Workers' Rights in Crisis

Palestinian workers in Israel and the settlements
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It’s time to end the exploitation of Palestinian workers

This is a story of occupation and exploitation. The international community can no longer ignore the dehumanising arrangements for workers desperate to feed their families and forced to work in Israel or in the illegal settlements.

The permit system of brokers controlling access to work and forcing workers to pay for the right to work is scandalous and must be abolished. The withholding of social security benefits from workers and the Palestinian social protection authority is simply theft. And when 45% of workers are forced to cross Israeli designated borders for work it exposes the artificial constraints on development.

The demands of the ITUC are clear:

- eliminate brokers and ensure a transparent system of contracts,
- respect the labour protection floor agreed in the International Labour Organisation (ILO) Centenary Declaration on the future of work, which includes fundamental rights, occupational health and safety,
- an adequate, evidenced based, minimum wage on which workers and their families can live with dignity and maximum hours of work,
- social protection,
- effective labour inspection,
- due diligence regarding human and labour rights with effective compliance.

In the absence of these rights and entitlements, with effective compliance, we call on governments and international institutions to act. As a first step in line with international law and the United Nations (UN) Guiding Principles on Business and Human Rights, companies and investors must end their complicity in and with the illegal settlements. To facilitate action the United Nations Human Rights Council (UNHRC) should continue to monitor and expand the list on the UN Database of companies doing business in the settlements.

Where these practices continue, the ITUC, with human rights organisations and community allies, will increasingly raise opposition. UN Sustainable Development Goal 8 on Employment and Decent Work applies equally to Palestinian workers.

This report shines a spotlight on the working conditions of Palestinian workers. It begins with an overview of workers’ rights, analysing evidence related to jobs, work permits, wages, social protection, health and safety and access to justice.

An in-depth review of Palestinian workers in the illegal settlements looks at the cost of doing business with a focus on three sectors: tourism, agriculture and industry. An in-depth review of Palestinian workers in Israel exposes the exploitative permit system and the role of labour brokers with a focus on working conditions in the construction sector.

This scandal must end! We need a renewed sense of urgency for workers’ rights. The depravity of these conditions must be cleaned up immediately.

We of course reiterate the call for international governments to overcome the failure to end the occupation and ensure Palestine is recognised as a sovereign state in line with UN Security Council Resolutions.

Sharan Burrow
General Secretary, ITUC
The ITUC continues to denounce the illegality of the Israeli occupation and of the settlements in occupied Palestine, and calls upon the international community to uphold efforts to defend the two-state solution, based on United Nations Security Council Resolutions 242 and 338 and the pre-1967 borders, with East Jerusalem as the capital of a Palestinian state.

Settlements in the occupied Palestinian territories are illegal. Doing business with settlements helps perpetuate their existence in contravention of international law. In line with the UN Guiding Principles on Business and Human Rights, companies and investors must end their complicity in and with the illegal settlements. The UNHRC should continue to monitor and expand the list on the UN Database of companies doing business in the settlements.

The current permit system is a stark element of oppression and exploitation and needs to be reformed. The ITUC calls on the Israeli government to implement the ILO General Principles and Operational Guidelines for Fair Recruitment and fair recruitment laws for direct employment to eliminate the current practices of using exploitative labour brokers for the employment of Palestinian workers in Israel. The principles include, among others, that recruitment fees or related costs should not be borne by workers or jobseekers and that recruitment should not serve as a means to lower labour standards, wages or working conditions. Recent changes to the system, for construction workers, by the Israeli government are a positive step.

Wage benefit deductions earned by Palestinian workers in Israel should be urgently transferred to Palestinian workers. The ITUC calls for an audit of wage benefits by an international firm to identify the value of the amount owed to Palestinian workers in Israel. Social partners must cooperate with social dialogue to ensure the wage deductions are duly transferred to the workers.

The ITUC calls for the establishment of an evidence based minimum wage for workers in Palestine as well as the development of a comprehensive Social Protection system in the West Bank.

The ITUC calls for the guarantee of occupational health and safety for Palestinian workers in Israel.

Terms

- Israeli Civil Administration (ICA)
- Israeli Ministry of Interior, Division of Palestinian Employment of the Population and Immigration Authority (PIA)
- Palestinian Authority (PA)
Palestinian workers’ rights
An overview
Jobs:
Working in the Gaza Strip, the West Bank, Israel and the settlements

The occupied Palestinian territory (oPt) has persistently suffered from “depression-level unemployment,” caused by Israel’s prolonged military occupation and imposed economic policies. In 2019, unemployment levels reached 25%; 54% in the besieged Gaza Strip and 15% in the occupied West Bank, and even higher underutilisation levels (33%).

Those in work are employed in precarious conditions, with long working hours, low pay and a lack of social protection. In the private sector, where 62.1% of the oPt’s workforce is employed (64.1% in the West Bank; 56.6% in Gaza), some 30% of workers receive a monthly wage that is less than the US$428.79 minimum wage. Private sector workers also lack social protection with only 30% having access to full social rights.

The average minimum wage is nowhere near enough to sustain a decent living for a Palestinian family. According to the Palestine Central Bureau of Statistics (PCBS), the average monthly expenditure for a family of 5.2 members in the occupied West Bank is around US$1,601.85, almost four times higher than the minimum wage.
The PCBS also found that 59.9% of individuals living in households where the head of household is unemployed live in poverty, while some 24.2% of those who are employed live in poverty. It also found that a part-time job is not enough to elevate people out of poverty.\(^5\)

Lack of jobs and low pay has turned the Israeli job market into a paramount source of employment for large numbers of Palestinians. By 2019, over 133,000 Palestinians were employed by Israeli businesses in the illegal settlements and in Israel.\(^6\) These workers constitute around 18.5% of the West Bank’s labour force and 13.8% of the oPt’s, generating US$2.4 billion in estimated income.\(^7\) In 2017, workers in the Israeli job market generated 40% of the PA’s Gross Domestic Product (GDP).\(^8\) No work permits have been granted for Gazan workers since Israel imposed a land, air and sea siege on the 2 million population in 2006.\(^10\) Thus, lower unemployment rates in the West Bank do not reflect a healthier labour market, but rather the significant absorption of Palestinian labour in the Israeli job market.

