palestinian Territory declined by 6 per cent in 2023. This contrasts sharply with projections made prior to October 2023 of 3 per cent growth.<sup>36</sup>
25. With trade with Gaza suspended, access to the Israeli labour market closed off for many, and increased settler violence and restrictions suffocating economic activities, livelihoods in the West Bank have been upended and the labour market is in disrepair. Many enterprises have reduced working hours and dismissed workers. The construction, tourism and transport sectors are reported to have been most heavily affected.<sup>37</sup> By the end of January 2024, 306,000 jobs were estimated to have been lost in the West Bank compared to October 2023. The unemployment rate more than doubled within three months.<sup>38</sup> At the same time, the fiscal situation of the Palestinian

<sup>32</sup> World Bank et al., *Gaza Strip – Interim Damage Assessment*, 12.

<sup>33</sup> According to the PCBS, in the third quarter of 2023, average daily wages earned by Palestinians in Israel and the settlements were about five times those of average wages in Gaza, at 297 shekels compared to 60 shekels, respectively.

<sup>34</sup> Human Rights Watch, “Israel: Gaza Workers Held Incommunicado for Weeks”, 3 January 2024.

<sup>35</sup> PCBS, National Accounts 2023.

<sup>36</sup> PCBS and Palestine Monetary Authority, “Press Release: The Performance of the Palestinian Economy for 2023, and Economic Forecasts for 2024”, 30 December 2023, 1.

<sup>37</sup> ILO, “Impact of the War in Gaza on Private Sector Workers and Businesses in the West Bank”, forthcoming.

<sup>38</sup> PCBS, Quarterly Labour Force Survey, Fourth Quarter 2023.

Authority is in a critical state, reeling under the latest unilateral Israeli deductions to the clearance revenues.<sup>39</sup> Falling household, business and government expenditures are affecting each other, resulting in a downward spiral of economic depression.

26. Of particular significance in this context are the job losses borne by Palestinian workers who had worked in Israel and the settlements. Their number had risen steadily over the years. Before the war, some 140,000 workers were employed in Israel, a quarter of them undocumented and without permits. An additional 40,000 worked in the settlements, often in industrial zones close to the Green Line and agricultural production in the Jordan Valley. About one fifth of the West Bank labour force worked for an Israeli employer prior to October 2023, with pay levels more than twice those of the West Bank. As emphasized in previous Reports of the Director-General, working conditions were often poor, application of labour rights was patchy, the work permit regime and its associated broker practices were abusive, and daily access to Israel via the crossings was fraught with long and complicated commutes.
27. Most of this work came to an abrupt halt after 7 October 2023, when Israel closed its crossings to Palestinian workers. However, permits for Palestinians from the West Bank were not revoked, in contrast to measures taken with regard to the Palestinian workers from Gaza. The exact number of Palestinians still working in the Israeli economy is unclear. Interlocutors indicated figures ranging from 22,000 to 50,000, including workers in the settlements, undocumented workers and around 10,000 workers allowed into Israel on permits. Some of these workers are employed in support of Israel's war effort.
28. There are indications that some Israeli decision-makers, including employers, would favour a return of Palestinian workers to the Israeli labour market.<sup>40</sup> Strategies to replace Palestinian workers with South Asian or African workers, including through bilateral agreements with countries of origin, appear to have met with limited success and have proved costly and bureaucratically complicated.<sup>41</sup>

## Deepening and accelerating occupation

29. The Israeli occupation is entering its 58th year. It has steadily deepened over the years and has accelerated since October 2023. Central to it are an expanding network of settlements and a coercive multi-layered system of physical and administrative constraints. Settlements on occupied territory are illegal under international law. Forty-four years ago, the resolution adopted at the 66th Session of the International Labour Conference, which underpins this report, expressed "deep concern at ... the intensification of the Israeli settlements policy". At the time, there were about 100,000 Israeli settlers scattered across the West Bank, Gaza, the occupied Syrian Golan and the occupied Sinai. In 2023, the West Bank was host to some 700,000 settlers.<sup>42</sup> Settlements continue to be expanded.

<sup>39</sup> Clearance revenues are taxes and fees that Israel collects on Palestinian imports and exports on behalf of the Palestinian Authority and then remits to the Palestinian Authority.

<sup>40</sup> *Times of Israel*, "Business Leader Says Israel Needs Palestinian Workers", 22 March 2024. It is important to note in this context that repeated requests for virtual meetings by the ILO mission remained unanswered or were rejected by Israeli employers' representatives.

<sup>41</sup> Jonathan Lis, "Israeli Interior Minister Asks for End to Ban on Palestinian Workers from the West Bank", *Haaretz*, 28 March 2024; Natasha Turak, "Israel's Ban on Palestinian Workers Is Causing Supply Shocks to Its Economy: Central Bank Governor", *CNBC*, 18 January 2024.

<sup>42</sup> OCHA, "West Bank Access Restrictions: May 2023", 26 May 2023; UN Human Rights Council, "Human Rights Council Hears that 700,000 Israeli Settlers Are Living Illegally in the Occupied West Bank – Meeting Summary (Excerpts)", 28 March 2023.



30. Access to many parts of the West Bank has been blocked since October 2023. There are now more than 750 permanent checkpoints and roadblocks, as well as many additional temporary, or “flying”, checkpoints. They disconnect markets, severely restrain movement between Palestinian towns and cities, and act as a major constraint to workers commuting to their workplaces.
31. Violence, from both armed settlers and the Israeli army, has been a long-standing feature of Palestinian life in the West Bank. It accompanies expropriation of land, demolition of houses, razing of agricultural land, and intense military operations. There have been almost daily incursions of the Israeli army into the West Bank’s refugee camps. Frequent raids have also been conducted in major urban centres of Area A,<sup>43</sup> such as Ramallah, Hebron and Jericho, which, pursuant to the Oslo Accords, are supposed to be under the full security control of the Palestinian Authority. In 2023, the number of Palestinian fatalities had more than doubled compared to a year earlier. A total of 509 Palestinians were killed in the West Bank.<sup>44</sup> The cycle of violence has continued unabated this year.

## Policy space eroded

32. It is perhaps unsurprising that in times of emergency and war, key policy initiatives of the Palestinian Authority have gone into a state of hibernation in terms of planning, legislating and implementing. Chief among them are the social security reforms, including the establishment of a pension fund for private sector workers. Renewed attempts at revising Labour Law No. 7 of 2000 and the Palestinian Social Security Law of 2016, suspended since 2019, had progressed by October 2023 but were then put on hold. Key policy documents adopted in earlier years may need to be revisited and reworked in light of the impact of the war on Gaza and the West Bank. The National Employment Strategy, which was adopted in 2020, and was the subject of a meeting with donors in Amman in February 2023, will require an adjustment of goals and a revitalization of means. For instance, projects of one of its central implementation arms, the Palestinian Employment Fund, have ceased operation in Gaza, with its infrastructure largely destroyed.
33. Overall, public policy implementation requires fiscal stability and financial predictability. Palestine has not enjoyed either for years. Stifled by reduced donor support and clearance revenues partly withheld by Israel, its public finances had already become unsustainable prior to October 2023. Subsequent to 7 October, the Israeli authorities have released even fewer clearance revenues. Domestic tax revenues have also plummeted. As a result, fiscal space has narrowed down to a point at which basic public expenditures can no longer be reliably met. Civil servants, for instance, are paid with significant arrears and currently receive only around two thirds of their salaries.
34. At the end of March 2024, a new government was formed by President Abbas. A key priority will be to “lead, maximize and coordinate relief efforts in the Gaza Strip, and achieve a prompt and efficient transition from the much-needed humanitarian relief to economic recovery”.<sup>45</sup>

<sup>43</sup> 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.

<sup>44</sup> OCHA, “[Data on Casualties](#)”, accessed on 26 April 2024.

<sup>45</sup> Appointment letter of Prime Minister Mohammad Mustafa, 14 March 2024 (unpublished).

## Towards recovery and reconstruction

35. Any recovery work will require the full cessation of hostilities and the unobstructed access of humanitarian supplies for a sustained period of time. The cost of recovery and reconstruction is likely to be steep. An interim damage assessment carried out in March 2024 estimated that around US\$18.5 billion in direct damages had been caused to the built infrastructure in Gaza by January 2024.<sup>46</sup> This is more or less equivalent to the 2022 GDP of the Occupied Palestinian Territory. The exercise calculated only the cost of damage to Gaza and did not take the West Bank into account. Nor were the costs of damage other than to physical infrastructure, such as human capital and services, factored in. A fully fledged Rapid Damage Needs Assessment can only be carried out once hostilities have ceased.
36. Planning for recovery has been under way since the early stages of the war. Already in November 2023, the ILO published its first emergency response programme, outlining recovery needs and possible avenues for action within the humanitarian–development–peace nexus.<sup>47</sup> It has been continuously adapted since then to the rapidly deteriorating context. At the end of December, the UN Secretary-General appointed a Senior Humanitarian and Reconstruction Coordinator pursuant to Security Council resolution 2720 (2023).<sup>48</sup> In January 2024, the United Nations Conference on Trade and Development (UNCTAD) published a preliminary assessment of the economic impact of the destruction in Gaza and cautioned against hopes for a speedy recovery. It illustrated that under a scenario of military action ending immediately and double-digit growth setting in, Gaza's GDP could return to pre-war levels by 2028. If, however, damaged assets and the cost of replacing them were fully accounted for, the assessment concluded that it could take Gaza decades to return to pre-October 2023 welfare levels.<sup>49</sup>
37. The Palestinian Authority also developed emergency response and recovery plans. In January 2024, the Ministry of Labour published a plan centred around urgent relief for affected workers, facilities and projects, such as those of the Palestinian Employment Fund, and cooperatives. It also prioritized ensuring stability in labour relations and addressing violations of workers' rights.<sup>50</sup> In February, the Prime Minister's Office launched a reflection process on lessons learned from recovery and reconstruction efforts in Gaza, mainly drawing on the experiences subsequent to the 2008, 2014 and 2021 hostilities.<sup>51</sup> This was followed in March 2024 by an operational plan for Gaza that outlined priority action to be taken in key sectors once a lasting ceasefire has been reached.<sup>52</sup>

<sup>46</sup> World Bank et al., *Gaza Strip – Interim Damage Assessment*, 6.

<sup>47</sup> ILO, "ILO Launches Funding Appeal to Respond to Critical Needs of Palestinian Workers and Employers", 9 November 2023. The ILO's Emergency Recovery Programme for the Occupied Palestinian Territory is built around three central pillars: provision of relief for displaced workers from Gaza; data collection and analysis of the impact of the conflict and crisis on Palestinian workers; and vital support for businesses and job creation.

<sup>48</sup> UN Security Council [resolution 2720 \(2023\)](#), adopted by the Security Council at its 9520th meeting on 22 December 2023; UN, [Ms. Sigrid Kaag of the Netherlands – Senior Humanitarian and Reconstruction Coordinator for Gaza pursuant to Security Council Resolution 2720 \(2023\)](#), 26 December 2023.

<sup>49</sup> UNCTAD, *Preliminary Assessment of the Economic Impact of the Destruction in Gaza and Prospects for Economic Recovery: UNCTAD Rapid Assessment*, January 2024, 12.

<sup>50</sup> Palestinian Ministry of Labour, "Emergency Response Plan in Light of the War on the Gaza Strip", January 2024 (unpublished).

<sup>51</sup> Office of the Prime Minister, "Lessons Identified from Previous Recovery and Reconstruction Efforts in Gaza", February 2024 (unpublished).

<sup>52</sup> Office of the Prime Minister, "Operational Plan", March 2024 (unpublished).



## New momentum for statehood

38. During the past few years, the two-state solution officially remained the global compass to peace in the Middle East, but it received little traction and key initiatives ran out of momentum. Post-October 2023, it now appears that renewed international consideration is being given to promoting the peace process and engaging in diplomacy towards developing clear political horizons. Based on the realization that a continued status quo would likely lead to further waves of bloodshed and regional destabilization, there is now a keen sense of urgency to solve the decades-long conflict between Israelis and Palestinians.
39. In December 2023, UN Security Council resolution 2720 (2023) reiterated the “unwavering commitment” of the international community to the two-state solution. In January 2024, the UN Secretary-General underlined that “the conflict must end with tangible progress towards a two-State solution – an end to the occupation and the establishment of a fully independent, viable and sovereign Palestinian State, of which Gaza is an integral part”.<sup>53</sup> Global and regional actors have lent renewed and reinvigorated support to full Palestinian statehood. The President of the United States underlined in his State of the Union address on 7 March 2024 that “the only real solution is a two-state solution”.<sup>54</sup> Earlier, in November 2023, in the framework of a national position paper on resolving the Palestinian-Israeli conflict, the Government of China had called for a broad-based, authoritative and effective international peace conference led and organized by the UN to be held as soon as possible “to formulate a concrete timetable and roadmap for the implementation of the two-state solution”.<sup>55</sup> Furthermore, the Government of Saudi Arabia has rejected the establishment of diplomatic relations with Israel in the absence of full recognition of a Palestinian State by the UN Security Council.<sup>56</sup>
40. While Israel continues to reject the two-state solution on the grounds that it “would constitute an existential danger to Israel”,<sup>57</sup> the Palestinian Authority sees opportunities opening up for furthering the two-state solution,<sup>58</sup> emphasizing that there can be no stability in the region without it.<sup>59</sup> The High Representative of the European Union for Foreign Affairs and Security Policy noted that “Israel cannot have the veto right to the self-determination of the Palestinian people”.<sup>60</sup> Palestine has been recognized as a State by 139 Member States of the United Nations. In March 2024, Spain, Ireland, Malta and Slovenia declared jointly that they were considering recognizing it.<sup>61</sup>

<sup>53</sup> UN, “Secretary-General’s Remarks to the Committee on the Exercise of the Inalienable Rights of the Palestinian People”, 31 January 2024.

<sup>54</sup> White House, “Remarks of President Joe Biden – State of the Union Address As Prepared for Delivery”, 7 March 2024.

<sup>55</sup> China, Ministry of Foreign Affairs, “Position Paper of the People’s Republic of China on Resolving the Palestinian-Israeli Conflict”, 30 November 2023.

<sup>56</sup> Saudi Arabia, Ministry of Foreign Affairs, “The Ministry of Foreign Affairs States the Discussions between the Kingdom of Saudi Arabia and the United States of America on the Arab-Israeli Peace Process”, 7 February 2024.

<sup>57</sup> *New York Times*, “Netanyahu Restates Opposition to Two-State Solution, Despite Pressure From Biden”, 21 January 2024.

<sup>58</sup> In its Operational Plan of March 2024, it states: “Our approach seeks to provide a political framework designed to protect the two-state solution” and “The crisis represents both an existential threat and a real opportunity”.

<sup>59</sup> Kevin Maimann, “Palestinian Authority Says There Can Be ‘No Security And Stability’ in Region Without Two-State Solution”, *CBC*, 19 January 2024.

<sup>60</sup> *Times of Israel*, “Top EU Diplomat Says Israel Has No Right to Block Creation of Palestinian State”, 23 January 2024.

<sup>61</sup> “Statement by the Prime Ministers of Ireland, Malta, Slovenia and Spain”, 22 March 2024.

## ► Chapter 2. Unprecedented crisis of the Palestinian economy and labour market

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41. Past Reports of the Director-General have described the untenable economic and labour market situation in Gaza as a result of the now 17-year land, sea and air blockade. The war in Gaza has not only inflicted an immense human toll, but it has also exacted an unprecedented economic and social cost across the Occupied Palestinian Territory.<sup>62</sup> A humanitarian tragedy is unfolding in Gaza. Following repeated displacements, more than a million Palestinians are in tents in Rafah in desperate and squalid conditions. Those finally returning to Khan Younis on 8 April 2024, after six months of war, found their neighbourhoods unrecognizable, with their homes, shops and workshops in ruins and gutted, and their tools and machinery under rubble. Palestinians in northern Gaza are starving. The war has been an indiscriminate leveller across the Strip: business people, the self-employed and public sector workers have all been reduced to poverty. With heads of households dead or injured, children roam the streets begging or working for food. Labour market institutions have been destroyed.
42. While Gaza has now been completely pauperized, the West Bank economy has also been harmed by the spillover effects from the war. The combination of falling consumer expenditure because of lay-offs and the nominal closure of the Israeli labour market, sagging business investment in an unstable economic environment and a lack of counter-cyclical fiscal policies in a context of fiscal fragility, itself exacerbated by the unilateral deductions from clearance revenues by Israel, is reinforcing a cycle of economic contraction.
43. While the immediate costs to the Occupied Palestinian Territory from the war are enormous, the longer-term costs will also be significant. The prolonged disruption to education and skills training in both Gaza and the West Bank and the resulting learning losses will impose enduring consequences on children, young women and men and society at large. Extended periods of joblessness and lack of opportunities for human capital accumulation, including on-the-job skills training, coupled with extensive wartime injuries, disease and the lack of medical treatment, and the psychological trauma of the war will leave lasting scars on the future productivity of Palestinian individuals and communities alike.

### Economic developments: Collapse of the economy of Gaza, tremors in the West Bank

44. For more than half a century, the Palestinian economy has been unable to realize its full potential due to the complex system of restrictions on and impediments to the movement of goods and people imposed by Israel since 1967. Such restrictions became more stringent in the early 1990s and became particularly harsh in Gaza in 2007, when Israel imposed a blockade following Hamas'

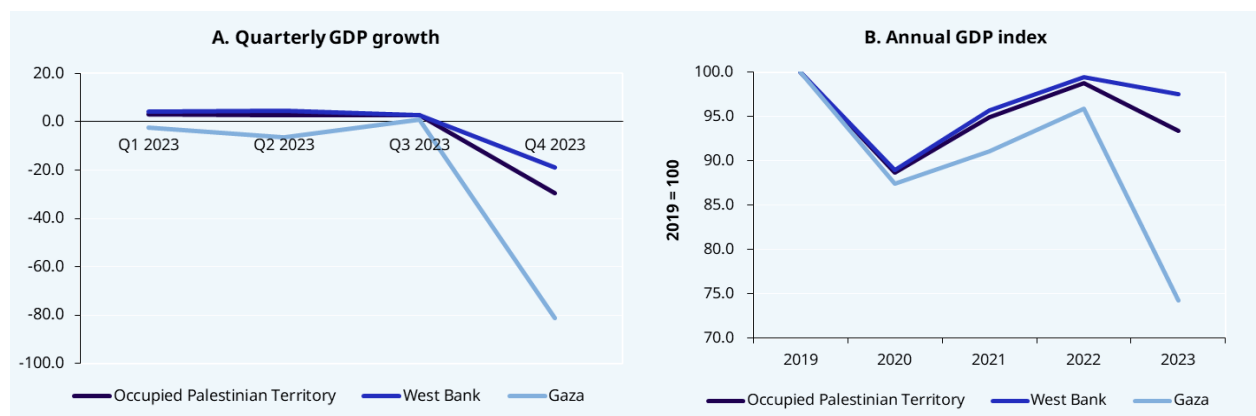
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<sup>62</sup> See also: ILO, "Impact of the Israel-Hamas Conflict on the Labour Market and Livelihoods in the Occupied Palestinian Territory", Bulletin No. 1, 6 November 2023; "Impact of the Escalation of Hostilities in Gaza on the Labour Market and Livelihoods in the Occupied Palestinian Territory", Bulletin No. 2, 20 December 2023; and "Impact of the War in Gaza on the Labour Market and Livelihoods in the Occupied Palestinian Territory", Bulletin No. 3, 18 March 2024.

takeover of the Strip. The blockade and restrictions over the decades have led to the deindustrialization and de-development of Gaza.<sup>63</sup>

45. In such a context, the Palestinian economy in 2023 was making up the ground lost to the COVID-19 pandemic when the war in Gaza erupted, the results of which have been, and continue to be, catastrophic. In the three quarters prior to 7 October 2023, quarterly GDP growth averaged 2.8 per cent compared to the same period the previous year. In the last quarter of 2023, GDP plunged by almost a third (figure 2.1.A). The decline was led by Gaza, where it plummeted by 81.3 per cent compared to 18.8 per cent in the West Bank. On an annual basis, the shock of the war has put levels of economic activity in the Occupied Palestinian Territory at 93.3 per cent of the pre-pandemic level (2019). In Gaza, the war has wiped out not only all the gains made during the recovery from the pandemic but also much more, to the extent that levels of GDP in 2023 were less than three quarters of the pre-pandemic level (figure 2.1.B).

► **Figure 2.1. Quarterly real GDP growth in 2023 (year on year, per cent) and index of annual real GDP (constant 2015 prices)**



Note: Fourth-quarter 2023 GDP data on which the annual 2023 figure is based is a flash estimate and subject to revision.

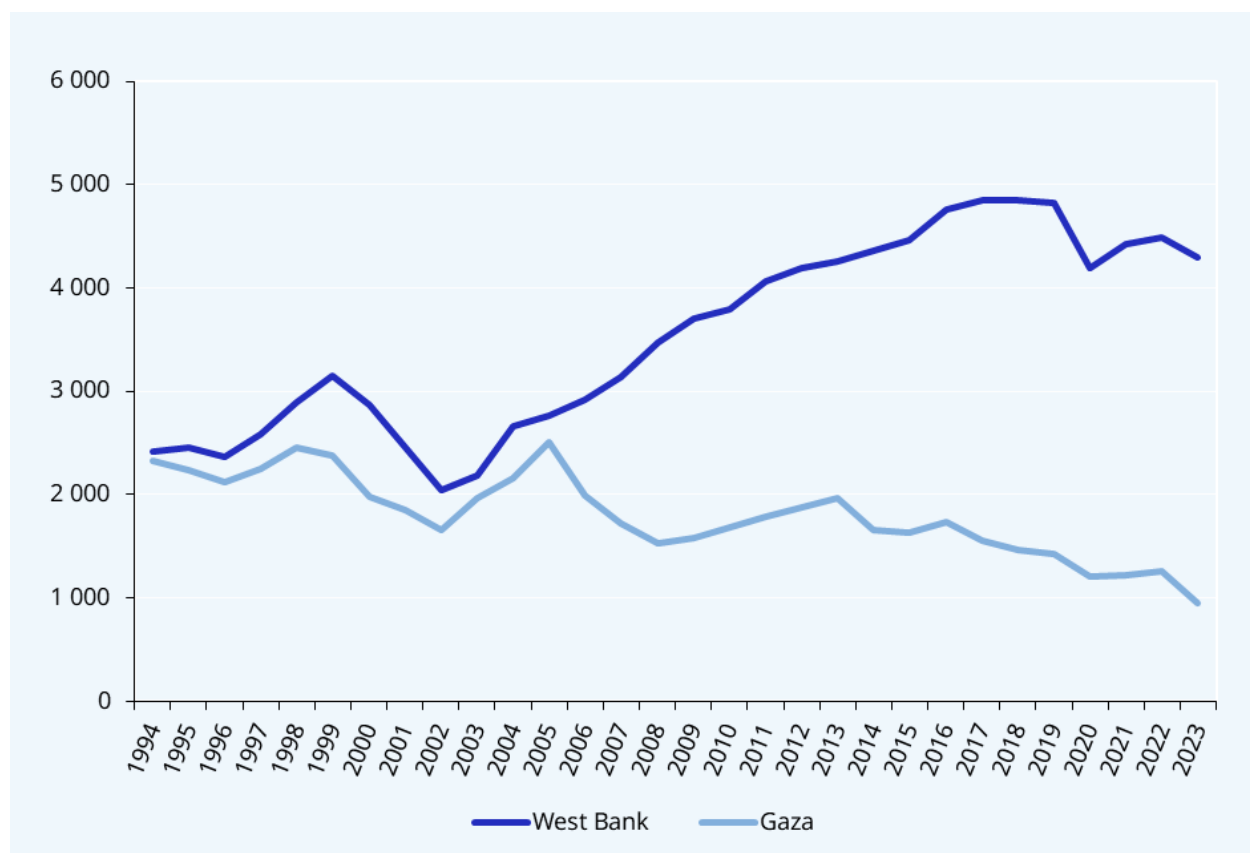
Source: ILO calculations based on PCBS National Accounts, 2023.

