

Factsheet:

Palestinian Workers Under the Shadow of the Pandemic

The Covid-19 pandemic has profoundly impacted Palestinian public health as well as economic and social life.

These effects have been compounded by the ongoing reality of Israeli colonialism and occupation. Restrictions on movement, control over borders, economic subjugation, land seizures, home demolitions, and the continuing presence of the Israeli military have all hampered the Palestinian response to the pandemic.

But the impacts of the pandemic on Palestinian society are not felt equally. For many – including health workers, and manufacturing or construction workers who must travel to their jobs – it is impossible to stay at home or work remotely.

Low paid and informal-sector workers, who often rely on irregular and intermittent employment, also face major barriers to stopping work.

Disparities in health insurance and sick pay similarly affect workers' ability to take time off and declare if infected.

For all these reasons, Covid-19 poses a serious threat to Palestinian workers' rights – many workers have lost their income, unemployment rates are rising, and the pandemic has highlighted stark issues of social and economic inequality.

Palestinian women and youth – disproportionately represented in frontline essential labour and in the informal sectors – have been the hardest hit. Women workers also shoulder more of the burden of unpaid care work, including childcare and home schooling. Labour force participation rates for women are among the lowest in the world.

A Captive Economy

Israel's control over the Palestinian economy is enshrined in the 1994 Paris Protocol on Economic Relations between the Palestinian Authority (PA) and Israel.

This agreement binds the Palestinian economy to Israel via a customs union, making Palestinians captive to Israeli trade policies, tariff structures and the value-added tax rate. This leaves virtually no space for independent Palestinian economic policies.

Israeli authorities collect trade tax revenues on behalf of the PA and have withheld it as a form of pressure and punishment. UNCTAD (2020) estimated the annual leakage of Palestinian fiscal resources to the Israeli treasury at 3.7% of GDP or 17.8% of total tax revenues.¹

In this context, emergency measures and lockdowns have severely worsened the economic situation. Estimates of Palestinian GDP losses as a result of the pandemic range from 13.5 percent to 35%.²

Donor aid to the Occupied Palestinian Territory (OPT) has also dropped significantly, from 32% in 2008 to 3.5% of GDP in 2019 (UNCTAD 2020). This comes at a time when an increasing number of Palestinians are dependent upon humanitarian assistance – estimated at more than 70% of households in Gaza and 10% in the West Bank (WB) (UNDP 2020).³

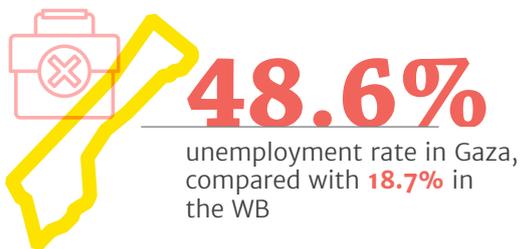
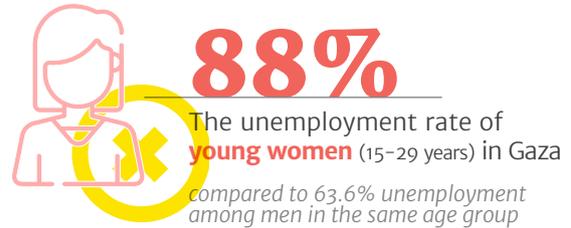
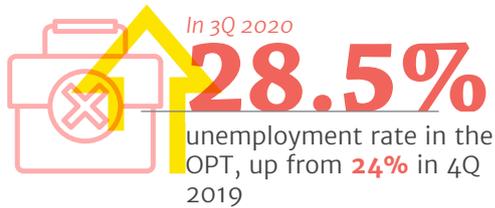
However, the PA used this fiscal crisis to temporarily cut public sector pay by up to 50% in April and May 2020. Palestinian public sector employees earned a fraction of their wages, and promotions have been frozen. These measures impact many thousands of workers – 21% of the Palestinian labour force works in the public sector, including 43% of employed women (UNDP 2020).

1 United Nations Conference on Trade and Development. *COVID-19 devastates Palestine's shattered economy*, 8 September 2020.

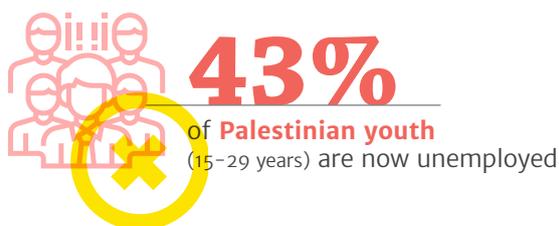
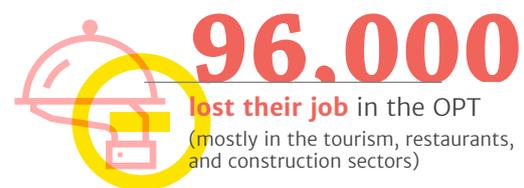
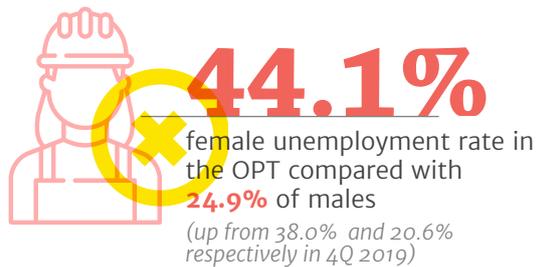
2 Palestinian Central Bureau of Statistics, *Results of Impact of Covid-19 Pandemic (Coronavirus) on the Socio-economic Conditions of Palestinian Households Survey*, March-May 2020.

3 United Nations Development Programme. *Covid-19 UNDP Integrated Response to Support the Resilience of the Palestinian People*, 2020.

Labour market & unemployment

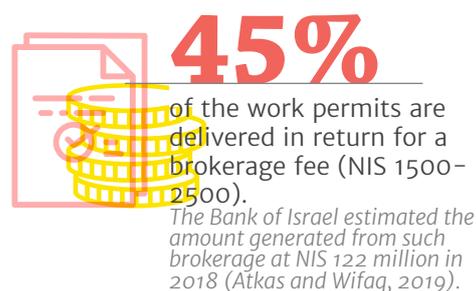


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* World Bank. *Economic Development in the Palestinian Territories*, 24 November 2020. Palestinian Central Bureau of Statistics. *Labour Force Survey*. Third Quarter 2020.

Informalisation, wage poverty, and permit exploitation



* International Labour Organization. *The situation of Workers of the Occupied Arab Territories*, 2020.
Etkes H. and Adnan W. *Illegal Work Permits for Palestinian Workers in Israel: The Existing Situation and Planned Reform*, Jerusalem: Bank of Israel, Research Department, 25 September 2019.

Labour organising

There is an essential role for labour unions to play in protecting Palestinian workers' rights, yet there is a worrying and deepening divide between workers and official labour unions. Unionisation remains low, except outside specific professions where it is mandated.

Unions are mired in factional disputes and lacking in representative democratic structures. Workers report feeling abandoned

by the PA, as well as their trade union representatives.

A strategy is needed to rebuild the Palestinian trade union movement from the ground up – focusing on the capacities of rank and file organisers and broader worker education programs around basic labour rights.