## Standards of living in Gaza are at lowest level since records began in 1994

46. Per capita GDP in the West Bank declined by 4.5 per cent in 2023. In Gaza, it declined by a quarter, falling to less than US\$1,000, the lowest level since 1994 when the Palestinian Authority was established (figure 2.2). GDP per capita in Gaza in 2023 was 40 per cent of the level 30 years earlier. While standards of living in the West Bank and Gaza were almost the same in 1994, the gap between the two has widened since. In 2006, the year prior to the start of the blockade, GDP per capita in Gaza was 68 per cent of that in the West Bank. In 2023, it was a mere 22 per cent – the widest gap recorded.

<sup>63</sup> ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.110/DG/APP, 2022, paras 49, 149.

► **Figure 2.2. GDP per capita, West Bank and Gaza, 1994–2023** (constant 2015 US\$)



Note: Fourth-quarter 2023 GDP data on which the annual 2023 figure is a flash estimate and subject to revision.

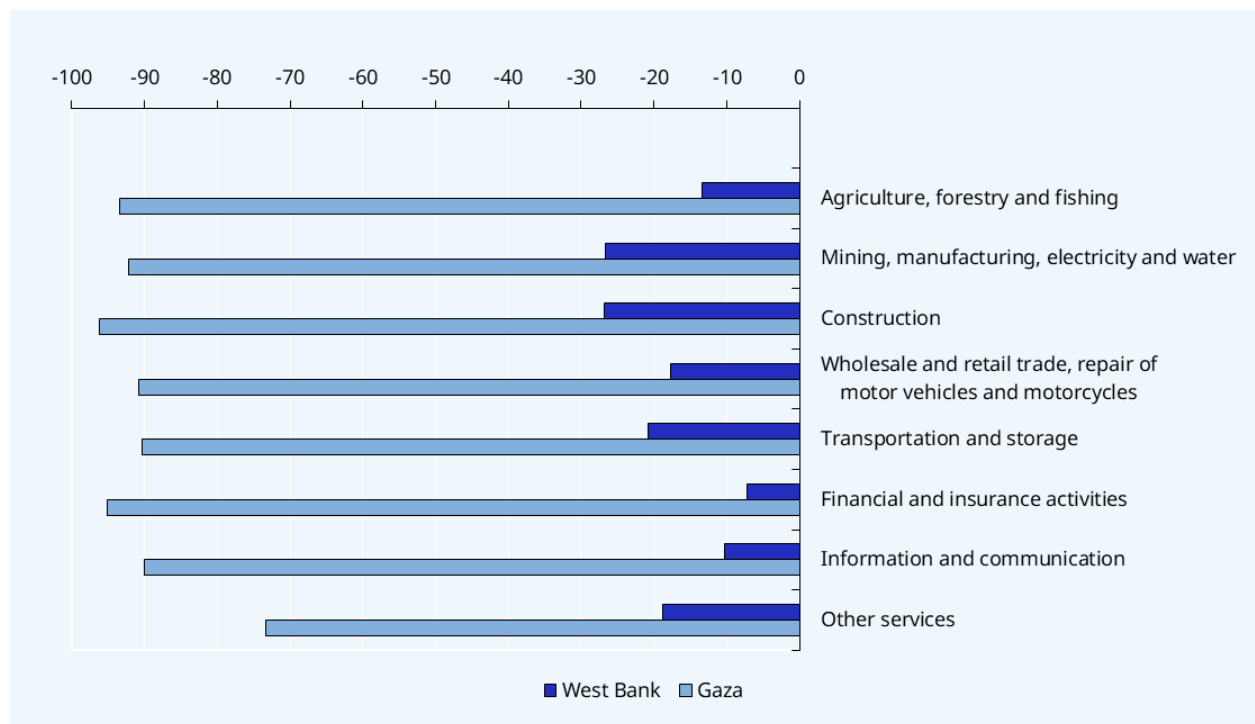
Source: ILO calculations based on PCBS National Accounts, 2023.

## Limited economic activities in Gaza under extremely hazardous conditions

47. In the fourth quarter of 2023, all economic sectors of the Occupied Palestinian Territory experienced large declines compared to the same quarter of the previous year (figure 2.3). In Gaza, all sectors except “Other services”<sup>64</sup> nosedived by over 90 per cent compared to the same quarter the previous year. The latter category declined by almost three quarters, supported only by the subsectors of education and health and social work activities. Although public sector employees in education have continued to receive salaries, no education has taken place in Gaza since the beginning of the war.

<sup>64</sup> Other services include accommodation and food service activities; real estate activities; professional, scientific and technical activities; administrative and support service activities; education; human health and social work activities; arts, entertainment and recreation; defence and public administration; customs and VAT activities; and others.

► **Figure 2.3. Real GDP growth by sector, West Bank and Gaza, fourth quarter 2023 (year on year, per cent)**



Note: Fourth-quarter 2023 GDP data on which the annual 2023 figure is based is a flash estimate and subject to revision.

Source: ILO calculations based on PCBS National Accounts, 2023.

48. Hospitals and healthcare facilities have been routinely attacked and damaged in the Israeli military campaign.<sup>65</sup> By early April 2024, only around 30 per cent of primary healthcare facilities were functioning and 26 hospitals were out of service while only 10 hospitals were partially functioning.<sup>66</sup> According to the World Health Organization, the Al-Shifa Medical Complex, the largest hospital in Gaza, has been totally destroyed, “ripping the heart out” of the healthcare system of the enclave.<sup>67</sup>
49. Social work activities are weighed down by the low levels of truckloads of humanitarian aid being allowed into Gaza.<sup>68</sup> Prior to the current war, an average of 500 truckloads of goods, including fuel, entered the Strip each working day, which in itself was vastly insufficient.<sup>69</sup> Despite the urgent needs created by the humanitarian catastrophe, the number of truckloads allowed to enter Gaza has reduced considerably; the cumulative number of truckloads that entered Gaza between the start of hostilities until the end of March 2024 is less than 30 per cent of the cumulative number that would have entered at the pre-war pace (figure 2.4). A multi-layered inspection regime characterized by opaque and onerous bureaucratic, logistical and security-

<sup>65</sup> UN, “Nearly 600 Attacks on Healthcare in Gaza and West Bank Since War Began: WHO”, 5 January 2024.

<sup>66</sup> OCHA, “Hostilities in the Gaza Strip and Israel – Reported Impact: Day 184”, 8 April 2024.

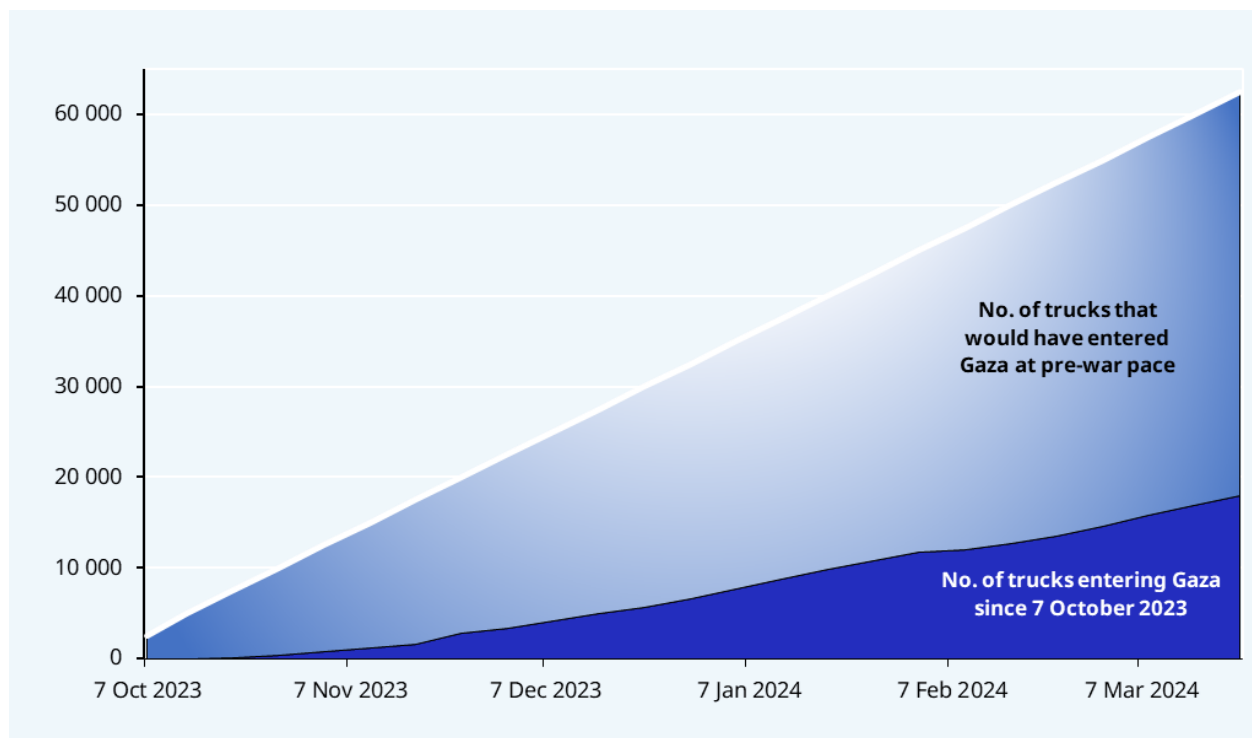
<sup>67</sup> UN, “Gaza Al-Shifa Hospital Destroyed – WHO – 02 April 2024”, press release, 2 April 2024.

<sup>68</sup> According to OCHA, a limited number of commercial trucks have also entered Gaza since December 2023, with 923 trucks recorded as of 2 March 2024. See OCHA, “Humanitarian Needs and Response Update: 5-11 March 2024”.

<sup>69</sup> OCHA, “Hostilities in the Gaza Strip and Israel – Reported Impact: Day 180”, 3 April 2024.

related impediments limits the number of trucks and materials entering the Strip.<sup>70</sup> It remains to be seen whether decisions made in early April 2024 to ease the flow of humanitarian aid into Gaza, including temporarily opening the Erez crossing for humanitarian aid and allowing the Israeli port of Ashdod to be used to process aid shipments, will lead to more adequate numbers of truckloads of aid entering the Strip.

► **Figure 2.4. Number of truckloads entering Gaza, October 2023 – March 2024**



Source: ILO calculations based on OCHA, "Hostilities in the Gaza Strip and Israel – Reported Impact: Day 180".

## A barter economy has emerged

- 50.** The mission was informed that the lack of access to humanitarian aid, the resulting shortage of basic necessities and the debilitating wave of destruction in Gaza – including the destruction of most banks and cash machines, leading to a liquidity or cash crunch in the Strip – had given rise to a new economic reality: a barter economy. Palestinians in Gaza have turned to bartering as a means of survival, with goods and services being exchanged, not for currency, but for other goods or favours.<sup>71</sup> Personal belongings and items of humanitarian aid are being sold for food. Children are often involved in these barter activities to support families. Queues for cash withdrawals at the very few cash machines still operating can span several days and frequently result in unsuccessful transactions. People have resorted to alternative means of obtaining cash that carry high fees and commissions.<sup>72</sup>

<sup>70</sup> Gisha – Legal Center for Freedom of Movement, "How Israel Is Effectively Hindering Access to Aid in Gaza", 2 April 2024; Saleh Salem and Estelle Shirbon, "For Civilians or Hamas? 'Dual Use' Issue Complicates Gaza Aid Efforts", *Reuters*, 6 January 2024.

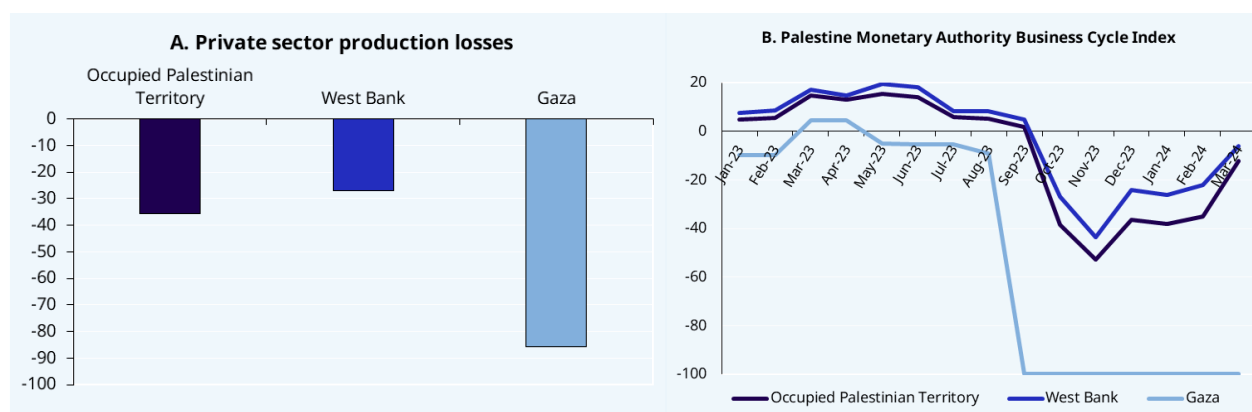
<sup>71</sup> Samia Nakhoul, "Many Wars, But Nothing Like This: Gaza Man Describes Hunger and Rage", *Reuters*, 7 December 2023.

<sup>72</sup> Sami Abu Salem, "Cash Shortage Turns Gaza Back to the Barter Era", *WAFA (Palestine News and Info Agency)*, 4 April 2024.

## Decimation of the private sector in Gaza

51. In Gaza, activities of the private sector have collapsed. The value of private sector production in Gaza in the first four months of war is estimated to have plunged by 85.8 per cent relative to a no-war baseline, equivalent to losses of US\$810 million or US\$6.7 million a day (figure 2.5.A). The Business Cycle Index of the Palestine Monetary Authority paints a similar picture: complete standstill in Gaza (figure 2.5.B).

► **Figure 2.5. Value of private sector production in first four months of war (October 2023 to January 2024, per cent) and Business Cycle Index**



Note: The Palestine Monetary Authority Business Cycle Index uses a scale of 100 (favourable) to -100 (unfavourable).

Sources: PCBS; Palestine Monetary Authority.

52. A recent interim assessment by the World Bank, the European Union and the UN found that as of the end of January 2024, damages to the built infrastructure of Gaza totalled US\$18.5 billion.<sup>73</sup> Damages to residential buildings account for the largest share (72 per cent), followed by the commerce, industry and services sector (9 per cent) and agriculture (3 per cent). The value of the damages in the latter two sectors totals US\$2.3 billion. The destruction to the commerce, industry and services sector has included the complete destruction of the Gaza Industrial Estate, which employed over 1,000 workers.<sup>74</sup>
53. With most assets and infrastructure relevant for the agricultural sector damaged or destroyed, vegetable and animal production has virtually ceased.<sup>75</sup> Destruction of agriculture has been particularly acute in the northern part of the Strip.<sup>76</sup>

## An expanded buffer zone will further curtail Gaza's agricultural land

54. Much of Gaza's limited farmland is located near the perimeter fence with Israel, partly as land is scarce in the enclave and farmers took the risk of cultivating close to the fence in order to sustain livelihoods. Long before the current war, Israeli authorities enforced a buffer zone prohibiting Palestinians in Gaza from coming closer than 300 metres of the fence, but farmers had been

<sup>73</sup> World Bank et al., [Gaza Strip – Interim Damage Assessment](#), 6–7.

<sup>74</sup> For a satellite image of the destruction of the Gaza Industrial Estate, see World Bank et al., [Gaza Strip – Interim Damage Assessment](#), figure 9.

<sup>75</sup> World Bank et al., [Gaza Strip – Interim Damage Assessment](#), 15.

<sup>76</sup> By January 2024, 41 per cent, 48 per cent and 56 per cent of agricultural land had been damaged in the governorates of North Gaza, Gaza City and Deir-al-Balah, respectively. See United Nations Satellite Centre, [“UNOSAT Gaza Strip Agricultural Damage Assessment – January 2024”](#).



permitted to work up to 100 metres from the fence.<sup>77</sup> Interlocutors informed the mission that, consistent with media reports, Israeli authorities were now systematically razing all structures, including agricultural fields and greenhouses, and creating a buffer zone along the Israel–Gaza border fence that was expected to be up to one kilometre wide and take up some 16 per cent of the area of the enclave.<sup>78</sup> At the end of February 2024, satellite imagery pointed to 90 per cent of the buildings in the zone having been damaged or destroyed.<sup>79</sup> The expansion of the buffer zone is expected to diminish the area of the enclave substantially, including in particular the amount of available agricultural land.

## Catastrophic levels of starvation in northern Gaza

55. The damage to agricultural lands and the inability of displaced farmers to access their farms and fields, coupled with limited humanitarian aid that is able to enter Gaza, are leading to famine-like conditions, while the prices of agricultural goods and food have skyrocketed. Palestinians in Gaza have resorted to eating animal fodder.<sup>80</sup> The latest assessment of the IPC notes the damaging impact of the war on food production systems, agricultural lands, farms and infrastructure, and highlights the impediments to humanitarian aid as contributing factors. It revealed that 95 per cent of the population in Gaza was suffering from severe food insecurity and that famine was projected to occur between mid-March and May 2024 in northern Gaza.<sup>81</sup> According to the United States Agency for International Development (USAID), it was already occurring in mid-April 2024.<sup>82</sup> In addition to ensuring that food is available, ensuring that it is accessible both physically and economically is also paramount.<sup>83</sup> However, physical access to food has been thwarted as a result of poorly functioning distribution mechanisms, hostilities and the breakdown of social order, while soaring food prices have made food economically less accessible.

## Exorbitant prices in Gaza

56. The lack of agricultural goods and food has pushed up prices in Gaza to exorbitant levels. In February 2024, a kilogram of white sugar averaged 47.33 shekels (approximately US\$12), 9.6 times higher than the price of 4.92 shekels in the West Bank.<sup>84</sup> A carton of eggs in Gaza averaged 100 shekels (approximately US\$27), more than five times the average price in the West Bank (19.71 shekels). As a result, the consumer price index in Gaza rose to a historical high (figure 2.6). In the West Bank, prices have remained more stable; nonetheless, as noted in last year's Report of the Director-General, inflation prior to the war was already at its highest level in more than a decade, and without the Palestinian Authority having the monetary policy tools to address it, Palestinian workers were struggling under a cost-of-living crisis and eroding real wages.

<sup>77</sup> Gisha, "Gaza Up Close", 28 June 2023.

<sup>78</sup> Yarden Michaeli and Avi Scharf, "Buffer Zone and Control Corridor: What the Israeli Army's Entrenchment in Gaza Looks Like", *Haaretz*, 28 March 2024.

<sup>79</sup> United Nations Satellite Centre, *UNOSAT Gaza Strip Comprehensive Damage Assessment 1km Stretch of Land from the Armistice Demarcation Line – April 2024*; Yarden Michaeli, "UN: Almost All Buildings in Israel's Buffer Zone in Gaza Were Destroyed", *Haaretz*, 15 April 2024.

<sup>80</sup> Hanin Majadli, "When Pita Made of Animal Feed Is Your Best-Case Scenario: Life in the Northern Gaza Strip", *Haaretz*, 8 February 2024.

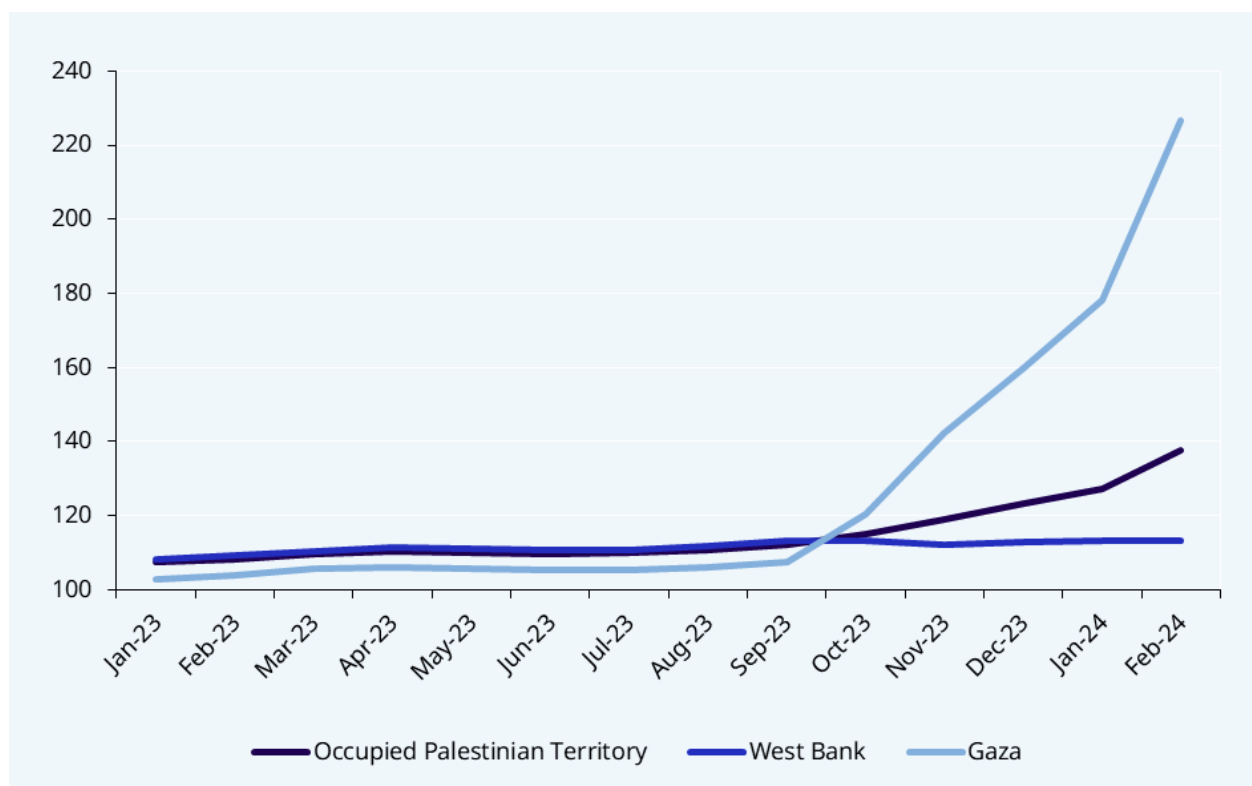
<sup>81</sup> IPC, *Famine Review Committee: Gaza Strip, March 2024*, 2–3.

<sup>82</sup> Jacob Knutson, "U.S. Aid Official Says Famine Has Begun in Northern Gaza", *Axios*, 11 April 2024.

<sup>83</sup> Aeyal Gross and Tamar Luster, "There's Hunger in Gaza – Even if There's Food", *Haaretz*, 3 April 2024.

<sup>84</sup> PCBS, "Average Consumer Prices for Selected Commodities by Region for February 2024", 17 March 2024.



► **Figure 2.6. Inflation in the Occupied Palestinian Territory** (consumer price index, 2018 = 100)

Source: PCBS.

## The private sector is reeling in the West Bank

- 57.** The repercussions of the war in Gaza have extended to the West Bank. There, decreased GDP was led by manufacturing and construction, both of which fell by more than a quarter (see figure 2.3). Financial and insurance activities experienced the least impact, declining by 7.2 per cent. The value of private sector production in the West Bank between 7 October 2023 and the end of January 2024 is estimated to have decreased by more than a quarter (26.9 per cent) relative to the no-war baseline, equivalent to losses of almost US\$1.5 billion, or US\$12.4 million a day (see figure 2.5.A).<sup>85</sup> Micro, small and medium-sized enterprises have borne the brunt of the impacts.
- 58.** A number of factors lie behind these production losses. First, the mission was informed that prior to the war, 30 per cent of industrial production in the West Bank was destined for Gaza, which has now come to a complete stop. Second, the number of checkpoints, roadblocks and barriers in the West Bank has risen considerably, disconnecting markets and cutting some villages off completely, and the number of Israeli military incursions has also increased considerably. These restrictions on movement, which were causing detours and long and uncertain travel times, coupled with an insecure and tense environment, were leading to a significant decline in mobility, thereby reducing demand.<sup>86</sup> Internal trade and the tourism sector, including in Bethlehem where hotel occupancy rates were dismally low, were among the most impacted as a result. Third, workers were not able to reach their workplaces due to the tighter restrictions, leading to lower

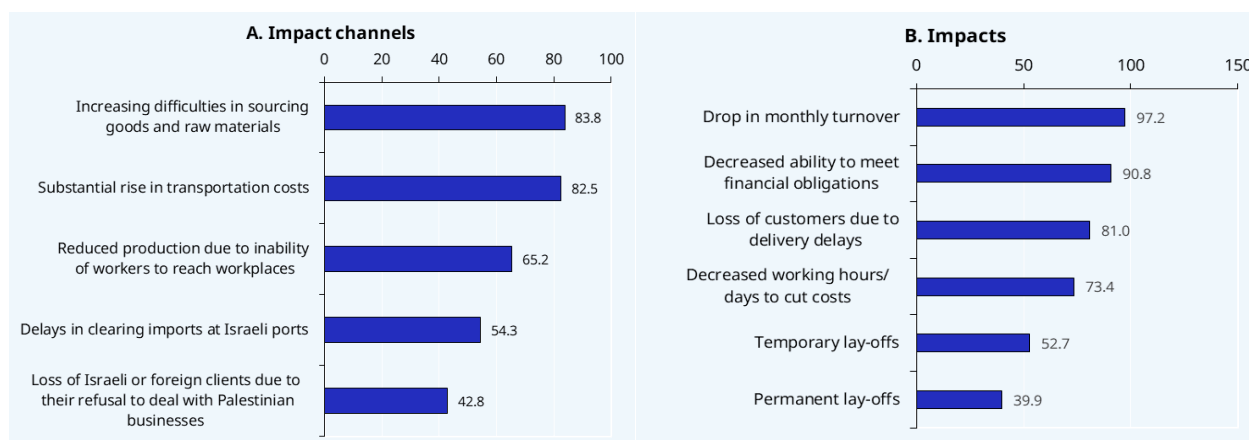
<sup>85</sup> PCBS, "Press Release on the Losses of Private Sector in Palestine Due to the Israeli Occupation Aggression on Gaza Strip", 10 March 2024.

<sup>86</sup> See also Hagar Sharif, "Delayed Ambulances and Traffic Holdups: Israeli Army Blocks Entry to West Bank Villages Since Start of Gaza War", *Haaretz*, 19 March 2024.

production. Fourth, purchasing power in the West Bank has diminished considerably, as a result of many workers who used to work in Israel and the settlements having been without incomes for half a year by the beginning of April 2024 and public sector workers receiving only partial salaries. Shopping in the West Bank by Arab-Israelis, who had previously accounted for important shares of shop sales in some sectors and locations, have contracted significantly, further adversely impacting purchasing power.<sup>87</sup>

59. The information provided by interlocutors is echoed in a survey of 700 enterprises operating in 7 sectors in the West Bank conducted by the ILO in collaboration with the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA) between November 2023 and January 2024. The channels through which the war was impacting their operations include challenges in sourcing goods (83.8 per cent of surveyed enterprises), a substantial rise in transportation costs (82.5 per cent), the inability of workers to reach workplaces due to checkpoints (65.2 per cent), unusual delays in clearing imports at Israeli ports (54.3 per cent) and the refusal of Israeli or foreign companies to deal with Palestinian companies (42.8 per cent) (figure 2.7.A).<sup>88</sup> As a result, nearly all surveyed enterprises reported declines in monthly turnover (97.2 per cent), while 90.8 per cent of enterprises experienced a reduced ability to meet financial obligations. Other impacts include loss of customers due to delivery delays (81.0 per cent of respondents), having to reduce working hours or days (73.4 per cent) and undertaking temporary (52.7 per cent) or permanent lay-offs (39.9 per cent) (figure 2.7.B).

► **Figure 2.7. Impact channels and impacts of the Israel-Hamas war on West Bank enterprises**  
(percentage of respondents)



Source: Data from the ILO/FPCCIA survey on the impact of the war in Gaza on West Bank businesses.

## Clearance revenues have collapsed, leading to an unsustainable fiscal situation of the Palestinian Authority

60. The public finances of the Palestinian Authority were fragile even before the war. Past Reports of the Director-General have noted the frequent, opaque and unilateral changes by Israeli

<sup>87</sup> In the West Bank city of Jenin for example, Arab-Israelis previously accounted for between 40 and 67 per cent of weekend revenues in most retail sectors; USAID, "Impact of Arab-Israeli Shoppers in Jenin and the Northern West Bank", April/May 2009, 12.

<sup>88</sup> Trade with Israel accounted for almost three quarters of total Palestinian trade in 2022, reflecting the dependency of West Bank private sector on Israeli trade routes and businesses; UNCTAD, "Developments in the Economy of the Occupied Palestinian Territory", 11 September 2023, 4–5.

authorities to the monthly deduction from the clearance revenues to be transferred to the Palestinian Authority. With clearance revenues making up two thirds of its revenues, such unilateral deductions not only complicated the day-to-day administration of public finances but also compelled the Palestinian Authority to focus on immediate needs at the cost of longer-term investments in development.

61. Prior to the war, Israeli authorities were deducting an amount equivalent to that which they understood the Palestinian Authority was providing to families of Palestinian prisoners in Israeli prisons and those killed as a result of the violence, in addition to other withholdings (around 150 million shekels a month). Following the eruption of war in Gaza, Israel also began reducing the equivalent of the Palestinian Authority funds that had been earmarked for Gaza, estimated at 600 million shekels a month (approximately US\$165 million).<sup>89</sup> In response, the Palestinian Authority declined to accept any clearance revenue transfers. In late February, an arrangement was made with the Government of Norway to act as an intermediary for the Gaza-related amounts, which allowed the Palestinian Authority to receive at least the amount remaining after the deductions.<sup>90</sup> The amount deducted as the equivalent of the funds earmarked for Gaza will be held by Norway until all parties agree to their release. The sum the Palestinian Authority actually receives after the deductions is, however, woefully inadequate: of the monthly 1 billion shekels due for transfer, the mission was informed that the Palestinian Authority receives only around a quarter, that is, around 250 million shekels. At the same time, the public sector wage bill alone, on a commitment basis, is estimated at 700 million shekels per month.
62. In light of the dire fiscal situation, the Palestinian Authority has undertaken a number of measures, including increasing borrowing from domestic banks, rescheduling public sector loan repayments through a syndicated loan, reducing payments to public sector workers to between 50 and 65 per cent of their salaries and delaying disbursements, and accumulating further arrears to the private sector and the pension fund. The stock of such arrears is projected to have reached 40.9 per cent of GDP at the end of 2023, compared to a pre-war amount of 33.6 per cent of GDP.<sup>91</sup>
63. At the same time, as a result of reduced economic activity in the West Bank, other tax revenues have declined substantially, erasing the gains from reforms that were undertaken in 2023 prior to the war, including those aimed at increasing the tax base and those related to the implementation of the e-VAT system.<sup>92</sup> It is unclear how much longer the Palestinian Authority can continue to operate without a sustainable and predictable context and without a significant uptick in donor grants. Budget support has drastically declined over the last 15 years: it fell from US\$2 billion in 2008 to US\$250 million in 2022.<sup>93</sup> The interplay of declining government expenditure, business investment and consumer demand is perpetuating a downward trajectory of economic activity.

## The Palestinian economy will record another massive hit in 2024

64. The GDP data discussed thus far provides a snapshot of the situation for 2023. The private sector losses and the damages to infrastructure cover the period from 7 October 2023 to the end of January 2024. Given that the war has continued until at least the time of writing of this report,

<sup>89</sup> Ali Sawafta, "Palestinian Authority to Pay Reduced Salaries as Israel Blocks Funds", *Reuters*, 6 February 2024.

<sup>90</sup> Government of Norway, "The Palestinian Authority Has Received Crucial Financial Transfers from Israel", 29 February 2024.

<sup>91</sup> World Bank, *Note on the Impacts of the Conflict in the Middle East on the Palestinian Economy*, February 2024.

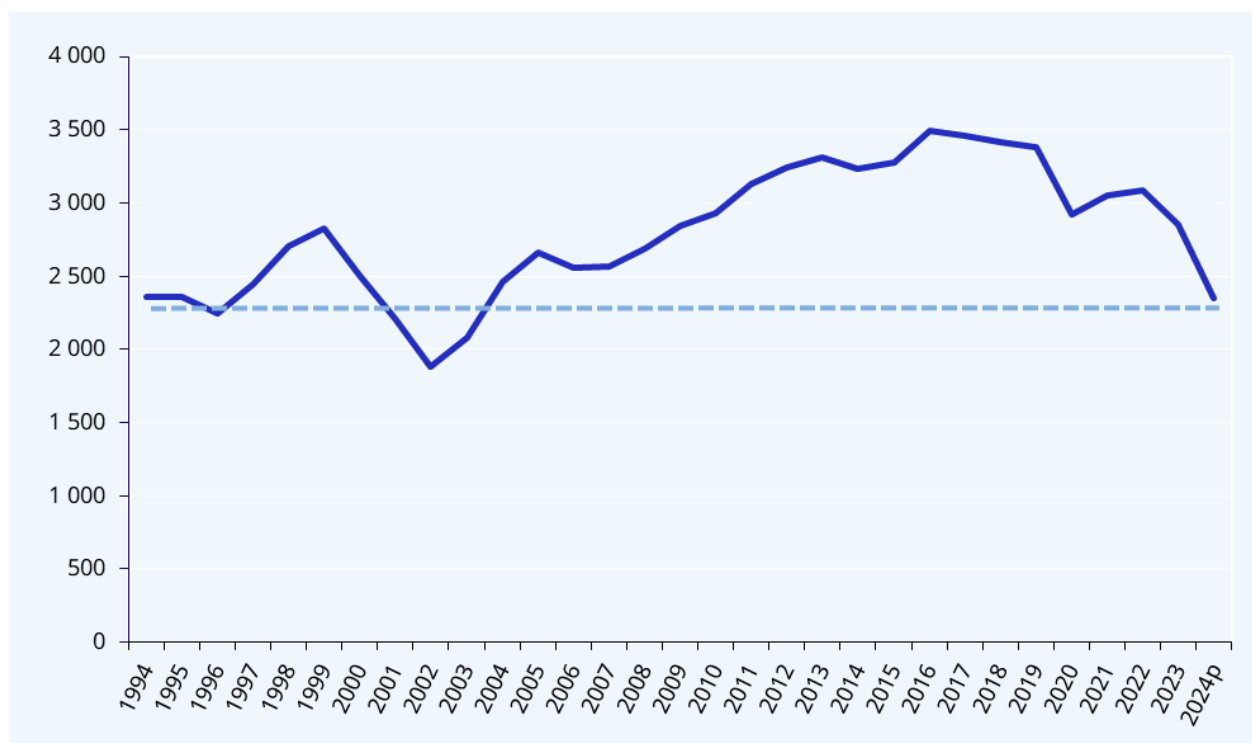
<sup>92</sup> For further information on these reforms, see IMF, *West Bank and Gaza: Report to the Ad Hoc Liaison Committee*, 8 September 2023.

<sup>93</sup> UNCTAD, "Report on UNCTAD's Assistance to the Palestinian People", 25 October 2023.

GDP will continue to take a weighty hit in at least the first two quarters of 2024, and production losses and damages to infrastructure will mount.

65. If the hostilities continue until the end of May 2024, annual GDP in 2024 in the Occupied Palestinian Territory is projected to decline by more than 13.7 per cent. Under such a scenario, GDP per capita is forecast to decline by 16 per cent in 2024, to a level last seen in 2003 during the second intifada (figure 2.8). A ceasefire is needed before reconstruction activities can begin and economic activities can resume. If reconstruction in Gaza does not begin in 2024, the economy of Gaza is forecast to decline by more than 50 per cent in 2024 compared with the previous year.<sup>94</sup>

► **Figure 2.8. Real GDP per capita, Occupied Palestinian Territory, 1994–2024** (constant 2015 US\$)



Note: Fourth-quarter 2023 GDP data on which the annual 2023 figure is based is a flash estimate and subject to revision. The data for 2024 is a projection, indicated by “p”.

Source: ILO and PCBS.

## Labour market developments: Pre-war situation far from healthy

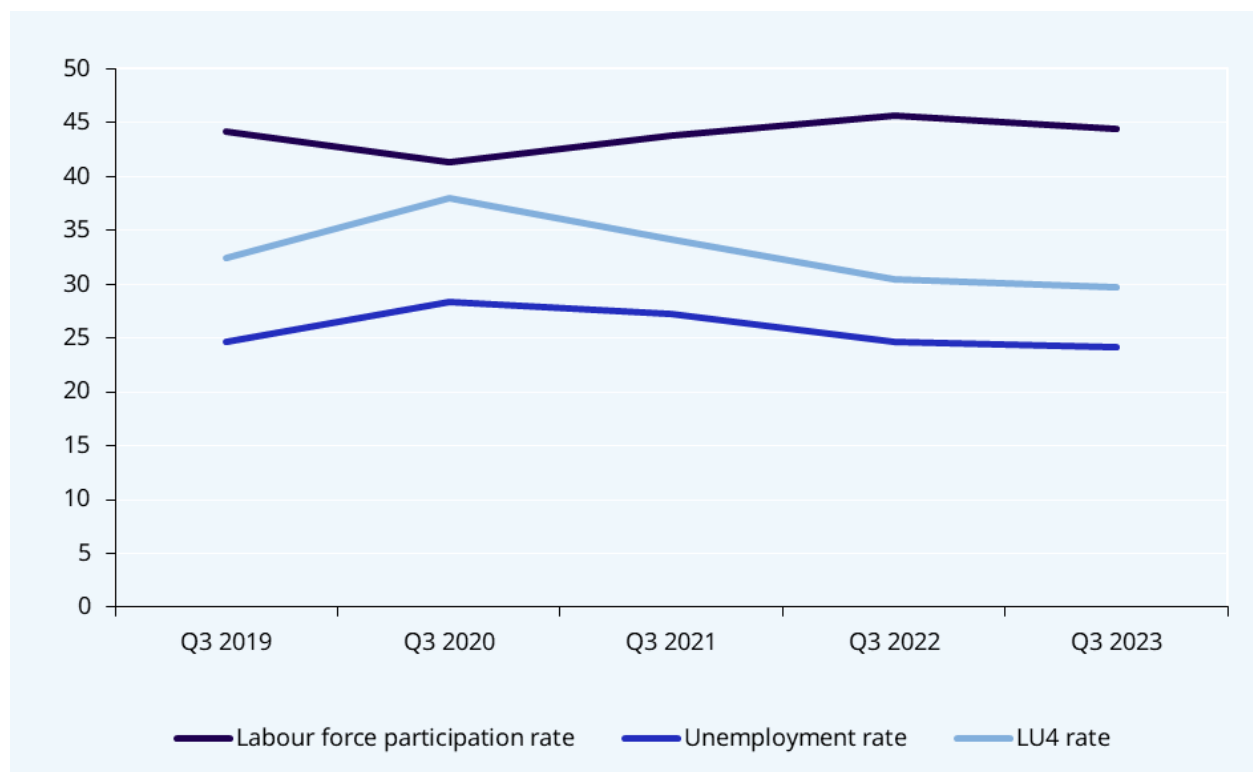
66. While the labour market situation in the Occupied Palestinian Territory prior to the COVID-19 pandemic was among the worst-performing in the world as a result of decades of restrictions on the movement of capital and labour, it was continuing its recovery from the shock of the COVID-19 pandemic in the first three quarters of 2023. Following a rise in the unemployment rate and the LU4<sup>95</sup> rate in 2020, these indicators had seen a steady decrease into 2023 (figure 2.9). However, an increasing number of people joined the labour force, bringing the labour force

<sup>94</sup> World Bank et al., *Gaza Strip – Interim Damage Assessment*, 20.

<sup>95</sup> The LU4 rate is a composite measure of labour underutilization. The measure includes the unemployed, the potential labour force (which includes those persons who wish to work, but existing conditions limit their availability to work or seek employment) and the time-related underemployed (those wanting to work more hours and working fewer than 35 hours per week).

participation rate up to 44.4 per cent in the third quarter of 2023, compared to 41.3 per cent for the same period in 2020.

► **Figure 2.9. Labour force participation, unemployment and LU4 rates, third quarter 2019 to third quarter 2023 (year on year, per cent)**



Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2019–23.

- 67.** Table 2.1 provides a snapshot of the state of the labour market prior to the war in Gaza. As was noted in past Reports of the Director-General, there are stark differences in labour market outcomes between the West Bank and Gaza and by sex. Labour force participation rates were higher in the West Bank compared to Gaza. In both, the labour force participation rate was significantly higher for men than for women.<sup>96</sup> In the Occupied Palestinian Territory overall, the labour force participation rate for women was registered at 17.2 per cent, compared to 71.0 per cent for men. The employment-to-population ratio, which provides a measure of the employment-generating capacity of an economy, was twice as high in the West Bank as in Gaza. Overall, only one in three Palestinians of working age were employed just prior to the war in Gaza. The employment-to-population ratio in the Occupied Palestinian Territory for men was 56.7 per cent, compared to 10.2 per cent for women. For women in Gaza, only 1 out of every 20 working-age women were in employment. Over half (53.0 per cent) of Palestinian workers were in informal employment, with the incidence higher in Gaza (63.4 per cent) than in the West Bank (49.6 per cent) and higher among men (55.1 per cent) than among women (41.0 per cent).

<sup>96</sup> There are multiple reasons why the labour force participation rates of women are significantly below those of men, including an overall stagnation of job growth as a result of the occupation, prevailing social norms and persisting gender inequality. Faced with bleak employment prospects, Palestinian women are often not active in the labour market. Women also have limited access to the Israeli labour market, further restricting their labour market opportunities. For a more detailed discussion, see ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.107/DG/APP, 2018, Chapter 2.

**Table 2.1. Key labour market indicators, third quarter 2023**

	West Bank	Gaza	Occupied Palestinian Territory
<b>Population aged 15+ ('000s)</b>	<b>2 116</b>	<b>1 333</b>	<b>3 450</b>
<b>Labour force ('000s)</b>	<b>1 001</b>	<b>531</b>	<b>1 532</b>
Labour force participation rate – total (%)	47.3	39.8	44.4
Labour force participation rate – men (%)	76.0	62.8	71.0
Labour force participation rate – women (%)	17.6	16.5	17.2
<b>Employment ('000s)</b>	<b>871</b>	<b>292</b>	<b>1 163</b>
Employment-to-population ratio – total (%)	41.2	21.9	33.7
Employment-to-population ratio – men (%)	68.2	38.2	56.7
Employment-to-population ratio – women (%)	13.2	5.3	10.2
<b>Informal employment ('000s)</b>	<b>432</b>	<b>185</b>	<b>617</b>
Informal employment rate – total (%)	49.6	63.4	53.0
Informal employment rate – men (%)	51.3	66.0	55.1
Informal employment rate – women (%)	40.3	44.1	41.0
<b>Unemployment ('000s)</b>	<b>129</b>	<b>240</b>	<b>369</b>
Unemployment rate – total (%)	12.9	45.1	24.1
Unemployment rate – men (%)	10.2	39.2	20.1
Unemployment rate – women (%)	24.9	67.7	40.8
<b>Time-related underemployment ('000s)</b>	<b>8</b>	<b>11</b>	<b>19</b>
<b>Potential labour force ('000s)</b>	<b>7</b>	<b>63</b>	<b>70</b>
LU4 rate – total (%)	14.4	52.8	28.6
LU4 rate – men (%)	11.3	44.4	22.9
LU4 rate – women (%)	27.9	77.2	49.9

Note: Totals may not tally due to rounding.

Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, Third Quarter 2023.

68. Labour underutilization indicators also show similar wide gaps. The unemployment rate and the LU4 rate were more than three times higher in Gaza than in the West Bank. Rates of unemployment and LU4 were also significantly higher for women than for men. The LU4 rate for women in Gaza was a staggering 77.2 per cent. Palestinians in Gaza have long grappled with joblessness and economic hardship.
69. Labour market indicators in the West Bank were propped up by the ability to work in Israel and the settlements. According to the labour force survey of the PCBS, in the third quarter of 2023, some 172,000 workers from the West Bank were employed in Israel and the settlements. The survey also indicated that 5,700 workers from Gaza were employed in Israel and the settlements, bringing the total number of Palestinians employed in Israel and the settlements at that time to around 177,000 workers (table 2.2). However, administrative data from the Israeli Coordinator of Government Activities in the Territories indicated that around 20,000 Palestinians in Gaza had

“economic needs” or “employment” permits required for employment in Israel. The significant under-reporting was likely due to the stigma attached to working in Israel.

**Table 2.2. Palestinian work in Israel and the settlements: Key characteristics**

	2019	2020	2021	2022	Q3 2023	Q4 2023
Employed in Israel and settlements ('000s) *	133	125	145	193	177	22
Employed with work permits ('000s)	95	78	89	113	132	12
Obtained permit from broker ('000s)	43	34	42	59	67	4
Obtained permit without broker ('000s)	52	44	46	53	65	8
Employed without work permit ('000s)	26	24	37	40	38	5
Average monthly fee paid to broker (shekels)	2 360	2 464	2 457	2 429	2 442	3 618
Share of permit-holders paying broker (%)	45.1	43.9	48	52.4	51.2	31.5

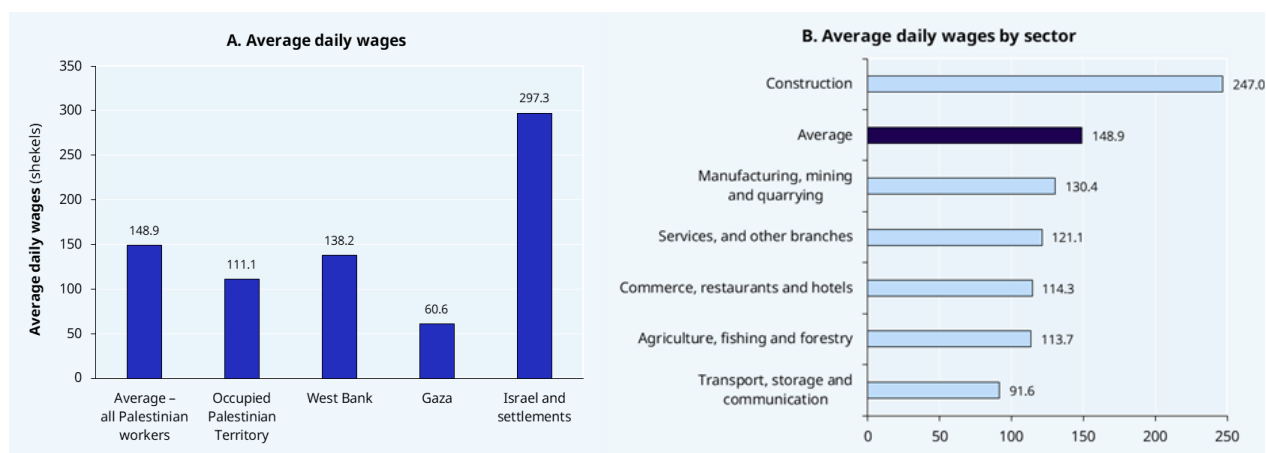
\* Total includes those with an Israeli ID or a foreign passport.

Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2019–23.

70. Among Palestinians employed in Israel and the settlements, before the onset of the war in Gaza three quarters held a permit, which was an increase of 17.0 per cent from the average in 2022. At the same time, the number of undocumented workers fell, and in 2023 accounted for a quarter of all workers employed in Israel and the settlements. More than half of Palestinians paid a broker; the average fee was 2,442 shekels. Three in five Palestinian workers were engaged in construction (64.4 per cent), while manufacturing, mining and quarrying accounted for 13.7 per cent and commerce, restaurants and hotels for 11.5 per cent.
71. Large differentials in wages between the Occupied Palestinian Territory and Israel and the settlements drive Palestinian workers to seek employment across the Green Line. Before the onset of the war, the wages of Palestinian workers in Israel and the settlements were more than double those in the West Bank and almost 5 times higher than in Gaza (figure 2.10.A). Average nominal wages among all Palestinian employees in construction, the highest-paying sector, were 2.7 times higher than in the transport, storage and communications sector, the lowest-paying sector (figure 2.10.B). The wages of Palestinian workers employed in Israel and the settlements, which totalled US\$880 million in the third quarter of 2023, accounted for almost 20 per cent of GDP in the third quarter of 2023.



► **Figure 2.10. Average daily wages by place of work and by sector, third quarter 2023 (shekels)**



Source: ILO estimates based on PCBS, Quarterly Labour Force Survey, Third Quarter 2023.

72. In both the West Bank and Gaza, services and other branches accounted for the largest share of employment, but the share was far higher in Gaza (44.3 per cent, figure 2.11.B) than in the West Bank (27.9 per cent, figure 2.11.A). This was mostly due to public sector employment, which accounted for 33.5 per cent of total employment in Gaza compared to 15.5 per cent in the West Bank. Another notable difference was employment in construction, which accounted for almost a quarter of employment for residents of the West Bank compared to only 5.4 per cent in Gaza. This was a result of employment in the construction sites in Israel and the settlements being available to workers in the West Bank but largely unavailable to those in Gaza.

► **Figure 2.11. Share of employment by sector, West Bank and Gaza, third quarter 2023 (per cent)**



Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, Third Quarter 2023.

## Gaza: A shattered labour market

73. The devastating consequences of the war have meant that the fourth quarter 2023 round of the labour force survey could not take place in Gaza. ILO estimates paint a bleak picture of the labour market impacts of the war in Gaza.<sup>97</sup> Based on the assumptions that 90 per cent of private sector jobs in Gaza have been destroyed, public sector employment has declined by 15 per cent and the

<sup>97</sup> ILO, "Impact of the War in Gaza on the Labour Market and Livelihoods in the Occupied Palestinian Territory", Bulletin No. 3, 18 March 2024, 3.



20,000 jobs in Israel held by Palestinians in Gaza have all been lost, the total of jobs lost in Gaza was estimated at 201,000 as of the end of January 2024. This represents more than two thirds of total employment in the Strip prior to the war and translates into foregone daily incomes in the enclave of US\$3.3 million. These estimates continue to hold as of the end of March 2024.

74. Under the weight of the war, interactions between jobseekers and employers are impossible, as are those between representatives of workers and employers to agree on wages and working conditions. For most workers now, the most pressing issue is getting sufficient food to survive.
75. Most working-age Palestinians in Gaza are either unemployed or inactive and without incomes. However, there is a small number of workers who are employed and at work: those engaged in the humanitarian aid economy, including staff of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and the very limited number of individuals employed in the private sector operating some bakeries and shops. In addition, there are workers who are employed but are not at work: public sector workers who continue to receive partial salaries from the Palestinian Authority. At the margin, profiteers have also emerged to take advantage of the chaos, scarcity and demand for essential goods and services.
76. Gaza has a notably young population, with approximately 40 per cent of its population below the age of 15. Among those of working age (15 years and older), young people aged 15 to 24 account for over 30 per cent of the population – the largest share among ten-year bands. Prior to the war, young people faced considerable challenges, with the incidence of unemployment at 59.3 per cent, compared to the rate of 41.5 per cent for adults aged 25 and older. Young women faced particular difficulties in finding a job, with their unemployment rate at 86.7 per cent. In the third quarter of 2023, the share of young people not in employment, education or training stood at 35.7 per cent. The fact that those rates are considerably lower than unemployment rates point to a large share of the working-age population being in education and training prior to the war. But schools have been closed since October 2023, and every young person in Gaza today is practically neither in employment nor in education or training. Robust empirical evidence underscores the persistent risk associated with being not in employment, education or training today, as it significantly increases the likelihood of remaining or being so in the future.<sup>98</sup> Early interventions are required in order to mitigate the longer-term costs, but cannot take place with the ongoing war.

## West Bank: Yet another shock

77. Hardship is also permeating the labour market of the West Bank. While the fourth quarter of 2023 round of the labour force survey could not be conducted in Gaza due to the war, its results in the West Bank point to a substantial deterioration across most indicators as economic activity slowed.
78. The key findings are as follows. First, the closure of the Israeli labour market has been the key driver of the negative labour market outcomes for Palestinians in the West Bank. They have also been impacted by increased restrictions on the movement of goods and people, and lower spending by the Palestinian Authority. Second, as men accounted for 99 per cent of the Palestinian employment in Israel and the settlements just prior to the war, men have borne the brunt of the employment losses. Third, workers who were earning the highest average wages have been disproportionately impacted, underscoring the large income losses and the negative impact on aggregate demand that has taken place in the West Bank since the onset of the war.

<sup>98</sup> ILO, *Global Employment Policy Review 2023: Macroeconomic Policies for Recovery and Structural Transformation*, 15 May 2023, 62-63.

79. Total employment of Palestinians of the West Bank in the fourth quarter of 2023, which captures the spillover impacts of the war in Gaza, fell by 23.8 per cent (or by 207,000) compared to the previous quarter as a result of workers becoming unemployed or dropping out of the labour force (table 2.3). The employment losses were driven principally by a decline of 155,000 jobs in Israel and the settlements, and have exacerbated the shortage of job opportunities that already existed in the West Bank prior to the war. Men accounted for 97.1 per cent of the job losses.
80. With employment falling, the employment-to-population ratio for men fell by 19.0 percentage points, while the rate for women fell by 0.6 percentage points. The milder labour market impact on Palestinian women in the West Bank is explained by their small share of employment in Israel and the settlements and also by Palestinian women's relatively larger share of employment in the public sector, which in the past years has typically accounted for around one third of total women's employment in the West Bank compared to around one in ten for men. For both women and men, employment in the public sector increased by a small margin in the fourth quarter of 2023; all the job losses took place in the private sector.

**Table 2.3. Key labour market indicators, West Bank, third and fourth quarters of 2023**

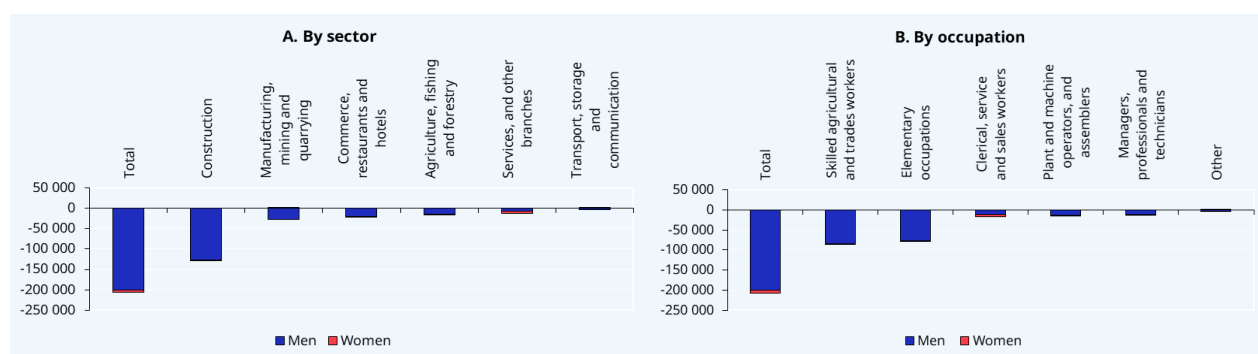
	3rd quarter 2023	4th quarter 2023	Change (% or % point)
<b>Labour force ('000s)</b>	<b>1 001</b>	<b>911</b>	<b>-9.0</b>
Labour force participation rate – total (%)	47.3	42.8	-4.5
Labour force participation rate – men (%)	76.0	68.0	-8.0
Labour force participation rate – women (%)	17.6	16.7	-0.9
<b>Employment ('000s)</b>	<b>871</b>	<b>664</b>	<b>-23.8</b>
Employment-to-population ratio – total (%)	41.2	31.2	-10.0
Employment-to-population ratio – men (%)	68.2	49.2	-19.0
Employment-to-population ratio – women (%)	13.2	12.6	-0.6
<b>Informal employment ('000s)</b>	<b>432</b>	<b>297</b>	<b>-31.2</b>
Informal employment rate – total (%)	49.6	44.8	-4.8
Informal employment rate – men (%)	51.3	46.0	-5.3
Informal employment rate – women (%)	40.3	39.9	-0.4
<b>Unemployment ('000s)</b>	<b>129</b>	<b>246</b>	<b>90.4</b>
Unemployment rate – total (%)	12.9	27.0	14.1
Unemployment rate – men (%)	10.2	27.6	17.4
Unemployment rate – women (%)	24.9	24.6	-0.3
<b>Time-related underemployment ('000s)</b>	<b>8</b>	<b>5</b>	<b>-44.6</b>
<b>Potential labour force ('000s)</b>	<b>7</b>	<b>14</b>	<b>101.6</b>
LU4 rate – total (%)	14.4	28.7	14.3
LU4 rate – men (%)	11.3	29.1	17.8
LU4 rate – women (%)	27.9	26.9	-1.0

Note: Totals may not tally due to rounding.

Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, Third and Fourth Quarters 2023.

81. Informal employment often acts as a buffer and hence often increases during times of distress. During this labour market shock, however, the incidence of informal employment among Palestinians in the West Bank actually decreased, falling to 44.8 per cent in the fourth quarter of 2023, from 49.6 per cent the previous quarter. The job losses in Israel and the settlements again explain this counter-intuitive outcome. Just prior to the war, 50.2 per cent of Palestinians employed in Israel and the settlements were informally employed, <sup>99</sup> and as this group of workers has become unemployed or inactive, the share of informal employment has declined.
82. Around half of those who lost their jobs became unemployed, while the rest became inactive as a result of not looking for a job, including as the Israeli labour market remained closed, or not being available to work. <sup>100</sup> Total unemployment increased by 117,000 in the fourth quarter of 2023, almost tripling the unemployment rate for men from 10.2 per cent the previous quarter to 27.6 per cent. The corresponding rate for women, however, decreased slightly during the same period, from 24.9 per cent to 24.6 per cent. As a result, the large gender gaps that existed across labour underutilization indicators have closed and, in the fourth quarter of 2023, the incidence of unemployment and other forms of labour underutilization was higher for men than for women.
83. As people left the labour force (90,000 individuals), the labour force participation rate for men fell by 8 percentage points while it fell by 0.9 percentage points for women between the third and fourth quarters of 2023. Many who left the labour force continued to be attached to the labour market. The potential labour force – those outside the labour force but who express an interest in working – increased, which increased the composite measure of labour underutilization (LU4 rate) for men from 11.3 per cent in the third quarter of 2023 to 29.1 per cent in the fourth quarter of 2023. The corresponding rate for women decreased by 1 percentage point.
84. Employment losses occurred predominantly in the construction industry, which accounted for more than 60 per cent of the total job losses (figure 2.12.A). Before 7 October, daily average wages in construction, the highest-paying sector, were 89 per cent higher than in the next highest-paying sector (manufacturing). By occupation, skilled agricultural and trades workers and elementary occupations bore the brunt, with each of these occupational groups accounting for at least 35 per cent of the total job losses (figure 2.12.B). Prior to the war, these two occupational groups were also characterized by the highest wages.

► **Figure 2.12. Change in employment between third quarter and fourth quarter 2023, by sex**



Source: ILO estimates based on PCBS, Quarterly Labour Force Surveys, third and fourth quarters 2023.

<sup>99</sup> Many Palestinians employed in Israel and the settlements do not, for example, have a written contract.

<sup>100</sup> In the Labour Force Survey microdata files of the fourth quarter of 2023 received from the PCBS, all individuals temporarily absent from work whose workplace was in Israel and the settlements were classified as unemployed. ILO estimates classify these individuals as inactive (out of the labour force) as there is no information on their job search and work availability – criteria used to define unemployment.

85. The incidence of young people (aged 15–24) not in employment, education or training increased from 25.7 per cent to 30.6 per cent. Prior to the war, the rate for young men in the West Bank (18.9 per cent) was almost half that of young women (32.7 per cent). The rate for young men increased significantly during the fourth quarter of 2023 while the rate for young women fell, such that the rate of young men not in employment, education or training (31.1 per cent) is higher than that of young women (30.0 per cent). The decrease in the rate for young women came as a result of increased employment in the public sector. The rate of unemployment among young people also increased from 24.1 per cent in the third quarter of 2023 to 41.8 per cent in the fourth quarter; the increase was driven entirely by young men, whose unemployment rate doubled from 19.2 per cent to 40.1 per cent, while the incidence of unemployment among young women fell from 52.7 per cent to 51.2 per cent during the same period.
86. According to the PCBS, Palestinian employment in Israel and the settlements declined to 22,000 in the fourth quarter of 2023, from 177,000 the previous quarter (see table 2.2). All sectors experienced declines in employment but the losses were mostly concentrated in the construction sector, which accounted for almost two thirds of Palestinian employment in Israel and the settlements prior to the war. Among the 22,000 still working in Israel and the settlements, construction continued to account for the largest share of employment, but its share decreased to less than half of total employment in Israel and the settlements. Notably, the manufacturing and the transport, storage and communications sectors were impacted the least.
87. Around one in five Palestinians working in Israel and the settlements in the fourth quarter of 2023 were undocumented. The rest had a permit or other authorization to work in Israel and the settlements. Previous Reports of the Director-General have elaborated on the practice whereby Palestinian workers pay brokers for permits that enable them to work legally in Israel. PCBS data indicates that the market for permit brokering is continuing to operate despite the war and the official closure of the Israeli labour market, with around a third of workers obtaining a permit from a broker. Notably, and likely reflecting the rising demand for permits to work in Israel, the average monthly cost of a permit increased by almost 50 per cent to 3,618 shekels in the fourth quarter of 2023, compared to 2,442 shekels the previous quarter. At the same time, the average daily wage of Palestinians working in Israel and the settlements dropped to 259.7 shekels (from 297.3 shekels the previous quarter), indicating that after the deduction of the higher broker fee, these Palestinians have, on average, even less disposable income than prior to the war.
88. Taken together, a picture emerges of significantly reduced labour incomes in the West Bank: as of the end of January 2024, labour income losses were estimated at US\$18 million per day in the West Bank.<sup>101</sup> With one income-earner supporting, on average, six dependants in the Occupied Palestinian Territory, these income losses have significant repercussions on the well-being of families and society at large.

<sup>101</sup> ILO, “Impact of the War in Gaza on the Labour Market and Livelihoods in the Occupied Palestinian Territory”, Bulletin No. 3, 18 March 2024, 4.

## ► Chapter 3. Workers' rights devastated by occupation and war

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89. For many years, the Director-General has emphasized the negative consequences of the Israeli occupation of the West Bank, including East Jerusalem, and Gaza on the social and economic rights of Palestinian workers of the occupied territory. This year, as spiralling violence and the war between Israel and Hamas have further entrenched the occupation, new challenges have built on persisting ones. The negative consequences have devastated workers' rights, including those set out in the international labour standards. The responsibility to protect all human rights is fundamental to international law.

### The mechanics of occupation: Settlement expansion and an explosion of violence

90. Under international law, as the occupying power, Israel has an obligation to respect the basic rights of individuals. In fulfilling its responsibilities to the people of the occupied territory, it is bound by the provisions of international human rights and humanitarian law, including customary international law, and the treaties that it has ratified. Notably, Article 49 of the Fourth Geneva Convention prohibits the transfer by the occupying power of its own nationals into the territory it occupies. The 1980 Conference resolution recognized the economic and social consequences of settlements on the rights of Palestinian workers.
91. Despite the illegality of settlement activity in the occupied territories under international law, settlement expansion has not only continued, but intensified, during the past year.<sup>102</sup> In 2023, a record 12,349 housing units were promoted in settlements in the West Bank, not including East Jerusalem; a record 26 new outposts,<sup>103</sup> illegal under both international and Israeli law, were established; and the retroactive legalization of 15 outposts was advanced.<sup>104</sup> In 2022 in comparison, 4,427 units were promoted<sup>105</sup> and 5 new outposts were established. An unfortunate record was also reached in 2023 in terms of the demolition of Palestinian buildings in the West Bank, including East Jerusalem, by Israeli authorities: 1,177 structures were demolished, displacing over 2,000 Palestinians, the highest number since the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) started keeping records in 2009.<sup>106</sup> In 2022, there had been 954 demolitions and 1,032 displacements.

<sup>102</sup> Office of the United Nations Special Coordinator for the Middle East Peace Process (UNSCO), *Security Council Briefing on the Situation in the Middle East – Report of the Secretary-General on the Implementation of UNSCR 2334 (2016)*, 29th report, 26 March 2024, 1.

<sup>103</sup> Outposts are smaller satellite settlements erected on land privately owned by Palestinians but taken over forcibly by Israeli settlers. In practice, they are the beginnings of a settlement.

<sup>104</sup> Peace Now, *A Good Year for Settlements; a Bad Year for Israel: Summary of Settlement Activity in 2023*, February 2024, 1. Data concerning the number of plans promoted in 2023 for housing units in East Jerusalem settlements is not available. In 2023, tenders were announced for 89 housing units in East Jerusalem and 1,200 housing units in the remainder of the West Bank. Tenders are calls for proposals issued by the Government for the construction of housing units. Only 13 settlements require the process of tenders; in all other settlements, tenders are not required for construction to begin. See Peace Now, "Construction" and "Jerusalem", undated.

<sup>105</sup> Peace Now, "Data – Construction": the data on "promotion" encompasses the number of housing units in plans for settlements that have passed one of the planning stages (approval for deposit or approval for validation).

<sup>106</sup> OCHA, "Breakdown of Data on Demolition and Displacement in the West Bank", accessed on 26 April 2024.

92. In the three months after Israel declared war against Hamas, there was an “unprecedented surge in settlement activities” in the West Bank, including infrastructure support to outposts and settlements.<sup>107</sup> This surge continued into 2024.<sup>108</sup> Reportedly, projects encompassing thousands of housing units were approved or advanced in East Jerusalem in the six months since the start of the war in Gaza.<sup>109</sup> By the end of March, 2024 was already the year with the highest number of hectares of Palestinian land declared to be state land, and so no longer available to Palestinians, at double the previous high of 1999.<sup>110</sup> Of the 21 Palestinian communities displaced in 2023, 16 displacements occurred between October and December.<sup>111</sup> Over half of the 31 Palestinian-owned homes demolished on punitive grounds in 2023 following alleged attacks on Israelis carried out by family members were demolished between October and December 2023.<sup>112</sup> Collective punishment and forced displacement of civilians are prohibited under international law.<sup>113</sup>
93. There are distressing new records for the number of people killed or injured in the past year due to violence. During 2023, 509 Palestinians were killed and 13,021 Palestinians were injured in the West Bank in the context of occupation and conflict, surpassing the 2022 figures, which had been the highest since OCHA started keeping records in 2008.<sup>114</sup> Fatalities among Israelis in the West Bank also reached a new high in 2023: 30 Israelis killed and 185 Israelis injured in the context of occupation and conflict in the West Bank. These numbers are of course dwarfed by the estimates of the number of Palestinians and Israelis killed or injured in Gaza and southern Israel on and since 7 October 2023. By the end of March 2024, it was estimated that over 32,600 Palestinians resident in Gaza had been killed, over 75,000 Palestinians had been injured, and over 1.7 million Palestinians had been internally displaced.<sup>115</sup> In the same period, it was estimated that over 1,450 Israelis and foreign nationals had been killed, over 7,000 Israelis and foreign nationals had been injured, and 134 hostages remained in captivity in Gaza.<sup>116</sup> In addition, according to the Aid Worker Security Database, a total of 203 international and national humanitarian staff were killed from the beginning of the war in Gaza until 1 April 2024.<sup>117</sup> This included the deaths of more than 170 women and men working for UNRWA, the largest number of deaths of UN staff in the Organization’s history.<sup>118</sup>

<sup>107</sup> Peace Now, *Unmatched Surge in Settlement Activity in the West Bank Since the Onset of the Gaza War*, Special Report – Settlement Watch Team, 4 January 2024, 1.

<sup>108</sup> For example, Peace Now: “Israel Expands Shilo Settlement’s Jurisdiction to Legalize the Ahiya Outpost”, 27 March 2024; “Government Announces Fast-Tracking of Planning and Execution for Gush Talmonim Road – Route 443”, 25 March 2024; “The Israeli Government Promotes a New Settlement in the West Bank”, 28 February 2024.

<sup>109</sup> Jason Burke, “Revealed: Israel Has Sped Up Settlement-Building in East Jerusalem Since Gaza War Began”, *Guardian*, 17 April 2024.

<sup>110</sup> Peace Now, “The Government Declares 8,000 Dunams in the Jordan Valley as State Lands”, 22 March 2024.

<sup>111</sup> Peace Now, *A Good Year for Settlements*, 2.

<sup>112</sup> BTSelem, “House Demolitions: Demolition of Houses as Punishment”. This is compared with totals of 11 in 2022 and 3 in 2021.

<sup>113</sup> Articles 33 and 49 respectively of the Fourth Geneva Convention.

<sup>114</sup> OCHA, “Data on Casualties”, accessed on 26 April 2024.

<sup>115</sup> OCHA, “Hostilities in the Gaza Strip and Israel – Reported Impact: Day 175”, 29 March 2024. These numbers do not distinguish between soldiers and civilians killed or injured.

<sup>116</sup> OCHA, “Hostilities in the Gaza Strip and Israel – Reported Impact: Day 175”, 29 March 2024. These numbers include fatalities and injuries on and immediately after 7 October 2023, as well as soldiers killed or injured since the start of the Israeli ground operation.

<sup>117</sup> The Aid Worker Security Database is available at: <https://www.aidworkersecurity.org/incidents>.

<sup>118</sup> UN, “Secretary-General’s Statement to the Press – on the Middle East”, 15 January 2024.



## Workers' rights in Gaza: War and humanitarian need

94. Last year, the Director-General reported that the profound need of Palestinian workers in Gaza generated by the long-standing land, sea and air blockade made them vulnerable to exploitation, so that they often agreed 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. Such need has since been amplified by the onset of the war and the imposition of a complete siege.<sup>119</sup>
95. Interlocutors from Gaza indicated widespread destruction of workplaces and mass displacement of ILO constituents. Workers and employers alike described having no alternative but to spend their days seeking food and water for their families. Employers sheltering in Rafah explained that the factories, warehouses and equipment they had left behind, including some that the mission had visited in previous years, had often been destroyed by shelling. The Ministry of Women's Affairs stated that over 90 per cent of businesses employing women had been shut down or destroyed in the Gaza Strip. Projects supported by the Palestinian Employment Fund were suspended due to the destruction of assets, lack of electricity, and conditions of great personal need. University lecturers, unpaid since the early months of the war, described participating in unpaid work and developing projects to provide legal assistance to fellow displaced persons. The few workers remaining in formal employment, unable to carry out their normal functions, worked in extremely difficult conditions providing basic services and distributing aid. Medical teams, such as those operated by the Palestinian Medical Relief Society, worked under considerable individual threat and in challenging conditions, including in tents.
96. The resulting almost complete regression to informal or unpaid work has had an enormous impact on the labour rights of workers in Gaza, including the fundamental principles and rights at work. Deficits in freedom of association that were evident before the war have been amplified. A genuinely free and independent trade union movement cannot develop in a climate of violence and uncertainty.<sup>120</sup> Freedom of association is one of the primary safeguards of peace and social justice.<sup>121</sup>
97. All workers and employers were at great physical and mental health risk. Women were particularly affected, bearing the practical and emotional burden of the current lack of healthcare, childcare and education for children in Gaza. Interlocutors profoundly regretted that their children were now obliged to engage in informal work, seeking food or bartering items of humanitarian aid for other essential needs such as medicines, tents or warm clothing. War and crisis situations increase vulnerability to all labour law abuses, including to forced labour.
98. Ground, sea and air operations and clashes have decimated Gaza's agriculture and fisheries. Since the start of the war, Israeli-enforced "access-restricted areas" along the perimeter fence and coast of Gaza have been expanded into a wider buffer zone. The mission was informed of numerous incidents when fishers were chased, detained and shot at by Israeli security forces and their boats and equipment were seized or damaged, even before October 2023. Since the war started, complete restrictions have been imposed on access to the sea. With most assets and

<sup>119</sup> Emanuel Fabian, "Defense Minister Announces 'Complete Siege' of Gaza: No Power, Food or Fuel", *Times of Israel*, 9 October 2023; and Jeremy Sharon, "Amid Concern for Humanitarian Situation, How Much Water and Power Does Gaza Have?", *Times of Israel*, 28 October 2023.

<sup>120</sup> ILO, *Freedom of Association – Compilation of Decisions of the Committee on Freedom of Association*, sixth (revised) edition, 2018, para. 86.

<sup>121</sup> ILO, *Freedom of Association – Compilation of Decisions and Principles*, para. 47.



infrastructure relevant for the agricultural sector damaged or destroyed, vegetable and animal production has virtually ceased. Large numbers of greenhouses, wells, barns, agricultural warehouses, shelters for animals and entire farms have been damaged or destroyed.<sup>122</sup> Agricultural buildings that are still standing are usually inhabited by desperate people. It is estimated that up to 70 per cent of livestock in Gaza have been killed or prematurely slaughtered to meet immediate food needs.<sup>123</sup> The mission was informed that no boats in the Gaza port remained usable and that fish farming cages, fishing equipment, and plants producing ice to preserve the catch had been destroyed in bombardments early in the war. Fisheries and aquaculture have collapsed.

99. As the United Nations Secretary-General said in October 2023, even war has rules.<sup>124</sup> Pursuant to Article 55 of the Fourth Geneva Convention, Israel has the duty of ensuring the food and medical relief supplies of the population of Gaza. Pursuant to Article 53, Israel is prohibited from destroying real or personal property belonging individually or collectively to private persons, the State, other public authorities, or social or cooperative organizations. Customary international humanitarian law requires constant care to be taken to spare civilians and civilian objects through the requirements of distinction, proportionality, and precautions in attack. Medical and humanitarian relief personnel must be respected and protected. In March 2024, the Security Council emphasized the urgent need to expand the flow of humanitarian assistance to, and reinforce the protection of, civilians in the entire Gaza Strip and reiterated its demand for the lifting of all barriers to the provision of humanitarian assistance at scale.<sup>125</sup>

## Workers' rights in the West Bank: The impact of settlement expansion and restrictions on movement

100. Events in Gaza have reverberated throughout the Occupied Palestinian Territory and Israel, impacting on the rights of workers of the West Bank, including East Jerusalem. The mission received statements from numerous interlocutors evidencing a spike in restrictions on movement, violence associated with the occupation, and the unequal application of rules. The interplay between these elements has continued to impact on workers' rights.

### Physical and bureaucratic restrictions on movement

101. During 2023, Israeli authorities implemented stringent restrictions on movement within and between almost all Palestinian towns, villages and cities in the West Bank. In August, OCHA documented over 600 physical obstacles in the West Bank.<sup>126</sup> Many previously closed or unstaffed checkpoints had been reinstated and there had been a rise in the number of roadblocks and soldiers present throughout the West Bank.<sup>127</sup>

<sup>122</sup> Food and Agriculture Organization of the United Nations (FAO), [“Overview of the Damage to Agricultural Land and Infrastructure Due to the Conflict in the Gaza Strip as of 15 February 2024”](#).

<sup>123</sup> FAO, [“Projected Famine in Gaza: FAO Urges Immediate Access to Deliver Urgent and Critical Assistance at Scale”](#), 18 March 2024.

<sup>124</sup> UN, [“‘Even War Has Rules’, Secretary-General Tells Security Council, Demanding All Parties in Middle East Uphold International Humanitarian Law, Unrestricted Aid for Gaza”](#), press release, 24 October 2023.

<sup>125</sup> UN Security Council, [resolution 2728 \(2024\)](#), adopted by the Security Council at its 9586th meeting, on 25 March 2024, para. 2.

<sup>126</sup> OCHA, [“Movement and Access in the West Bank – August 2023”](#).

<sup>127</sup> MachsomWatch, [Annual Report 2023](#), 20 March 2024, 3–4.

- 102.** From early October, Israeli security forces implemented an additional 114 access and movement restrictions in the West Bank and changed the status of pre-existing obstacles.<sup>128</sup> Roads linking Palestinian neighbourhoods lying outside the Separation Barrier with the rest of East Jerusalem were closed fully or partially for some weeks.<sup>129</sup> Palestinian NGOs estimated that 968 temporary checkpoints were established inside and between West Bank villages, in addition to permanent checkpoints, in early 2024.<sup>130</sup> Since the war began, Palestinians have been barred from an increased number of West Bank roads connecting the settlements to each other and to Israeli urban centres.<sup>131</sup>
- 103.** As a result, access to services and workplaces, including farmland in the “seam zone”,<sup>132</sup> has been disrupted and markets and population centres have been isolated from one another. One Israeli NGO estimated that Palestinians have been cut off from at least 25,000 acres of pastures and farmland since 7 October 2023.<sup>133</sup> Six months after the start of the war, nearly all Palestinian municipalities have some, or even many, access roads still sealed off.<sup>134</sup> Access restrictions have prevented the harvesting of crops in the seam zone, in the area bordering the Separation Barrier, and in areas near settlements.<sup>135</sup> A full, one-month curfew was imposed in the H2 area of Hebron, in which Palestinians were prevented from leaving and shops were ordered to close.<sup>136</sup> In the Palestinian village of Huwara, all petrol stations, bakeries, banks and shops were closed by Israeli military order, and access to certain roads was limited so that journeys that had taken a few minutes now took many hours.<sup>137</sup>
- 104.** In almost every meeting with West Bank-based interlocutors, the mission was informed that increased and unpredictable movement restrictions meant workers were unable to access their workplaces. Israeli restrictions on movement within the West Bank resulted in approximately 67,000 workers employed in governorates outside their place of residence no longer being able to reach their workplaces.<sup>138</sup> This included the ILO’s own national staff, for the most part unable to travel between Jerusalem and the rest of the West Bank. Some Palestinians previously living in the northern West Bank but employed in Ramallah were reported to have moved to the Jalazone

<sup>128</sup> OCHA, “West Bank Access and Movement – December 2023”, 15 December 2023, and “Hostilities in the Gaza Strip and Israel: Flash Update #152”, 12 April 2024.

<sup>129</sup> HaMoked, “Following High Court Petition by HaMoked, ACRI and Ir Amin: Israel Takes Steps to Resume Regular and Full Movement Via the Qalandia Checkpoint”, 7 February 2024.

<sup>130</sup> Al Haq, Al Mezan, Palestinian Centre for Human Rights, “Report on Israel’s Crimes and Violations of Palestinians’ Rights in the West Bank in January and February 2024”, 22 March 2024.

<sup>131</sup> B’Tselem, “Israel Is Drastically Restricting Movement in the West Bank Since the Start of the Gaza War, Disrupting the Lives of 2 Million Palestinians”, 20 March 2024. See also Applied Research Institute Jerusalem, “The Instigation of Apartheid Roads Era: Israel Blocks Palestinian Movement Inside West Bank Governorates”, 18 October 2023.

<sup>132</sup> The “seam zone” is the area in the West Bank between the Separation Barrier and the Green Line, designated by the Israeli military as closed to Palestinians. The “Green Line” is the Armistice Line between Israel and the West Bank, in place since 1949.

<sup>133</sup> Gideon Levy and Alex Levac, “While War Rages in Gaza, the West Bank Has Undergone a Metamorphosis”, *Haaretz*, 30 March 2024, referring to Kerem Navot.

<sup>134</sup> Levy and Levac, “While War Rages in Gaza”.

<sup>135</sup> OCHA, *Olive Harvest 2023: Hindered Access Afflicts Palestinian Farmers in the West Bank*, 22 February 2024. 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 of 20 July 2004.

<sup>136</sup> MachsomWatch, *Annual Report 2023*, 3.

<sup>137</sup> Peter Beaumont, “We Can’t Even Cross: The West Bank Town Split in Two by Israel”, *Guardian*, 9 November 2023.

<sup>138</sup> ILO, “Impact of the Israel-Hamas Conflict on the Labour Market and Livelihoods in the Occupied Palestinian Territory”, Bulletin No. 1, 6 November 2023, 5.

refugee camp to avoid the extended commute. Women in the West Bank felt particularly vulnerable at checkpoints. Employers explained that they could not predict how many workers would be able to get to work on any given day; that, faced with long delays at checkpoints, truck drivers were often unwilling to transport products or charged highly inflated prices; and that customers could not access commercial and tourism enterprises.

## Impact of violence on work and livelihoods

- 105.** A climate of violence in the West Bank, including East Jerusalem, has seriously hampered the implementation of labour rights for many years. The upsurge in violence in 2023 by both Israeli security forces and settlers accelerated even further after 7 October. The mission was informed that during 2023 there had been 11,745 military incursions in the West Bank, amounting to an average of 32 incursions per day. Over 1,000 of these were in refugee camps, including an extensive operation involving multiple drone strikes and more than 1,000 ground troops in the Jenin refugee camp in July.<sup>139</sup>
- 106.** Settler violence has been increasing across the West Bank for many years, culminating in three settler-related incidents per day on average in the first eight months of 2023, compared to an average of two per day in 2022 and one per day the year before.<sup>140</sup> Since 7 October 2023, Israeli settlers have been increasingly armed, and at times wear army uniforms.<sup>141</sup> Settlers have been drafted into battalions serving near their own settlements, making it unclear in which capacity they are acting. Some 7,000 weapons have been distributed to the battalions and selected civilian settlers.<sup>142</sup> There were more than 700 incidents of settler violence between October 2023 and the end of March 2024, which included instances of settlers setting fire to vegetable stalls and Bedouin animal shelters, throwing stones at herders, and killing or confiscating livestock.<sup>143</sup> Settlers are rarely prosecuted for killing Palestinians in the West Bank.<sup>144</sup>
- 107.** The increased violence decimated the 2023 olive harvest in the West Bank, resulting in the loss of US\$10 million worth of olive oil.<sup>145</sup> In over 100 harvest-related cases, settlers attacked Palestinians, damaged olive trees, or stole crops and tools.<sup>146</sup> Farmers were beaten and crops and homes were set alight.<sup>147</sup> In October, a 29-year-old Palestinian worker was killed by a settler while harvesting olives near Nablus.<sup>148</sup> On at least 38 occasions, Israeli forces accompanied the attackers or the attackers were wearing military uniforms.<sup>149</sup>
- 108.** East Jerusalem has long been a flashpoint for conflict, with fear of violence impacting labour rights. In the fraught context following 7 October 2023, many Palestinians were wary of travelling

<sup>139</sup> OCHA, "[Humanitarian Activities Implemented Following the Israeli Forces' Operation in Jenin](#)", 26 July 2023.

<sup>140</sup> OCHA, "[Displacement of Palestinian Herders Amid Increasing Settler Violence](#)", 21 September 2023.

<sup>141</sup> Shlomit Steinitz and Natanya Ginsburg, "[Etzion DCO](#)", *MachsomWatch report*, 18 March 2024.

<sup>142</sup> Hagar Shezaf, "[Israel's Army Drafted and Armed Thousands of Settlers. Accounts of Their Violence Are Piling Up](#)", *Haaretz*, 17 January 2024.

<sup>143</sup> See, for example, OCHA, "[Hostilities in the Gaza Strip and Israel: Flash Update #149 – Mapbox](#)", 3 April 2024; UNRWA, "[UNRWA Situation Report #99 on the Situation in the Gaza Strip and the West Bank, Including East Jerusalem](#)", 4 April 2024.

<sup>144</sup> Yesh Din, "[Data Sheet, December 2023: Law Enforcement on Israeli Civilians in the West Bank \(Settler Violence\) 2005-2023](#)", 21 January 2024.

<sup>145</sup> Nina Lakhani, "[Israel Is Deliberately Starving Palestinians, UN Rights Expert Says](#)", *Guardian*, 27 February 2024.

<sup>146</sup> OCHA, "[Olive Harvest 2023: Hindered Access Afflicts Palestinian Farmers in the West Bank](#)", 22 February 2024.

<sup>147</sup> MachsomWatch, "[Annual Report 2023](#)", 5.

<sup>148</sup> OCHA, "[Olive Harvest 2023](#)".

<sup>149</sup> OCHA, "[Olive Harvest 2023](#)".

to their jobs in East Jerusalem, and shops and small businesses closed. Public transportation companies have reported that only 40 per cent of drivers from East Jerusalem were working, due to a surge of hostility and instances of threats and violence.<sup>150</sup>

## Unequal application of rules

- 109.** For a number of years, Reports of the Director-General have noted that the way in which rules and laws are applied in the West Bank, including East Jerusalem, systematically discriminate against Palestinians. For example, benefits and incentives offered to settlers in the West Bank are not available to their Palestinian neighbours; 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; and the sophisticated infrastructure supporting the settlements includes a network of roads some of which are only available to Israelis and those with Israeli military permits.
- 110.** During 2023, discriminatory practices in relation to water use had implications for agriculture and business. While almost all Israeli settlers enjoy running water daily, only 36 per cent of Palestinians living in the West Bank do.<sup>151</sup> Israeli authorities demolished almost the same number of Palestinian water installations between January and July 2023 as they had in all of 2022.<sup>152</sup> In August 2023, Israel's national water company explained a two-month disruption of the water supply to Bethlehem and Hebron, even as nearby settlements had a continued water supply, as a technical problem.<sup>153</sup>
- 111.** Another long-standing example of unequal treatment concerned the availability of permits for structures in the West Bank. Two thirds of all state-sanctioned demolitions of Palestinian-owned structures in the West Bank, including East Jerusalem, were attributed to the lack of Israeli-issued permits, which are almost impossible for Palestinians to obtain.<sup>154</sup> The mission notes that, in contrast, steps have been taken recently to legalize a number of illegal Israeli outposts rather than subject them to forcible demolition orders. Almost half of the Palestinian-owned structures demolished by the Israeli authorities in 2023 had been used for agriculture or other livelihood purposes. The inability to obtain permits for construction has had a particularly severe impact on farming communities in the Jordan Valley, where agriculture is constrained without recourse to modern techniques. Representatives of Oxfam informed the mission that donor-funded irrigation infrastructure was destroyed in a Jordan Valley farming community which the mission had visited previously. Similarly, the Israeli NGO Legal Aid for Palestinians brought legal actions in relation to confiscations by the Israeli security forces of farming equipment such as tractors and trucks in which military regulations were not followed. There have also been reports of cattle being confiscated from Palestinian shepherds, who were required to pay an illegal fee for their restitution.<sup>155</sup>

<sup>150</sup> Daniel Schmil and Simi Spolter, "Threats, Violence and Racist Remarks: Israel Sees Surge of Hostility Against Arab Workers", *Haaretz*, 30 October 2023.

<sup>151</sup> B'Tselem, *Parched: Israel's Policy of Water Deprivation in the West Bank*, April 2023, 7.

<sup>152</sup> *Haaretz/Associated Press*, "As Israeli Settlements Thrive, Palestinian Taps Run Dry. The Water Crisis Reflects a Broader Battle", 19 August 2023.

<sup>153</sup> *Haaretz/Associated Press*, "As Israeli Settlements Thrive, Palestinian Taps Run Dry"; Applied Research Institute Jerusalem, "Position Paper: The Consequences Arising from the Reduction in the Daily Water Supply to Bethlehem and Hebron Governorates by the Israeli National Water Company, 'Mekorot'", 18 July 2023.

<sup>154</sup> OCHA, "Breakdown of Data on Demolition and Displacement in the West Bank".

<sup>155</sup> Levy and Levac, "While War Rages in Gaza, the West Bank Has Undergone a Metamorphosis".

- 112.** Another enduring example of the unequal application of laws concerns ownership of buildings in East Jerusalem. Pursuant to the Legal and Administrative Matters Law of 1970, Israelis may reclaim ownership of properties in East Jerusalem that was lost in 1948, but the law has not been applied to Palestinian landowners who lost properties in the same circumstances in West Jerusalem. In April 2024, having previously delayed their eviction, the Israeli Supreme Court rejected a Palestinian family's appeal against an earlier decision to evict them from their property in Silwan in East Jerusalem pursuant to this law.<sup>156</sup>

## Palestinian workers in the Israeli labour market: The impact of war against Hamas on Palestinian workers' rights

- 113.** The issue of Palestinians working in the Israeli labour market was again raised in almost all meetings during the mission, although this year it was to note the debilitating impact of the Israeli decision to close its labour market to Palestinians. Some 177,000 Palestinians from the West Bank and Gaza had worked in Israel and the settlements just prior to the war in Gaza, whether on work permits, on other entry permits, or having entered illegally. Six months later, only a fraction of that number still worked in Israel.

### After 7 October 2023: Palestinian workers from Gaza

- 114.** On a weekend at the end of a Jewish holiday period, some 13,000 Palestinians from Gaza were in Israel at the time of the devastating attack by Hamas and outbreak of war on 7 October 2023. These workers had entered legally in the days or weeks prior, on work, economic needs or other entry permits, ready for the work week to start the next day. On 10 October 2023, the Israeli authorities revoked all permits allowing Palestinians from Gaza to work legally in Israel. As a result, the 13,000 Palestinian workers from Gaza in Israel at that time became illegal aliens.
- 115.** In the following days, the Israeli security forces arbitrarily detained an unknown number, estimated to be around 4,000, of those workers in Israeli military facilities.<sup>157</sup> The mission spoke with some of these workers, whose accounts tally with what has been reported by several international, Palestinian and Israeli NGOs.<sup>158</sup> The workers described disturbing physical and psychological abuse and overcrowded conditions. Strip-searched, blindfolded and cuffed, they received limited food and access to toilets.<sup>159</sup> Subjected to long interrogations and denied legal advice,<sup>160</sup> after around 20 days they were delivered to the south of Gaza without their identity

<sup>156</sup> Peace Now, "The Supreme Court Ordered the Eviction of a Palestinian Family from Batan Al-Hawa", 16 April 2024.

<sup>157</sup> Yonah Jeremy Bob, "Israel Holding Some 6,000 Palestinian Prisoners, 'Unlawful Combatants'", *Jerusalem Post*, 2 November 2023.

<sup>158</sup> The mission was informed of testimonies from detainees received by other international organizations and Palestinian and Israeli NGOs, including those gathered by Al Haq and by Gisha, for example, Gisha: "Testimonies by Two Brothers, Workers from Gaza, about Their Unlawful Detention by Israel", 14 December 2023; Al Haq, "After Receiving Harrowing Testimonies from Released Palestinian Detainees: Our Organisations Condemn Israel's Acts of Torture and Abuse against Hundreds of Arbitrarily Detained Palestinians from Gaza", 12 December 2023; HaMoked, "Six Human Rights Organizations in High Court Petition against Secret and Illegal Detention of Thousands of Palestinian Permit-Holders from Gaza", 23 October 2023; Human Rights Watch, "Israel: Gaza Workers Held Incommunicado for Weeks", 3 January 2024; Office of the UN High Commissioner for Human Rights (OHCHR), *Human Rights Situation in the Occupied Palestinian Territory, Including East Jerusalem, and the Obligation to Ensure Accountability and Justice – Report of the United Nations High Commissioner for Human Rights*, A/HRC/55/28, 4 March 2024, para. 77.

<sup>159</sup> See also Hagar Shezaf and Chen Maanit, "Gazan Workers Describe Inhuman Treatment at Israeli Detention Centers Since Outbreak of War", *Haaretz*, 26 October 2023; Gisha, "Thousands of Palestinian Permit-Holders from Gaza are Being Held in Israel Secretly and Illegally", 26 October 2023; Wendell Steavenson, "Thousands of Gazans Are Stranded in Israel and the West Bank", *Economist*, 9 November 2023.

<sup>160</sup> See also Gisha, "Thousands of Palestinian Permit-Holders from Gaza Are Being Held in Israel Secretly and Illegally", 24 October 2023.



cards, money or mobile phones.<sup>161</sup> Deprived of what was often several weeks of wages in cash, they were now living in desperate situations in tents in Rafah. Israeli NGOs, including MachsomWatch and Gisha, are still engaged in seeking the restitution of the property of many detainees. The mission was informed that two workers from Gaza had died in Israeli detention, apparently due to the denial of medical care for pre-existing conditions, and others remain unaccounted for.<sup>162</sup>

- 116.** Another approximately 8,000–9,000 of the Palestinian workers from Gaza in Israel at the time of the 7 October attacks made their way to the West Bank, from where approximately 4,000 subsequently returned to Gaza. At the time of the Director-General's mission, some 5,000 workers remained. The mission met with a 28-year-old construction worker from Gaza who, together with his father, had been working in Tel Aviv when Hamas attacked Israel on 7 October 2023. Unable to return home, he remained in Israel supported by his employer for some weeks. On the telephone to his wife, he heard the shelling that killed her, their three children and his mother, siblings, nieces, nephews and in-laws. The worker, dignified in his profound grief, was now sheltering with his father in the West Bank while waiting to return to Gaza to bury his family, some of whom remained under the rubble.
- 117.** Interlocutors referred to continuing raids by Israeli security forces throughout the West Bank and Israel, in which former workers from Gaza were arrested and subsequently detained. The mission was informed that some hundreds of Palestinian workers from Gaza could still be working in Israel.
- 118.** In March 2024, it was reported that Israel's internal security service had found no proof that the workers from Gaza who had worked in Israel prior to the attack had provided information to Hamas about the Israeli communities subsequently targeted.<sup>163</sup> It was concluded that the workers who had been interrogated had not passed information to Hamas as a result of their work in Israel.

## After 7 October 2023: Palestinian workers from the West Bank

- 119.** Amid increasing tension, Palestinian workers from the West Bank who were in Israel on 7 October 2023 made their way home to the West Bank. As a general rule, from that point, they have not been allowed to enter Israel. While in most cases their employment relationship continues – and their permit and place on the quota of Palestinians approved for entry remain valid and operational – Palestinian workers can no longer access their workplaces due to Israeli concerns over security.
- 120.** However, there are exceptions to the general rule that Palestinians have been barred from entering Israel since 7 October 2023. A Government Circular on 18 October 2023 confirmed that Palestinians could continue working in health and care homes, the Atarot industrial area, essential industry and services, and in hotels hosting Israeli internally displaced persons. Estimates suggest that some 10,000 Palestinians may fall into this category. The construction and agriculture sectors, where the majority of Palestinian workers had been employed previously, are explicitly excluded.

<sup>161</sup> See also Bethan McKernan and Rory Carroll, "Israel Deports Thousands of Stranded Palestinian Workers Back to Gaza", *Guardian*, 3 November 2023.

<sup>162</sup> Hagar Shezaf, "Six Palestinians Have Died in Israeli Prisons During the War, Two Found Bruised", *Haaretz*, 9 December 2023.

<sup>163</sup> *Times of Israel*, "Report: Shin Bet Debunks Idea that Gazan Workers Spied En Masse for Hamas Pre-Oct. 7", 4 March 2024.

- 121.** Another 10,000–20,000 Palestinians are estimated to still be working in settlements in the West Bank. An unknown number of Palestinians, either in addition to or included within the previous categories, are working for the Israeli security forces in essential services, including repairing the security fence around Gaza,<sup>164</sup> and on other permits allowing unfettered access to Israel. Finally, many interlocutors believed that more than 20,000 – and perhaps up to 40,000 – undocumented workers may still be working in Israel, crossing through the holes in the Separation Barrier,<sup>165</sup> with reports of workers wounded or arrested while attempting to cross the Barrier in recent months.<sup>166</sup>
- 122.** The long-standing difficulties for Palestinians working in Israel to access their social security rights have continued. Palestinians have never been entitled to Israeli unemployment benefits. With an ongoing employment relationship, they are not entitled to severance pay or, it seems, to withdraw a lump sum payment from their pension fund. Amitim, the semi-public Israeli company responsible for Palestinian pension benefits since early 2023, denied requests from Israeli workers' rights groups for a one-off payment to be made to Palestinian workers.<sup>167</sup> The mission was made aware of data suggesting that the numbers of Palestinians working in Israel who chose to withdraw their pension contributions, rather than wait for pension benefits to be paid in due course, was roughly similar to the numbers who had withdrawn money from the fund in 2022.<sup>168</sup>
- 123.** The mission talked with a number of workers from the West Bank who had worked legally in the Israeli construction sector for between 8 and 30 years. Keen to retain their permits and employment relationships in case they were once again allowed to enter Israel, they were desperately seeking ways to support their families after six months without wages and no recourse to unemployment benefits. Many workers indicated that, in addition, they had not received their wages for the last weeks that they had worked in Israel before 7 October 2023. For some workers, this amounted to the whole month of September, as these wages would have been paid on 9 or 10 October 2023, as well as wages for the first week of October. No grievance mechanisms exist through which they could feasibly claim their wages at the present time: the grievance committee established under the collective agreement for the construction sector, for example, required physical presence or the services of an often-expensive lawyer. There were no options whatsoever available to Palestinians from Gaza whose wages had not been paid in full, as Gaza-related bank transfers were not possible from Israel.
- 124.** There is a lack of clarity as to the working conditions and rights applicable to the relatively small number of Palestinians still working in Israel and the settlements. Not all permits under which workers are employed include the full range of workers' rights. Additionally, a recent study found that Palestinian women working in settlements, who were almost certainly undercounted, were typically employed through brokers. These workers did not have written employment contracts setting out wages, working hours or other conditions of work, nor did they enjoy any social

<sup>164</sup> Jonathan Shamir, "Between Exclusion and Exploitation", *Jewish Currents*, 20 March 2024.

<sup>165</sup> OCHA, *West Bank Access Restrictions – May 2023*, 26 May 2023. In May 2023, only 64 per cent of the Separation Barrier had been constructed and, of the part that had been constructed, much was a fence rather than a concrete barrier.

<sup>166</sup> Palestinian Center for Human Rights, Al Haq, Al Mezan, "Report on Israel's Crimes and Violations of Palestinians' Rights in the West Bank in January and February 2024"; Villages Group, "March 25 '24: Mid-Ramadan, Mid-Spring, Resilience and Sumoud in the Midst of Despair", 25 March 2024.

<sup>167</sup> MAAN-Workers' Association, "MAAN and Kav Laoved Write to Immigration and Population Authority and Demand to Reserve a Place in the Quota for Palestinian Workers With a Permit Who Resigned/Fired During the 'Iron Swords' War", 22 February 2024.

<sup>168</sup> Private communication from the Israeli Permanent Mission to the United Nations to the ILO Director-General (11 March 2024): 42,476 applications for withdrawal were received by Amitim between June and December 2023, compared to the 82,000 Palestinians who had withdrawn money from the fund in 2022.



security rights.<sup>169</sup> Since 7 October 2023, armed settlers have patrolled agricultural workplaces, increasing the women's sense of unease and threat.<sup>170</sup>

125. Despite the war having halted work in most industries, the Israeli NGO Kav LaOved reported that there had been a 33 per cent increase in the number of fatalities in work accidents in the Israeli construction sector, with 48 construction workers dying due to work accidents in 2023 and a decrease in the number of safety orders issued by labour inspectors. The Palestinian National Center for Occupational Safety and Health and Environmental Protection at the Polytechnic University of Palestine in Hebron provided information to the mission indicating that 17 Palestinians had died in the Israeli labour market in 2023.
126. The long-standing poor working conditions for Palestinian workers in Israel, including under-reporting of wages on payslips to avoid legal obligations, excessive working hours, trafficking in work permits, and humiliation at the crossings and checkpoints, continued for many workers before 7 October 2023. Since such employment had ceased, many Palestinians formerly working in Israel were involved in informal work, selling small items in markets to attempt to make some income. Unsurprisingly, desperation and precarity increase vulnerability to decent work deficits and violations of fundamental principles and rights at work.
127. The Israeli Ministry of Justice provided information to the mission regarding actions taken against trafficking in permits during 2023. For example, from May 2023, employers had automatically received their workers' monthly payslips by email, which they were obliged to deliver to Palestinian workers. Further steps taken in pursuance of the Israeli five-year anti-trafficking implementation plan included a multi-stakeholder round table held by the team for the Prevention of the Exploitation of Palestinian Workers in June 2023. With the advent of the war in Gaza, completion of the team's work had been delayed. Finally, following long investigations, 14 suspects had been arrested in January 2024 on suspicion of involvement in selling entry permits into Israel, and extorting and threatening workers. In this regard, the Palestinian Ministry of Labour indicated that during 2023 it had introduced standard operating procedures to prosecute permit brokers in accordance with a decision of the Council of Ministers criminalizing such practices, and a list of 64 brokers had been submitted to the Palestinian authorities. The mission received varying information concerning the current status of the permit broker regime. Some interlocutors indicated that the broker regime had entirely stopped. Others indicated that brokers were now charging highly inflated prices, as demand was so much higher than supply, and were estimated to cost up to 1,000 shekels more than they had previously.
128. Israeli trade unions continued to advocate for the protection of Palestinian workers' rights. While acknowledging the difficult context, Histadrut and MAAN-Workers' Association believed that Palestinian workers should be entitled to return to work in Israel. Histadrut stressed Israeli security concerns. It indicated that its advocacy and training for Palestinians working in Israel had largely stopped, with the exception of an electricians' training programme for Palestinians from East Jerusalem that was able to continue after having initially paused. MAAN-Workers' Association had oriented much of its work towards advocacy for the return of Palestinian workers to the Israeli labour market and, in the meantime, for financial support while they were not working, and was continuing to represent its Palestinian members working in industrial settlements.

<sup>169</sup> Mothers School Society, *Report on the Reality and Needs of Palestinian Women Working in Settlements*, 2023. Women working in settlements experienced a social stigma, but felt that there were no alternatives with local jobs, which, if they existed, paid only 30 per cent of work in settlements.

<sup>170</sup> Mothers School Society, 15.

- 129.** The mission noted steps taken by the Israeli Government to recruit foreign workers from countries in Europe, Asia and Africa to replace the Palestinian workers, particularly in the construction, services and agricultural sectors. While Israeli employers' organizations and representatives of the Government regrettably did not meet with the mission, it was aware that some employers supported the return of Palestinian workers to the Israeli labour market, that civil servants had been quoted in this regard, and that the Prime Minister's Office had indicated that a limited pilot for allowing the return of Palestinians would be discussed by the Cabinet.<sup>171</sup>

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<sup>171</sup> Reuters and Times of Israel, "Shortage of Palestinian Workers at Israeli Building Sites Leaves Hole on Both Sides", 4 April 2024.

## ► Chapter 4. Labour governance in times of war

- 130.** The war in Gaza has had serious consequences for Palestinian governance and institution-building, including labour market governance. In conditions of humanitarian catastrophe, entrenched occupation and deepening fiscal crisis, the ability of the Palestinian Authority to ensure effective governance, including for protecting labour rights, is more constrained than ever. Policy and legal reforms are stalled, with humanitarian relief efforts assuming priority.
- 131.** Amid international pressure and increased public mistrust towards Palestinian Authority institutions and leadership,<sup>172</sup> a new government was appointed by President Abbas in late March 2024. The President mandated the new Prime Minister to focus on relief efforts in Gaza, strengthen the rule of law and fight corruption, and prepare for legislative and presidential elections – the first in 19 years – but did not specify a time horizon for these elections.
- 132.** The mission was informed that one of the first actions by the new Prime Minister was to convene a meeting with Palestinian civil society organizations, which was held against the backdrop of continued shrinking civic space,<sup>173</sup> following measures in recent years affecting the autonomy of civil society organizations<sup>174</sup> and the right to peaceful protest and freedom of expression.<sup>175</sup>

### Labour governance and regulation de-prioritized

- 133.** Since 7 October, devising plans for aid and emergency relief to those affected by the war have taken precedence over efforts by the Palestinian Authority to strengthen labour governance. However, earlier in 2023 some progress had been observed in this area in line with the core planning documents that set out the overall vision for labour market governance in the Occupied Palestinian Territory, particularly the National Employment Strategy 2021–2025 and the third Decent Work Programme, 2023–2025. The update of several development strategies, such as a National Development Agenda for the years 2024–2029, had been paused pending the end of the war in Gaza.
- 134.** Following the start of the war in Gaza, a one-year Emergency Response Plan (January–December 2024) was devised by the Ministry of Labour, after tripartite consultations, which proposed short- and medium-term actions for saving jobs and revitalizing labour relations.<sup>176</sup> Short-term

<sup>172</sup> Palestinian Center for Policy and Survey Research, “Press Release on Public Opinion Poll No. (91)”, 20 March 2024.

<sup>173</sup> OCHA, *Occupied Palestinian Territory: West Bank – Protection Analysis Update*, Brief, March 2024; OCHA, *Humanitarian Needs Overview 2023: Occupied Palestinian Territory*, January 2023, 19.

<sup>174</sup> For instance, in 2023 the UN Human Rights Committee called upon the State party to revise Decree Law No. 7 of 2021 amending the Charitable Associations and Civil Society Organizations Act (Act No. 1 of 2000) on the grounds that it “may unduly restrict the right to freedom of association” and with a view to removing “unduly restrictive requirements” regarding their funding and operation; UN Human Rights Committee, International Covenant on Civil and Political Rights, *Concluding Observations on the Initial Report of the State of Palestine*, 24 August 2023, paras 43–44. Likewise, civil society organizations have expressed serious concerns regarding the Bylaw on Non-Profit Companies (No. 20 of 2022), on similar grounds; Palestinian NGOs Network, “Palestinian Civil Society Groups Reiterate Rejection of the Application of the 2022 Bylaw on Non-Profit Companies and Call for Compliance with the Basic Law”, 21 June 2023; Independent Commission for Human Rights, *Shadow Report Submitted by the Independent Commission for Human Rights (ICHR) to the Human Rights Committee on the First Periodic Review of the State of Palestine: Session # 138 (27 June–28 July 2023)*, 2023, 16.

<sup>175</sup> OHCHR, *The Human Rights Situation in the Occupied West Bank Including East Jerusalem: 7 October – 20 November 2023*, 27 December 2023, para. 53.

<sup>176</sup> Palestinian Ministry of Labour, “Emergency Response Plan in Light of the War on the Gaza Strip”, December 2023 (unpublished).

interventions (of three to six months) in the Plan focused mostly on humanitarian relief action for workers from Gaza stranded in the West Bank and for Gaza-based cooperatives as well as the use of tripartite committees in West Bank governorates to prevent lay-offs or wage reductions resulting from the crisis.

- 135.** The Ministry of Labour continued to invest in strengthening the labour administration system, considering also the new context after 7 October, through: enhancing digitalization of the Ministry's services (including through developing an online platform for workers from Gaza stranded in the West Bank to register to receive assistance); providing training to its 100-plus labour inspectors, notably on promoting occupational safety and health and preventing child labour; and intensifying inspection campaigns to monitor compliance with the Palestinian Labour Law No. 7 of 2000. By the end of 2023, the labour inspectorate services had inspected over 10,000 establishments across all sectors. Inspections had led to some 4,874 measures against non-compliant workplaces, including 67 referrals to court and the closure of 9 establishments, mainly for violations relating to health and safety. The Ministry of Labour registered 11 work-related fatalities in the West Bank.
- 136.** Reforms to the Palestinian Labour Law No. 7 of 2000, which had been a key priority of the Palestinian Authority for years, continued. From mid-2023 to early October 2023, tripartite social dialogue had led to the finalization of a new draft Labour Law. Many of the proposed amendments to the Law had been agreed upon by the tripartite partners. In light also of amendments to the 2016 Social Security Law, consensus was reached on sensitive provisions, notably end-of-service indemnity (severance pay), maternity protection, and work injury insurance. Further amendments and formal endorsement of the amended Law, officially scheduled for October 2023, were halted by the war. The mission was informed that there was an expectation that the reform process would resume after the war.
- 137.** As mentioned in successive Reports of the Director-General, specialized labour courts are urgently needed in the Occupied Palestinian Territory to reduce an ever-increasing backlog of labour-related disputes that had been stagnating for years in local civil courts<sup>177</sup> – over 20,000 cases according to 2019 data. The mission was informed that consultations between the Ministry of Labour and the High Judicial Council on this matter had continued until October 2023. The amended version of the Labour Law provides for the establishment of specialized labour courts and contains special provisions for adjudicating such disputes urgently, and for exempting workers from legal fees. A plan to establish alternative mechanisms for the settlement of individual and collective labour disputes was validated by the social partners in June 2023 and subsequently submitted to the Ministry of Labour for final review.
- 138.** Pending the establishment of labour courts and alternative dispute resolution mechanisms, employment-related disputes and referrals to court are multiplying. In 2023, the Ministry of Labour dealt with 750 complaints, mainly wage-related, 234 of which had remained unresolved while 137 had been referred to court. In addition, from March 2023 to February 2024, the 14 “complaints units” of the Palestinian General Federation of Trade Unions (PGFTU)<sup>178</sup> registered over 1,000 complaints, with the number of complaints in the West Bank surging since 7 October.<sup>179</sup> According to the PGFTU, while a few of them had been resolved through bipartite

<sup>177</sup> ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.109/DG/APP/2021, para. 105.

<sup>178</sup> ILO, *The Situation of Workers of the Occupied Arab Territories*, ILC.111/DG/APP, 2023, para. 145.

<sup>179</sup> Cases concerned workplace violence and harassment, occupational safety and health, working conditions, unpaid or reduced wages, reduction of working hours, unpaid leave, and unfair dismissals.

social dialogue, many had been referred to court.<sup>180</sup> The mission was also informed that, after a decision by the Palestinian Bar Association, lawyers had suspended their work in the West Bank until Israeli-imposed mobility restrictions eased, which was impacting on the functioning of courts.

- 139.** Following the work of the Legislation Harmonization Committee,<sup>181</sup> two important international instruments to which Palestine had already acceded were published in 2023 in the Official Gazette, which, according to Palestinian case law, makes them legally binding: the Convention on the Rights of the Child, and the International Covenant on Civil and Political Rights. However, the International Covenant on Economic, Social and Cultural Rights, and the Convention on the Elimination of All Forms of Discrimination Against Women have not yet been published in the Official Gazette.
- 140.** In Gaza, governance, civil order and public services have largely collapsed. At least 39,000 Gaza-based civil servants<sup>182</sup> were on the payroll of the Palestinian Authority (predominantly teachers and health personnel). Most have stopped working. Prior to the war, UNRWA was the second-largest employer in Gaza, with some 13,000 staff members. While all staff continued to receive their salaries despite the serious funding crisis that UNRWA is facing,<sup>183</sup> by the beginning of April 2024 fewer than 5,000 were able to work, most of whom were involved in the delivery of aid. Social assistance in the form of cash transfers by the Palestinian Authority has been interrupted, while most cash-for-work projects, such as those previously funded by the Palestinian Employment Fund, have stopped operating. The majority of the nearly 980 NGOs registered in Gaza have ceased operations.<sup>184</sup>

## Social dialogue: Progress and challenges

- 141.** There was some progress in bipartite and tripartite social dialogue in the West Bank before 7 October. In addition to tripartite social dialogue on amending the Labour Law and the Social Security Law, social dialogue within the National Wages Committee led to a memorandum on adjusting upwards the minimum wage in line with the rising cost of living, which was submitted to the Council of Ministers for endorsement. Tripartite committees established in 2022 at the governorate level continued to use social dialogue to improve working conditions and to explore measures for promoting the effective implementation of the new national minimum wage, particularly in sectors and occupations with a low compliance record. At the sectoral level, a tripartite committee for private schools and kindergartens defined the main elements of a draft unified contract in line with the Labour Law and included a stipulation on compliance with the national minimum wage. Through tripartite social dialogue, an ILO diagnostic study on the informal economy in the Occupied Palestinian Territory was validated by the parties, leading to

<sup>180</sup> PGFTU, "Resolved complaints", note to the ILO mission (email communication), 22 March 2014.

<sup>181</sup> Following a decision by the Palestinian Council of Ministers on 7 March 2017, a Legislation Harmonization Committee was mandated to effectively align legislation in Palestine with the international conventions to which it has acceded.

<sup>182</sup> Based on information received from interlocutors and World Bank, *Wage Bill and Employment Diagnostic: Key Drivers and Policy Recommendations*, 15 December 2022, 15–16.

<sup>183</sup> By 22 April, nine donors had suspended all funding to UNRWA, with a collective impact of US\$267 million – that is, 31.4 per cent of the forecasted income for 2024. The suspension of funding from the United States to UNRWA until March 2025 accounts for 87 per cent of all suspended funding. UNRWA is seeking US\$1.21 billion to address the most critical humanitarian needs of 1.7 million of the most vulnerable refugees and non-refugees in Gaza, and over 200,000 Palestinians in the West Bank, including East Jerusalem. Sources: personal correspondence from UNRWA management and "UNRWA Updated OPT Flash Appeal April – December 2024", 24 April 2024.

<sup>184</sup> UNRWA, "Situation Report #99 on the Situation in the Gaza Strip and the West Bank, including East Jerusalem", 4 April 2024.

an action plan for tackling informality in the garment and textile, and early childhood education sectors.

142. Challenges remained, however. Although a Trade Union Organizations Law was drafted in 2019 after several rounds of bipartite and tripartite consultations, no action has been taken to finalize and adopt it. Further, social dialogue rarely extends beyond the national to the sectoral or workplace levels.<sup>185</sup> Collective bargaining to address the specific needs of sectors and enterprises remains underused. As recalled in successive Reports of the Director-General, the Ministry of Labour and the social partners still perceive collective bargaining primarily as a tool for managing collective disputes, mainly wage-related disputes. In 2023, the Ministry processed 11 requests for collective bargaining from trade unions, of which 5 (down from 14 in 2022) led to the signing of a collective agreement, after mediation by the Ministry.
143. Shortly after the onset of the war, the FPCCIA and PGFTU undertook, with ILO support, initiatives to assist in the delivery of humanitarian action. The PGFTU facilitated the distribution of emergency relief to some 10,000 workers from Gaza in the West Bank from October to December 2023. In the same period, the FPCCIA arranged the customs clearance of some 130 containers stranded at Israeli ports containing essential commodities, food and raw materials ordered by Gaza-based businesses, stored them on leased land, and sold their contents to generate income for employers in Gaza.<sup>186</sup>
144. In conditions of shrinking civic space and economic decline, trade union density<sup>187</sup> in the Occupied Palestinian Territory decreased from 19.3 per cent in 2022 to 16.7 per cent in the third quarter of 2023.<sup>188</sup> Unionization among men was 15.0 per cent (compared to 18.0 per cent in 2022) and among women was 26.4 per cent (compared to 25.8 per cent in 2022). In Gaza, shortly before the start of the war, 37.2 per cent of workers were union members. The corresponding figure in the West Bank was 9.9 per cent, denoting a decline of more than 3 percentage points within one year.
145. On the employers' side, by October 2023, the FPCCIA and the Palestinian Federation of Industries represented members that employed two thirds of wage earners in Palestine.<sup>189</sup> Under the current circumstances, FPCCIA interlocutors expressed serious concerns about collecting membership fees, which had declined by an estimated 40–60 per cent in the West Bank compared to 2022.<sup>190</sup>

## Social protection: Hopes for progress halted

146. Social security coverage in the Occupied Palestinian Territory remains limited, with only public sector employees – comprising civil servants and members of the security forces – benefiting from mandatory contributions to the Palestinian Pension Agency.<sup>191</sup> In the third quarter of 2023, these

<sup>185</sup> ILO, "Assessment and Prospects of Tripartite Cooperation and Social Dialogue in the OPT", January 2022 (unpublished).

<sup>186</sup> ILO, *Report on Crisis-Related ILO Work in the Occupied Palestinian Territory*, GB.350/POL/4(Rev.1), 2024, paras 13–18.

<sup>187</sup> 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); ILO, "Statistics on Union Membership", ILOSTAT database.

<sup>188</sup> ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2022–23.

<sup>189</sup> Palestinian Ministry of Labour, Annual Report 2023, 25 March 2024 (unpublished), 6.

<sup>190</sup> FPCCIA, "Talking Points for the Annual Meeting (2024) with the Fact-Finding Mission" (unpublished), 4.

<sup>191</sup> According to World Bank data, the financial situation and long-term sustainability of public pension funding have deteriorated year by year. By mid-2023, arrears to the pension fund for the civil service were estimated at about US\$3 billion (up from US\$2 billion in 2022), excluding those concerning the security-service pension schemes for which data is not available; World Bank, *Racing Against Time: World Bank Economic Monitoring Report to the Ad Hoc Liaison Committee*, September 2023, 7.



workers represented 20.0 per cent of the total employed Palestinian workforce. According to the PCBS, 63.5 per cent of workers were not enrolled in public or private social security schemes in that period. In the private sector, 77.7 per cent of workers lacked social security coverage.<sup>192</sup>

147. The 2016 Social Security Law laid the foundation for the establishment of the Palestinian Social Security Corporation in 2018. However, in early 2019, after widespread protests in the West Bank against it, the Law was suspended by presidential decree. Extensive tripartite social dialogue, with ILO legal and actuarial technical support, led in mid-2023 to tentative consensus on a revised version of the Law. In the same period, consultations across the West Bank and the Gaza Strip had taken place with civil society organizations, professional syndicates, local unions and the National Committee for Women's Employment. Additionally, a public awareness campaign promoted the key aspects and benefits of the reform package through traditional and social media. The process of endorsement of the final version of the amended Law was halted by the war in Gaza.
148. The main non-contributory social protection scheme in the Occupied Palestinian Territory is the Palestinian National Cash Transfer Programme. Managed by the Ministry of Social Development with funding from the European Union (50 per cent),<sup>193</sup> the Palestinian Authority (45 per cent), and the World Bank (5 per cent), by October 2023 the programme had reached some 115,000 households, almost half of which in Gaza, through quarterly payments of 754 shekels to targeted beneficiaries.<sup>194</sup> However, due to the fiscal stress and delays in receiving donors' contributions in recent years, disbursements to beneficiaries have been partial and irregular,<sup>195</sup> raising serious concerns about the programme's effectiveness in reaching the poorest segments of the population.<sup>196</sup> Since 7 October, payments to Gaza beneficiaries have been suspended. Prospects for the reactivation of social assistance in Gaza is contingent on the war ending and on post-war developments.
149. Several international institutions, NGOs and donors continue to provide social assistance of different forms, including humanitarian safety net programmes. While originally conceived for emergencies, many such programmes have become structural over time.<sup>197</sup> This fragmentation in the social assistance landscape severely limits its impacts.<sup>198</sup> After October 2023, under the auspices of the Ministry of Labour, a forum was established with ILO assistance to coordinate, with different international humanitarian agencies,<sup>199</sup> the provision of emergency assistance for

<sup>192</sup> ILO estimates based on PCBS, Quarterly Labour Force Surveys, 2023 (Third Quarter).

<sup>193</sup> PEGASE is the European Union's mechanism to support and fund the Palestinian Authority's reform programmes. It includes delivery of targeted and carefully monitored direct financial support to the Palestinian population, through the Palestinian Authority's Treasury. PEGASE is a mechanism which is open to all donors, including those outside the European Union.

<sup>194</sup> Ministry of Social Development, Note to the ILO mission, 2024 (unpublished).

<sup>195</sup> World Bank, *Racing Against Time*, 5.

<sup>196</sup> The ILO estimates that the programme reaches only 44 per cent of people living in deep poverty and an even smaller share of those living in poverty; Tareq Abuelhaj, Luca Pellerano and James Canonge, *Targeting by Proxy: An Assessment of Targeting Efficiency of the Proxy Means Test in the Occupied Palestinian Territory*, ILO technical paper, June 2022.

<sup>197</sup> The largest social assistance schemes are those of UNRWA, which regularly serves over 1 million Palestinian refugees, and of the World Food Programme (WFP), which in 2022 reached approximately 70,000 households with cash and/or in-kind assistance. ILO, *Synthesis of Recent Studies Related to the Social Protection-Cash Voucher Assistance (SPCVA) Nexus in the Occupied Palestinian Territory: Summary Report on Findings and Recommendations*, 2023, 1.

<sup>198</sup> ILO, *On the Road to Universal Social Protection: A Social Protection Floor Assessment in the Occupied Palestinian Territory*, October 2021, 8.

<sup>199</sup> Notably OCHA, UNRWA and the WFP, and other international and local humanitarian organizations.



Palestinian workers from Gaza sheltering in the West Bank. The forum, which also included PGFTU representatives, conducted a needs assessment and a joint action plan.<sup>200</sup>

## Employment promotion, skills and entrepreneurship: Falling funding but rising needs

- 150.** The National Employment Strategy (2021–2025) is the core strategy for coordinating and strengthening employment and labour market interventions in the Occupied Palestinian Territory. The mission was informed that additional donor funding was unlikely because, since 7 October, the Palestinian Authority and the international donor community had redirected their focus to humanitarian relief.
- 151.** In line with the National Employment Strategy, the Ministry of Labour continued to support technical and vocational education and training (TVET), job-generating projects and advisory services to jobseekers, to enable young graduates to join the labour market. In 2023, over 11,000 students from the West Bank and Gaza graduated from its 140 TVET centres, up from 9,000 in 2022. The Ministry of Labour also supported 90 projects for subsidized self-employment, created temporary job opportunities for some 2,600 unemployed people and delivered counselling to over 71,000 jobseekers, who were redirected either to private sector jobs or to TVET centres. The organizational structure of the National TVET Council, set up in 2021 under Decree Law No. 4 to coordinate TVET management, policies and regulations, was approved by the Council of Ministers in 2023 shortly before the war in Gaza. As emphasized already in the previous Report of the Director-General, a National Qualifications Framework and a national TVET fund are needed to make TVET more attractive to experienced teaching staff, students and businesses.<sup>201</sup>
- 152.** In 2023, the Palestinian Employment Fund continued to implement a wide array of projects and programmes to support the creation of employment across the Occupied Palestinian Territory. The projects, which had grown in recent years in both volume and reach as a result of significantly increased partnerships and donor funding, provided loans for entrepreneurs, temporary paid employment opportunities, and training opportunities for the unemployed. Several new agreements were signed at the February 2023 partners' meeting in Amman to support the implementation of the National Employment Strategy. In 2023, the Fund disbursed 622 loans, directly created more than 5,000 jobs and delivered over 700 training sessions.<sup>202</sup> Prior to 7 October, the Fund was the primary implementing arm of the Palestinian Authority for job creation projects in Gaza. As a consequence of the war, all the Fund's activities and projects in Gaza were obliterated. It nonetheless continues to operate in the West Bank, where it has been implementing additional emergency projects, including in support of workers from Gaza who have been stranded in the West Bank.
- 153.** Job creation and entrepreneurship is promoted by the Palestine Monetary Authority through its Istidama (Sustainability) financing programme, which was created during the COVID-19 crisis. Following the outbreak of the war in October 2023, the Authority launched the Istidama-Plus Fund. Endowed with 500 million shekels, the new Fund supports existing projects affected by the current crisis by providing financial support aimed at ensuring business continuity, preventing dismissals and enhancing training. In parallel, it supports new projects, notably in the commerce

<sup>200</sup> ILO, *Enhanced Programme of Development Cooperation for the Occupied Arab Territories*, GB.349/POL/4(Rev.1), 29 October 2023.

<sup>201</sup> ILO, *Situation of Workers of the Occupied Arab Territories*, ILC.111/DG/APP, 2023, para. 137.

<sup>202</sup> Report submitted by the Palestinian Employment Fund to the mission (unpublished).

sector (45 per cent) and also in the services, manufacturing, tourism, health, agriculture and renewable energy sectors.<sup>203</sup>

154. Cooperatives play an important role in job creation in line with the National Employment Strategy. By mid-2023, 3,336 cooperatives (with 39,979 members) were operating in the West Bank and 94 cooperatives (with 8,246 members) were operating in Gaza.<sup>204</sup> According to the Cooperative Work Agency – the official body entrusted with monitoring cooperative work in Palestine – West Bank cooperatives had suffered increased attacks and violations against their property by settlers and the Israeli military since the war in Gaza, while 80 per cent of cooperatives in Gaza had been severely impacted during the war.<sup>205</sup> Severe damage has been suffered by cooperatives since 7 October, particularly in the housing and fishing sectors; interlocutors connecting with the mission from Rafah painted a stark picture of their living conditions. Against this background, the Emergency Response Plan of the Ministry of Labour contains a special provision for humanitarian relief for some 11,000 cooperative members in the West Bank and, if conditions allow, in Gaza, in the form of food, medical and financial assistance.<sup>206</sup>
155. In October 2023, a Cooperative Strategy for 2024–2029 was finalized based on the ILO Promotion of Cooperatives Recommendation, 2002 (No. 193), through a consultative process with stakeholders in the West Bank and Gaza and was submitted to the Prime Minister’s Office for endorsement. Important revisions to Cooperative Law No. 20 of 2017, alongside the finalization of bylaws establishing two promotional bodies – the Cooperative Development Fund and the Cooperative Development Institute – are still pending. The mission was informed that preparatory work was under way for the establishment of the Fund and the Institute, guided by a 2023 assessment of capacity needs.<sup>207</sup>

## Empowering women in an adverse environment

156. The position of women in the Palestinian labour market is chronically precarious. Gender discrimination in the workplace is common, notably due to gender stereotypes, cultural norms and the absence of gender-responsive legislation. Working women in the private sector earn on average around half of what their male counterparts earn. However, in the public sector, women earn the same as men. The average wage for women in both the public and private sectors increased by 1.3 per cent, from 105.6 shekels in 2022 to 107.0 shekels in 2023, contrasting with the average wage of men which, in the same period, increased by 5.3 per cent, from 148.4 to 156.2 shekels.<sup>208</sup> Violence and harassment against women is likely to increase in conditions of war, entrenched occupation and economic hardship.<sup>209</sup>
157. In September 2023, the tripartite National Committee on Pay Equity (operating under the auspices of the Ministry of Women’s Affairs and the Ministry of Labour), endorsed a one-year plan of action

<sup>203</sup> Palestine Monetary Authority, Note to the ILO mission, 2024 (unpublished).

<sup>204</sup> ILO, “Palestinian Cooperatives: Factsheet on Cooperatives in the Occupied Palestinian Territory”, June 2023.

<sup>205</sup> Palestinian National Authority (Cooperative Work Agency), “Report on the Violations Against Cooperative Associations by the Israeli Occupation”, 29 March 2024 (unpublished).

<sup>206</sup> Palestinian Ministry of Labour, “Emergency Response Plan in Light of the War on the Gaza Strip”, December 2023.

<sup>207</sup> Haliéus, “Cooperative Support Programme in the Occupied Palestinian territory: Technical Assistance for the Establishment of the Cooperative Development Institute (CDI) and the Cooperative Development Fund in the Occupied Palestinian Territories”, 2023 (unpublished).

<sup>208</sup> ILO estimates based on PCBS Quarterly Labour Force Surveys (Third Quarter), 2022–23.

<sup>209</sup> UN-Women, *Gender Alert: The Gendered Impact of the Crisis in Gaza*, January 2024; UNRWA, *Rapid Gender Analysis: Gendered Impacts of the October 2023 Escalation in Gaza*, October 2023.

to promote equal pay for men and women, guided by the ILO Equal Remuneration Convention, 1951 (No. 100). Since 7 October, various governmental projects have aimed to facilitate the access of women in the West Bank to zero-interest loans and non-refundable grants to women-owned and women-led businesses, provide cash transfers and accommodation for women from Gaza unable to leave the West Bank, and provide unemployed women with “unemployment certificates” allowing them to access free health insurance.<sup>210</sup>

- 158.** There has been little progress in harmonizing Palestinian laws with international labour standards and the Convention on the Elimination of All Forms of Discrimination against Women,<sup>211</sup> which is not yet legally binding in the Occupied Palestinian Territory.<sup>212</sup> In 2023, civil society organizations continued to express concerns over campaigns against the Convention by tribal leaders and conservative groups.<sup>213</sup> While a law providing a definition of discrimination in line with the Convention is yet to be adopted, an amendment to the Decree Law on the Civil Service defining and prohibiting discrimination against women in public employment was submitted to the President for enactment prior to the outbreak of the war. It is now on hold. Other laws expected to define and prohibit discrimination against women and to criminalize violence and harassment, such as the Family Protection Law and amendments to the Penal Code and to the Personal Status Code, and legislation to protect women and girls from gender-based violence, remain in draft form.
- 159.** The 14 PGFTU complaints units recorded numerous workplace violations affecting women in the private sector in the West Bank, including workplace violence and harassment, and provided legal advice on their rights.<sup>214</sup> Of the 20 enterprises which in 2022 adopted codes of conduct on preventing violence and harassment at the workplace, eight developed training activities for their staff in line with the principles of the ILO Violence and Harassment Convention, 2019 (No. 190). The Observatory for Gender and Social Justice, established in 2022 at Birzeit University with the aim of raising awareness of and preventing gender-based violence, has stopped operating since 7 October, and the university has shifted to online classes due to mobility restrictions.

<sup>210</sup> Ministry of Women Affairs, Note to the ILO mission, 2024 (unpublished).

<sup>211</sup> Since 2018, the UN Committee on the Elimination of Discrimination against Women has recommended that:

in line with Articles 1 and 2 of the Convention, the State party:

- (a) Adopt, without delay, national legislation that includes a comprehensive definition of discrimination against women covering all prohibited grounds of discrimination and encompassing direct and indirect discrimination in both the public and private spheres;
- (b) Ensure that the proposed draft penal code of 2011, which is aimed at prohibiting and punishing discrimination, is revised to bring it into conformity with the Convention, and to include provisions for appropriate enforcement mechanisms and sanctions.

*Concluding observations on the initial report of the State of Palestine*, 11 July 2018, para. 11.

<sup>212</sup> The Committee has over the years expressed concern over the Constitutional Court’s Decision No. 4 (2017) of 19 November 2017, which ruled that international Conventions such as the Convention on the Elimination of All Forms of Discrimination against Women take precedence over national law only insofar as they are consistent with the national, religious and cultural identity of the Palestinian people; *Concluding observations on the initial report of the State of Palestine*, 11 July 2018, para. 12.

<sup>213</sup> Women’s Centre for Legal Aid and Counselling, NGO Forum to Combat Violence Against Women (Al-Muntada) and General Union of Palestinian Women, *NGO Follow-Up to the Parallel Report to the Initial Report of the State of Palestine Submitted to the Committee on Economic, Social and Cultural Rights*, 9.

<sup>214</sup> From March to April 2023, the PGFTU’s complaints units registered a total of 163 complaints by women of violence and harassment in the workplace, lack of occupational safety and health arrangements, poor working conditions, wages below the minimum wage, and unpaid sick leave.

- 160.** Women remain under-represented in decision-making. In the new government sworn in on 28 March 2024, 4 out of 23 ministries are headed by women,<sup>215</sup> meaning that one more woman now sits on the government compared to the previous two governments. In mid-2023, the FPCCIA elected an all-male board, while less than 2 per cent of the members of its general assembly are women. In 2023, the PGFTU formulated a five-year Gender Equality Strategy (2023–2028) placing emphasis on strengthening the role of women trade unionists in sectoral unions, decision-making bodies and leadership positions.

## Child labour: Low incidence in the West Bank, serious concerns in Gaza

- 161.** The Labour Law prohibits the employment of children under the age of 15 years, and hazardous or long hours of work for children below 18 years of age. Data for the third quarter of 2023 from the PCBS shows that the incidence of child labour among children aged 10 to 14 was 1.3 per cent. As noted in past Reports of the Director-General, child labour appears to be most prevalent in small family businesses and among informal street vendors. In the same period, an estimated 6.4 per cent of young people aged 15 to 17 were engaged in hazardous work. In Gaza, between 2022 and the third quarter of 2023, child labour among 10- to 14-year-olds increased by more than a third, from 1,592 to 2,184 children, while the number of young people aged 15 to 17 in hazardous work more than doubled (from 2,370 to 4,784). A lesser increase was observed in the West Bank. During 2023, the Ministry of Labour trained its labour inspectors, launched awareness-raising campaigns and organized targeted inspection visits leading to the removal of 40 children from work. In April 2023, the Ministry of Social Development released “Technical Guidelines for Case Management for Child Protection”.<sup>216</sup> However, an updated National Referral System for Child Protection aimed at making services more accessible for child victims of violence, abuse, neglect and exploitation has still not been endorsed by the Council of Ministers.
- 162.** Children in Gaza have been paying a heavy toll since the war broke out. Save the Children reported that, by early April 2024, more than 13,800 children had been killed in Gaza and over 12,000 had been injured, and that the United Nations Children’s Fund (UNICEF) had found that, by December 2023, at least 1,000 children had had one or both legs amputated.<sup>217</sup> Unsurprisingly, the risk of child labour has ballooned as a result of the war. Data from April 2024 shows that some 625,000 students in Gaza have no access to education as more than 80 per cent of school buildings have been damaged, and those that are still standing are being used as shelters for internally displaced people.<sup>218</sup> Around 17,000 children are unaccompanied or have been separated from their parents or guardians.<sup>219</sup> Past experience with armed conflicts in Gaza reveals that children are vulnerable to recruitment by armed groups, including as informants and messengers, placing them at great risk.<sup>220</sup> Interlocutors described the streets of Rafah as “flooded with children” spending long hours looking for food and drinkable water, awaiting the delivery of humanitarian aid, and bartering goods.

<sup>215</sup> <http://www.palestinecabinet.gov.ps/portal/Government/index>, accessed on 26 April 2024.

<sup>216</sup> Ministry of Social Development, UNICEF and Terre des Hommes, “Strengthening the Child Protection National System in the State of Palestine: MoSD, UNICEF & TdH Launch the Technical Guidelines for Case Management to Protect Children”, 16 April 2024.

<sup>217</sup> Save the Children, “Gaza: Over 2% of Gaza’s Child Population Killed or Injured in Six Months Of War”, 4 April 2024.

<sup>218</sup> OCHA, “Hostilities in the Gaza Strip and Israel – Reported Humanitarian Impact”, 5 April 2024.

<sup>219</sup> UNICEF, “Escalation Humanitarian Situation Report No. 21 (Reporting Period: 7 to 20 March 2024)”, 29 March 2024, 4–5.

<sup>220</sup> Defense for Children International Palestine, “Child Recruitment”, undated; International Committee of the Red Cross, “Children”, undated.

## Persons with disabilities: Social protection and legal reforms halted by the war

- 163.** Prior to the war, some 115,000 persons (2.1 per cent of the Palestinian population) had some form of disability, either physical or mental; almost half of them (55,538) were registered in Gaza.<sup>221</sup> These figures are likely to have risen dramatically as a result of the war. Persons with disabilities are confronted with greater barriers to accessing humanitarian assistance than others during conflicts.<sup>222</sup> In 2022, despite efforts to develop targeted TVET for persons with disabilities,<sup>223</sup> their labour force participation rate was very low (12.6 per cent compared to 46.0 per cent for persons without a disability).<sup>224</sup> Persons with disabilities face ever-increasing challenges in accessing training and job opportunities, due to mobility restrictions, inaccessible or inadequate workplaces, and weak enforcement of laws. For instance, while the Labour Law obliges employers to provide persons with disabilities with “reasonable accommodations”, no regulation exists for monitoring compliance with this requirement. Amendments to Law No. 4 of 1999 on the Rights of Persons with Disabilities have not yet been endorsed by the Cabinet, and a national policy on the rights of persons with disabilities has remained in draft form since 2020.
- 164.** In 2023, the Ministry of Social Development worked on a new Social Development Sector Strategy for the years 2024–2029 and a National Multidimensional Poverty Reduction Strategy (2024–2027), both of which place a strong focus on social assistance and economic empowerment programmes for persons with disabilities and the elderly. However, after 7 October, the process was paused, to prioritize the design of an emergency intervention plan for some 1.2 million people (200,000 families) internally displaced in Gaza.<sup>225</sup> Before 7 October, the Ministry had also endorsed a modification of the Palestinian National Cash Transfer Programme so that in addition to the cash assistance for poor households, dedicated monthly social allowances would be provided to some 20,000 persons with severe disabilities and 14,000 persons over 65 years of age.<sup>226</sup> The two new components of the scheme built on a comprehensive national data collection exercise in 2022–23 which updated information on beneficiaries eligible for social assistance. While in the West Bank they are expected to start operating as of April 2024,<sup>227</sup> it remains unknown when and how this could happen in Gaza. Also in 2023, projects by the Palestine Monetary Authority and the Palestinian Employment Fund promoted the economic empowerment of persons with disabilities through supporting entrepreneurship based on low-cost loans or grants.<sup>228</sup>

<sup>221</sup> PCBS, “Press Release on the Occasion of the International Day of Persons with Disabilities”, 3 December 2023.

<sup>222</sup> ACAPS, *Palestine: Impact of the Conflict on People with Disabilities in the Gaza Strip*, 14 February 2024.

<sup>223</sup> Independent Living Association for Persons with Disabilities, *Parallel Report to the Committee on Economic, Social and Cultural Rights on the Initial Report Submitted by the State of Palestine under Article 16 and 17 of the Covenant, Due in 2016 (74 Session)*, 28 August 2023.

<sup>224</sup> ILOSTAT, Harmonized microdata series.

<sup>225</sup> Palestinian Ministry of Social Development, “Emergency Response Plan to Provide Basic Urgent Needs in Light of the Israeli War on the Gaza Strip”, October 2023 (unpublished).

<sup>226</sup> The two components mark a shift from poverty-based targeting towards a comprehensive rights-based approach to social assistance.

<sup>227</sup> ILO, *Report on Crisis-Related ILO Work in the Occupied Palestinian Territory*, GB.350/POL/4(Rev.1), March 2024, para. 32.

<sup>228</sup> UN Economic and Social Council, Committee on Economic, Social and Cultural Rights, “Replies of the State of Palestine to the List of Issues in Relation to Its Initial Report”, 3 April 2023, para. 97.



## ► Chapter 5. Workers of the occupied Syrian Golan

- 165.** The Syrian Golan has been occupied by Israel since the 1967 war and was annexed in 1981. Since the outbreak of the war in Gaza last year, the occupied Syrian Golan has become engulfed in the escalation of hostilities in the region, including in the almost daily exchanges of fire between Israel and Hezbollah <sup>229</sup> and multiple incidents of fire between Israel and armed groups in the Syrian Arab Republic. <sup>230</sup> The mission was informed that the sounds of the exchanges and sirens could be heard frequently in the Syrian towns and villages of the occupied Golan.
- 166.** In resolution 497 (1981), the UN Security Council decided that the Israeli decision to impose its laws, jurisdiction and administration on the occupied Syrian Golan is null and void and without international legal effect, and demanded that Israel rescind its decision. That resolution has been reaffirmed by subsequent UN General Assembly resolutions, the latest of which continues 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 refrain from the establishment of settlements. <sup>231</sup>
- 167.** In contravention of international law, settlement activity has continued in the occupied Syrian Golan. The number of settlers has increased, incrementally altering the demographic fabric of the territory. As noted in previous Reports of the Director-General, plans had been announced by the Government of Israel in 2021 to double the number of settlers by 2027 and to increase the number of settlements from 34 to 36. At the 55th session of the Human Rights Council (March 2024), the Office of the United Nations High Commissioner for Human Rights noted that there were now 35 settlements and that approved commercial activity in the area may continue to limit the access of the Syrian citizens of the Golan to land and water. <sup>232</sup> Long-standing grievances of the Syrian citizens of the occupied Golan with regard to access to land, water and building permits have been highlighted in past Reports of the Director-General.
- 168.** At the start of 2023, the population of the occupied Syrian Golan stood at 55,100. <sup>233</sup> This total includes 25,800 Israeli settlers and 27,200 Syrians. <sup>234</sup> It compares with 24,000 settlers and 26,900 Syrians the previous year. Furthermore, last year's Report of the Director-General noted that an increasing number of young Syrians were accepting Israeli citizenship, primarily due to the convenience in terms of travel and the educational and scholarship opportunities such naturalization provided. Information from interlocutors, corroborated by Israeli media, indicates that this trend has accelerated as a result of the Hamas-Israel war, including with an increasing number serving in the local police and security forces. <sup>235</sup>

<sup>229</sup> Agence France-Presse, "Hezbollah Says Launches Rocket Salvo at Israeli-Occupied Golan", *Al-Monitor*, 9 February 2024.

<sup>230</sup> Emanuel Fabian, "Rocket Fired from Syria at Golan Heights; IDF Responds with Shelling", *Times of Israel*, 30 January 2024.

<sup>231</sup> UN General Assembly, *The Occupied Syrian Golan*, resolution 78/77, adopted by the General Assembly on 7 December 2023, para. 2.

<sup>232</sup> OHCHR, "Occupied Palestinian Territory: Reporting on Settlements and the Occupied Syrian Golan", statement delivered by Nada Al-Nashif, United Nations Deputy High Commissioner for Human Rights, at the 55th session of the Human Rights Council, 26 March 2024.

<sup>233</sup> Israeli Central Bureau of Statistics (CBS), "Population – Statistical Abstract of Israel 2023, No. 74", 2 August 2023.

<sup>234</sup> For the purposes of data analysis, the category of "Arabs" in the population statistics is used as a proxy for the Syrian citizens of the Golan.

<sup>235</sup> Adi Hashmonai, "Since the Hamas Massacre, Golan Heights Druze Speed Toward 'Israelization'", *Haaretz*, 23 November 2023.

- 169.** In 2023, the labour force of Syrians in the occupied Syrian Golan stood at 9,500, and the labour force participation rate and the unemployment rate were 46.3 per cent and 5.6 per cent respectively.<sup>236</sup> In comparison, the labour force participation rate in the Northern District of Israel, which includes the Golan, is higher, at 58.7 per cent, while the unemployment rate is lower, at 4.2 per cent.<sup>237</sup> The labour force participation rate for Syrian men, at 58.9 per cent, was almost twice the rate for women, which was 31.1 per cent. More than 90 per cent of women are engaged as employees, usually in education and in health and social work activities, whereas construction is the largest employer for men, accounting for almost a quarter of employment. Construction is followed by manufacturing (12 per cent), wholesale and retail trade (9 per cent), accommodation and food services (8 per cent) and professional, scientific and technical activities (8 per cent). For Syrian men, wage employment accounts for 81 per cent of total employment, with self-employment or being an employer accounting for the remaining 19 per cent.
- 170.** Despite long-standing concerns and legal challenges, the construction of 23 wind turbines began near the towns of Majdal Shams and Masadeh in June 2023. This was met with protests by the Syrian community and clashes between the protesters and the police. The community opposes the construction of the wind turbines, arguing that they will significantly change the agricultural landscape of the area and impede farming and access to the orchards, which are considered to be an important part of their Syrian identity.<sup>238</sup> Following the protests, the construction of the turbines was suspended and has not yet recommenced.<sup>239</sup>
- 171.** Tourism had in recent years become an increasingly important source of livelihoods in the Syrian villages of the occupied Golan, but the mission was informed that, following the clashes between the community and the police over the construction of wind turbines, the number of tourists had dropped and then came to a virtual standstill as a result of the escalation of hostilities in the region. In particular, the clashes had severely affected the number of visitors during the important cherry harvest season for the local communities in March 2024, disrupting livelihoods. The Quneitra crossing remains closed, preventing any trade with the Syrian Arab Republic.

<sup>236</sup> CBS, Israel Labour Force Survey data on the Golan, as communicated by the CBS via email to the mission on 24 March 2024.

<sup>237</sup> CBS, "Labour Market – Statistical Abstract of Israel 2023, No. 74", 22 August 2023.

<sup>238</sup> Adi Hashmonai et al., "Israeli Police Fire Rubber Bullets, Stun Grenades at Druze Protesters in Golan Heights", *Haaretz*, 21 June 2023.

<sup>239</sup> *Times of Israel*, "Netanyahu Announces Brief Pause to Wind Turbine Construction in Golan Heights", 25 June 2023.



## ► Concluding observations and recommendations

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- 172.** At the time of writing of this report, the humanitarian situation in the Gaza Strip remains catastrophic. There is inordinate loss of life and pain beyond description. Workers, employers and their families have been displaced and are homeless. Workplaces are in ruins. The few jobs Gaza had prior to the war have now been lost. The economy and the labour market have collapsed.
- 173.** The misery in Gaza has cast a long shadow over the West Bank, which has experienced significant knock-on effects. The economy is in deep crisis, GDP is declining rapidly and businesses are reducing activity or folding altogether. More than 200,000 jobs were shed within a few months. Employment of Palestinians in Israel, which had been the lifeline for hundreds of thousands of households, has largely come to a standstill. Perspectives are bleak.
- 174.** In addition, the occupation has continued to tighten its grip on the West Bank. Over the years, settlements – which are illegal under international law – have expanded relentlessly. Settler violence is on the rise. Military incursions into Palestinian towns and villages, and the establishment of checkpoints around them, have become routine occurrences. Israeli restrictions on Palestinian workers' and employers' access to workplaces and on overall movement in the occupied territory have deepened in the months since October 2023.
- 175.** Palestinian workers have few buffers to lean on. Social protection has remained largely elusive for those in the private sector. Public sector employees have not received a full salary in years. Important policy initiatives of the Palestinian Authority, such as the Labour Law and social security reforms, have again stalled.
- 176.** Within the international community, there appears to be new momentum for the two-state solution, which is particularly welcome. Peace is feasible, but cannot be achieved without an end to the occupation and without international engagement. It is urgent now to foster initiatives which allow progress towards a fully independent, viable and sovereign Palestinian State, in line with United Nations resolutions. Only then will it be possible for Palestinian workers to regain their full dignity.
- 177.** In this context, it is timely to recall the solemn commitments enshrined in the Declaration of Philadelphia, which was adopted 80 years ago, in the depths of war: All human beings have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity, and the attainment of the conditions in which this shall be possible must constitute the central aim of national and international policy. There should be no concessions in respect of these principles.
- 178.** In the current situation, the prime concerns are clear. Above all else, the attacks, violence and bloodshed have to stop, in both Gaza and the West Bank. Moreover, the life-threatening conditions facing Palestinians in Gaza must be addressed immediately. Sufficient and sustained humanitarian aid must be provided, facilitated by unimpeded access. As recent flash appeals by UN agencies have demonstrated, in addition to the destitute masses in Gaza, almost half a million West Bank Palestinians also require humanitarian assistance. Many are unemployed workers without any source of income.
- 179.** At the same time, it is important to pave the way for a solid recovery in partnership with the UN system and across the humanitarian–development–peace nexus. As we have learned from previous crises and emergency situations, humanitarian support and planning for recovery and reconstruction have to go hand in hand. The ILO Employment and Decent Work for Peace and

Resilience Recommendation, 2017 (No. 205), provides overall guidance on how employment creation and decent work should be placed at the forefront of recovery efforts and how they stand to bolster peace and resilience. It also reminds us of the need to ensure respect for all human rights, including labour rights, from the outset.

- 180.** Based on the findings of this report, and in line with the multi-track strategic approach described in Recommendation No. 205, support to the Palestinian world of work in the recovery and reconstruction phase should be prioritized in the following areas.
- 181.** Fundamentally, there is a need to plan a job-rich and rights-driven early recovery while the humanitarian response is still unfolding. Once the situation on the ground allows, and as soon as it is possible, the initiation of work on early recovery, livelihoods and incomes will need to be stabilized through immediate employment and social protection measures, as outlined in the ILO's Emergency Recovery Programme for the Occupied Palestinian Territory. Crisis response initiatives must apply a clear gender perspective. Local economic recovery should be promoted for employment and decent work opportunities and socio-economic integration. This implies that all Palestinian women and men across the Occupied Palestinian Territory must enjoy unrestricted and safe access to their workplaces, land and other productive resources.
- 182.** Job creation needs to be placed at the centre of the rebuilding of infrastructure and essential services, especially in education and health. Grounded in global experience, expertise and good practices, employment-intensive infrastructure or cash-for-work measures should be designed to cover a wide range of sectors and ensure short-term income and decent working conditions for workers during and after the crisis.
- 183.** The private sector, and small and medium-sized enterprises in particular, can play a pivotal role in these endeavours and thus allow private business initiatives to rebound. In this context, early support for agro-food production, much of which has been destroyed during the war, would boost employment and food security at the same time. Restoring livelihoods in agriculture and fisheries and in the food value chain requires enhanced access to agricultural inputs, extension services and finance.
- 184.** In parallel, non-contributory social protection programmes, such as cash transfers, will need to be quickly expanded in order to provide vital support for population groups and individuals who have been particularly affected by the war. These include workers with disabilities and child- and female-headed households, the number of which has grown exponentially as a result of the hostilities. Relief-related cash transfer programmes need to be properly endowed with financial resources. The Palestinian Authority should be provided with adequate fiscal space to run them. Fiscal relief measures in the form of increased budget support by donors and the restoration of full transfers of Palestinian clearance revenues collected by Israel will be critical to their success. Social assistance should be channelled through the Palestinian National Cash Transfer Programme, to avoid further fragmentation of the social protection floor.
- 185.** Overall, it will be important to use and strengthen existing national institutions in the early recovery phase instead of building up parallel structures. Institutions of the labour market, such as the public employment services and the Palestinian Employment Fund, will need investment and planning support to enable them to facilitate effectively a job-rich and rights-based recovery. Workers' and employers' organizations have a vital role in planning, implementing and monitoring measures for recovery and resilience. Prioritizing the creation of an enabling environment for the restoration and strengthening of workers' and employers' organizations in Gaza, as well as the West Bank, would facilitate the development of a strong tripartite basis for the recovery.

- 186.** The destruction of education and employment opportunities is leading to an erosion of human capital, which calls for an attendant focus on skills development in the recovery phase. The National Employment Strategy (2021–2025) should be reviewed to accommodate new needs in the Palestinian labour market following the devastation in Gaza and its impacts on the West Bank, backed by sufficient donor support. In this context, facilities and projects promoting entrepreneurship and TVET, as well as cooperatives, should be reactivated. The review should also seek to strengthen the productive base of the Palestinian economy, including through diversification and investments in strategic sectors with a view to boosting jobs and also reducing the over-reliance on the Israeli labour market.
- 187.** Policymaking should not be put on hold any longer. It cannot wait. It needs to adapt to dramatically changed needs with agility and target-orientation. While undertaking major policy initiatives in the context of crisis and recovery may not seem straightforward, there is an urgent need to increase social security coverage and bring private sector workers into its fold. Around the world, many social security initiatives have been established in the darkest days of crisis. The revised Palestinian Social Security Law was close to finalization prior to October 2023. It should swiftly be brought to fruition and a Palestinian Social Security Corporation should be re-established in order to close a vital protection gap for workers. Relatedly, talks between the Palestinian Authority and Israel must resume over the transfer by the Israeli authorities of the social security contributions that they have been collecting from Palestinian workers in Israel for decades, in line with the Paris Protocol of 1994.
- 188.** Finally, Israel should consider reopening its labour market to Palestinian workers. If done properly, both sides stand to benefit. Trust needs to be rebuilt. It would also be an opportunity to reform the permit regime to ensure decent work and full respect for labour rights, including by cutting out exploitative brokers, ensuring better conditions of access to workplaces and improving occupational safety and health.
- 189.** The ILO reiterates that it stands ready to work with all sides, in a tripartite manner, to facilitate and foster decent work and social justice for all workers of the occupied Arab territories.

## ► Annex: List of interlocutors

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### Palestinian Authority and other public institutions

#### Ministry of Labour

- (Mr) Nasri Abujaish, (former) Minister
- (Ms) Buthaina Salem, Director-General, Legal Affairs
- (Mr) Abdel Kareem Mardawi, Director-General, External Employment
- (Ms) Dana Ismail, Adviser to the Minister
- (Mr) Ali Sawi, Deputy Assistant, Employment and Vocational Training Affairs

#### Ministry of Foreign Affairs

- (Mr) Omar Awadallah, Ambassador, Multilateral Affairs, Head of United Nations and its Specialized Agencies Department

#### Ministry of Social Development

- (Mr) Ahmed Majdalani, (former) Minister

#### Ministry of Women's Affairs

- (Ms) Amal Hamad, (former) Minister
- (Mr) Hanna Nakhleh, Minister's Adviser
- (Mr) Ismaeel Hammad, Minister's Legal Adviser
- (Mr) Sami Sehwal, Acting Director-General, Protocol

#### Palestine Monetary Authority

- (Mr) Feras Milhem, Governor
- (Mr) Mohamad Attallah, Head of Research

#### Palestinian Central Bureau of Statistics

- (Ms) Ola Awad, Minister, President of PCBS
- (Ms) Amina Khasib, Director of National Accounts
- (Ms) Suha Kana'an, Director of Labour Statistics Department
- (Mr) Ahmad Omar, Director of Analysis and Forecasting Department

#### National Committee for Women's Employment

- (Ms) Lama Awwad, Head of Gender Unit, Ministry of Labour
- (Ms) Abeer Al Barghouti, Secretary of Gender Unit, Ministry of Labour
- (Ms) Maha Hamdan Yasin, Social Researcher, Ministry of Labour

- (Ms) Anwar Ladadwah, Administration Officer, Ministry of Labour
- (Ms) Nada Abu Njeila, Head of Integration and Development, Gender Unit, Prime Minister's Office
- (Ms) Rana Al Asi, Head of Monitoring and Auditing Unit, Prime Minister's Office
- (Ms) Asma Khayat, Head of Gender Unit, Ministry of Finance
- (Ms) Asma Al Kilani, Head of Gender Unit, Ministry of Culture
- (Ms) Amal Shihadeh, Head of Gender Integration and Development Unit, Ministry of National Economy
- (Ms) Khitam Hamayel, Head of Gender Unit, Ministry of Agriculture
- (Ms) Taghreed Anati, Head of Gender Unit, Ministry of Public Works and Housing
- (Ms) Heba Jebat, Head of Gender Unit, Ministry of Social Development
- (Ms) Hiba Assaf, Head of Children and Gender Unit, Ministry of Information
- (Ms) Naela Odeh, Field Educator, Palestinian Working Women Society for Development
- (Ms) Ibtisam Zaidan, Board of Directors, Women's Affairs Center
- (Ms) Lina Ghaith, Project Coordinator, Women's Studies Center
- (Ms) Carine Metz Abu Hmeid, Projects and External Relations Coordinator, Democracy and Workers' Rights Center
- (Mr) Mahdi Manasrah, Public Policy Officer, Palestinian Initiative for the Promotion of Global Dialogue and Democracy (Miftah)
- (Ms) Nibal Abu Hejleh, Head of Lending and Financing Department, Palestinian Employment Fund
- (Ms) Reema Al Ashkar, Director of Monitoring and Evaluation from a Gender Perspective Department, General Personnel Council
- (Ms) Randa Abedrabbo, Director, Union of Cooperative Associations for Saving and Credit
- (Ms) Rinad Musleh, Executive Director, Business Women Forum
- (Ms) Amal Khreisha, Director, Palestinian Working Woman Society for Development
- (Ms) Rawan Obeid, Human Rights Advocacy Officer, Women's Centre for Legal Aid and Counselling
- (Ms) Samah Makhoul, Head of Policies and Planning Unit, Cooperative Work Agency
- (Mr) Majdi Merei, Secretary General, Palestinian General Union of People with Disabilities
- (Ms) Khawla Al Azraq, Economic Committee Coordinator, General Union of Palestinian Women
- (Ms) Samira Hulaileh, Board of Directors, Palestinian Federation of Paper
- (Ms) Sumaia Al Namoura, Secretary of PGFTU in Dura, Member of General Secretariat

## Palestinian workers' and employers' organizations

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

- (Mr) Shaher Sae'd, Secretary-General
- (Mr) Ashraf Al-Awar, former Treasurer of PGFTU, as of 31 March 2024 Minister of Jerusalem Affairs, Palestinian Authority

(Mr) Saher Sarsour, Head of Wood and Building Workers Union, Member of General Secretariat

(Mr) Khaled Baraket, Head of Minimum Wages Unit, Member of General Secretariat

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

(Mr) Salameh Abu Zeiter, Head of General Union for Health Services, Member of General Secretariat

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

(Ms) Eatimad Abu Jalalh, Women's Committee Chairperson, Head of Gender Unit, Head of Textile Union

(Mr) Ibrahim Abu Gaida, Head of Hospitality Industry Union, Member of General Secretariat

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

(Mr) Abdo Idrees, Chairman of the Board of Directors of FPCCIA, Chairman of Hebron Chamber

(Mr) Jamal Jawabreh, Secretary-General

#### ***Ramallah Chamber***

(Mr) Abdel El Ghani Al Attari, Chairman

#### ***Nablus Chamber***

(Mr) Samih Al Masri, Chairman

#### ***Bethlehem Chamber***

(Mr) Samir Hazboun, Chairman

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

#### ***Gaza Chamber***

(Mr) Aed Abu Ramadan, Chairman and Vice-Chairman of FPCCIA Board of Directors

#### ***North Gaza Chamber***

(Mr) Bahaa Al Amawi, Secretary

#### ***Khan Younis Chamber***

(Mr) Mohammad Abu Taha, Secretary

#### ***Rafah Chamber***

(Mr) Abdallah Al Satari, Chairman

## **Palestinian civil society organizations and other stakeholders**

### **Al Haq, Ramallah**

(Mr) Shawan Jabarin, General Director

(Mr) Tahseen Elayyan, Senior Legal Researcher

(Mr) Zaid Shuaibi, Field Research Coordinator

(Mr) Sujood Shihadeh, Data Entry Officer

#### **Al Mezan Center for Human Rights – Gaza**

(Mr) Sameer Zaqout, Deputy Director

#### **Al-Tawfeek Cooperative for Fishermen – Gaza**

(Mr) Ahmad El Ejla, Director

#### **Cooperatives Union – Gaza**

(Mr) Emad Abu El Jedyar, Member

#### **Independent Commission for Human Rights, Ramallah**

(Mr) Ammar Dwaik, Director General

#### **Palestinian Center for Human Rights – Gaza**

(Mr) Hamdi Shaqura, Deputy Director

(Mr) Basel Alsourani, International Advocacy Officer

(Mr) Ayman Lubbad, Research Officer

#### **Palestinian Center for Policy and Survey Research, Ramallah**

(Mr) Khalil Shikaki, Director

#### **Palestinian Employment Fund – Gaza**

(Mr) Mohamad Abu Zeiter, Deputy Chairman – Gaza

(Ms) Madlain Abu Sharkh, Head of Fundraising and Programmes Design – Gaza

(Mr) Ramadan Abu Luli, Project Coordinator – Gaza

(Ms) Majd Ishtawi, Project Coordinator – West Bank

#### **Palestinian Forum for Israeli Studies (MADAR), Ramallah**

(Mr) Walid Habbas, Researcher

#### **Palestinian Medical Relief Society**

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

#### **Palestinian NGO Network – Gaza**

(Mr) Amjad Al Shawa, Director

#### **UCAS Technology Incubator, Gaza**

(Mr) Mohammed Alafifi, Fundraising and International Relations Officer



(Mr) Ahmed Aldahdooh, Academic lecturer

### **Women's Affairs Center – Gaza**

(Ms) Amal Syam, Director

## **Workers <sup>1</sup>**

### **Workers from Gaza**

(Mr) Ahmad A., Former worker in the Israeli construction sector

(Mr) Matboula F., Former worker in the Israeli construction sector

(Mr) Mahmoud A., Former worker in the Israeli construction sector

(Mr) Muthur I., Former multi-sector worker in Israel

### **Workers from the West Bank, including East Jerusalem**

(Mr) Issam A., Former worker in the Israeli construction sector

(Mr) Mohammed S., Former worker in the Israeli construction sector

(Mr) Alaa H., Former worker in the Israeli construction sector

(Mr) Wisam M., Former worker in the Israeli construction sector

(Mr) Fadi B., Former worker in the Israeli construction sector

### **Jalazone Refugee Camp**

(Ms) Buthaina N., Unemployed social worker

(Ms) Suha A., Unemployed education sector worker

(Ms) Maisa' M., Unemployed field researcher

(Mr) Ahmad M., Unemployed worker

(Mr) Rafat A., Unemployed construction sector worker

(Mr) Nidal S., Unemployed agriculture sector worker

<sup>1</sup> The mission was provided with the full names of all workers with whom it met but chose to include only initials for surnames in the list of interlocutors.

## Government of Israel and other public institutions <sup>2</sup>

### Israeli workers' and employers' organizations <sup>3</sup>

#### Histadrut – General Federation of Labour in Israel

(Mr) Peter Lerner, Director-General of International Relations Division

(Ms) Avital Shapira-Shabirow, Director of International Relations

#### MAAN – Workers Association

(Mr) Assaf Adiv, Executive Director

(Ms) Roni Ben Efrat, Resource Manager

(Ms) Abeer Joubran, Lawyer in Jerusalem Branch

(Ms) Aya Bartenstein, Head of MAAN Legal Department

(Mr) Erez Wagner, Jerusalem Branch Secretary

### Israeli civil society organizations and other stakeholders

#### KAV LaOved

(Mr) Ohad Amar Ohad, Executive Director

(Ms) Diana Baron, Head of Policy and Research Department

(Mr) Khaled Dukhi, Manager of Palestinian Workers Department

(Mr) Abed Dari, Field Coordinator, Palestinian Workers Department

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

(Ms) Sylvia Piterman, Volunteer

#### Gisha – Legal Center for Freedom of Movement

(Ms) Rebecca Metzger, Director of International Relations

(Ms) Maáyan Cohen, Resource Management Coordinator

<sup>2</sup> In view of the fact that the Government of Israel did not accommodate the mission, it was considered important that the Director-General's report to the Conference could take into account information from the Israeli authorities obtained through videoconference discussions or provided in writing. The mission invited the Ministry of Economy and Industry; the Ministry of Justice; the Population, Immigration and Border Authority; and the Coordinator of Government Activities in the Territories to meet with it via videoconference. However, despite repeated invitations, the Israeli authorities did not meet with the mission. The Ministry of Justice provided written information towards the completion of the report, given the great importance that it attached to the issue.

<sup>3</sup> The mission invited the Israeli Manufacturers and Builders Association to meet with it by videoconference, as it considered it important that the Director-General's Report to the Conference could once again take into account the perspectives of ILO constituents. The Association indicated that it would not hold a meeting with the mission this year as it considered it not to be relevant as few Palestinian workers were employed in Israel at this time, but that it would arrange a meeting when the conditions were right.

### **Legal Aid for Palestinians (LEAP)**

(Mr) Kenneth Mann, Co-Founder

(Ms) Mor Soker, Co-Founder

## **United Nations and international organizations**

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

(Mr) Tor Wennesland, United Nations Special Coordinator for the Middle East Peace Process

(Mr) Jamie McGoldrick, Deputy Special Coordinator for the Middle East Peace Process, Resident/Humanitarian Coordinator

(Ms) Celia Richardson, Chief, Coordination Unit/Head of UN Resident Coordinator's Office

(Mr) Chamith Sudhinha Fernando, Economist, UN Resident Coordinator's Office

### **Office of the Senior Humanitarian and Reconstruction Coordinator for Gaza**

(Mr) Paolo Galli, Senior Recovery and Reconstruction Expert

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

(Ms) Kimberley Lietz, Acting Head of Office

(Ms) Nickie Wing, Humanitarian Affairs Officer

(Mr) Muayad Khadear, Head for Central West Bank Field Coordination Sub-Office

(Ms) Diana Anani, Humanitarian Affairs Analyst, Head of South Coordination Unit

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

(Mr) Ben Majekodunmi, Chief of Staff, Amman HQ

(Mr) Adam Bouloukos, Director of UNRWA Operations, West Bank

(Ms) Heli Uusikyla, Senior Deputy Director (Programmes) of UNRWA Operations, Gaza

(Ms) Amal Khatib, Field Programme Support Officer, Gaza

(Ms) Manar Bsharat, Camp Service Officer, Head of Women's Advisory Committee, UNRWA West Bank

### **Office of the United Nations High Commissioner for Human Rights (OHCHR)**

(Mr) Ajith Sunghay, Head of Office

(Ms) Anna Cesano, Head of Monitoring

### **United Nations Children's Fund (UNICEF)**

(Ms) Lucia Elmi, Special Representative

### **World Bank**

(Mr) Stefan Emblad, Country Director

(Ms) Samira Hillis, Program Leader, Human Development

(Ms) Kimberley Emily Weedon, Senior Social Protection Specialist

### **International Monetary Fund (IMF)**

(Ms) Kerstin Gerling, Head of IMF Mission – headquarters

(Mr) Thomas Laursen, Resident Representative

(Mr) Harold Zavarce, Senior Economist – headquarters

(Mr) Antonio Bassanetti, Senior Economist – headquarters

(Ms) Hania Qassis, Local Economist

### **OXFAM**

(Ms) Fidaa Al Husseini, Project Manager

(Mr) Mustafa Tamaizeh, Economic Justice Project Manager

## **Occupied Syrian Golan**

### **Al-Marsad Arab Human Rights Center in Golan Heights**

(Mr) Karama Abu Saleh, Lawyer

## **Other meetings**

### **Government of the Syrian Arab Republic, Damascus**

#### **Ministry of Social Affairs and Labour**

(Mr) Louai Emad El-Din Al-Munajdid, Minister

(Mr) Anas Al-Dabash, Assistant Minister of Social Affairs and Labour

(Mr) Louay Al-Aranji, Director of Planning and International Cooperation

(Ms) Rana Taha, Head of the International Cooperation Department

(Ms) Haifa Ismail, Director of Labour Inspection

(Ms) Haifa Assi, Director of Labour Organization

(Mr) Mahmoud Al-Damrani, former Director of Labour Regulation

(Mr) Khalil Awad, Technical Support Team at the Minister's Office

(Ms) Rana Khalifawi, Technical Support Team at the Minister's Office

#### **Ministry of Foreign Affairs and Emigrants**

(Mr) Farid Jeanbart, Directorate of Organizations

#### **Ministry of Industry**

(Ms) Lamis Kamel, Director of Development

### **Federation of Chambers of Commerce**

(Mr) Muhammad Abu Al-Huda Al-Laham, President

### **Federation of Chambers of Industry**

(Mr) Muhammad Ghazwan Al-Masry, President

(Mr) Muhammad Ayman Mawlawi, Secretary

### **General Federation of Trade Unions**

(Mr) Bashar Khristine, Member of the Executive Office

### **General Federation of Quneitra Workers**

(Mr) Hassan Al-Fares, Member of the Executive Office

### **General Organization for Social Insurance**

(Mr) Jaafar Muhammad Al-Sakkaf, Director General

(Ms) Salam Sharaf, Director of Planning and International Cooperation

(Ms) Suha Diob, Directorate of Insurance Affairs

## **League of Arab States, Cairo**

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

(Mr) Haider Tareq Al-Jobouri, Minister Plenipotentiary, Director of Palestine Affairs, Sector of Palestine and Occupied Arab Territories

(Mr) Mohammed Fathi Shaqoura, Head of Section, Development and Reconstruction, Sector of Palestine and Occupied Arab Territories

(Mr) Moatassem Al Shawwa, Sector of Palestine and Occupied Arab Territories

## **Arab Labour Organization, Cairo**

(Mr) Fayez Al-Mutairi, Director-General

(Ms) Rania Rushdie, Acting Director of Media, Documentation and Information Department

(Mr) Marwan Rais, Office of the Director-General