The dependency of Palestinians on the Israeli job market renders them acutely vulnerable to wide ranging exploitation. The calamitous impact of the coronavirus pandemic on the oPt’s economy is likely to increase dependency on Israel for employment, adversely impacting workers’ rights. By April 2020, over 453,000 Palestinian workers had lost their jobs\(^11\) and over 115,000 families were pushed into poverty. The World Bank estimates that 30% of families in the West Bank will be living in poverty, up from 14% prior to the pandemic. The data tells an even more harsh reality for families in Gaza, where it is predicted that 64% of families will be living in poverty, up from 53%.\(^13\)

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**Access to work: The permit system**

Palestinians’ access to work in Israel and the illegal settlements is tightly controlled through a repressive permit system, security checks and checkpoints. Only Palestinians with valid work permits can be ‘legally’ employed by Israeli businesses. In 2019, out of the estimated 133,000 Palestinian workers in Israel and the illegal settlements roughly 94,000 had a work permit. The overwhelming majority (99%) of permit holders are men and most work in the construction sector.\(^14\)

**Security checks**

The issuing of permits is contingent on having a biometric ID card and passing a security check by the Israeli Coordinator of Government Activities in the Territories (COGAT), an arm of Israel’s military coordinating activities in the oPt, forcing every Palestinian seeking to exercise their right to work and movement to hand over their biometric data to Israel’s security apparatus for undefined use.\(^15\)

Security considerations for granting work permits are classified, but additional criteria include being married and over 22 for those seeking work in Israel, over 18 to work in the settlements and over 22 to work in industrial zones located in the “Seam Zone”.\(^16\) These regulations and the acute lack of jobs within the West Bank’s economy have contributed to the emergence of a “marriage for permits” phenomenon.\(^17\)

**Bonding workers to employers in specific sectors**

The Israeli Civil Administration (ICA) issues a permit for workers who meet the security criteria and only once an Israeli employer files a permit request for him/her with the Division of Palestinian Employment of the Population and Immigration Authority (PIA) in the Ministry of Interior.

Permits are issued only in industries where Palestinian workers pose no competition to Israeli workers and according to the United Nations Conference on Trade and Development (UNCTAD), in line with Israel’s “political objectives and economic needs.”\(^18\) Thus, for example, the increase in the number of construction work permits from 32,500 in 2013 to 65,300 in 2019 was part of a broader Israeli government policy to increase activity within the sector.\(^19\)
Permits contain both the worker and his/her employer’s details and form a reciprocal relationship between them, where workers are compelled to work only for the employer listed on their permit and employers are to employ them full time, pay minimum wages and all social benefits in accordance with the law and collective bargaining agreements.

Trading in permits is illegal under Israeli and Palestinian law. However, a lucrative black market trade in permits has developed, where brokers extract money from workers in exchange for access to work. In 2018, 45% of Palestinian workers obtained their permits through brokers who generated at least US$119 million in profits.\(^{20}\)

Recently, the Israeli government introduced a reform to the permit system which determines that the employment of Palestinian workers will now only be done through direct employment and not through labour brokers. While the measure only applies to construction sector workers, it represents a step forward in breaking the web of labour brokers. Implementation and extending the measure to all sectors employing Palestinian workers will be essential to ensure the fair recruitment of Palestinian workers.

A disciplinary mechanism

Permits are issued for the duration of up to six months but can be arbitrarily annulled at any time by employers or Israel’s security services. Employers use the threat of annulling permits to discipline workers who join unions, demand rights, or are involved in any form of political activity.\(^{21}\)

Israel’s security apparatus also uses permits and workers’ access to livelihood for political extortion. The Israeli human rights organisation, B’Tselem – The Israeli Information Centre for Human Rights in the Occupied Territories, has documented that on a number of occasions workers’ permits were revoked as an act of collective punishment against Palestinian communities and families for alleged political activity or attacks.\(^{22}\)

Crossing through the checkpoints

Obtaining a permit is the first of many hurdles workers must overcome to access work. To arrive at work on time workers must leave their villages and towns in the early hours of the morning. Then at an overcrowded checkpoint or crossing they must endure a lengthy, invasive and humiliating security check by Israeli military and armed private security personnel. Checkpoints are dangerous for all Palestinian workers, but particularly for women. A 2017 ILO fact finding mission documented that checkpoints are particularly threatening as they “increased risk of sexual harassment of women.”\(^{23}\)

The lengthy journey, often extending the working day to up to 16 hours,\(^{24}\) made by sleep deprived workers who rely on cheap and speedy transportation, renders them prone to car accidents and injuries at work. There have been numerous fatal road accidents involving workers on their way to work in Israel and the settlements. In one incident, on 4 November 2018, seven workers from Jerusalem lost their lives as they were on their way to work at the Mā’of poultry factory, located in Beit She’an, Northern Israel. The journey from Jerusalem to Beit She’an takes at least two hours.\(^{25}\) Additional incidents were recorded in July and November 2020, where Palestinian workers with valid work permits were severely beaten and robbed by Israeli border police.\(^{26}\)

Mohammed – Forced to sign away demands for clothing, expenses, pay and conditions

When workers for G. Regev Yezum 2000 (2004) Ltd., an earthwork and infrastructure development company, carrying out work in the illegal settlement of Barkan, northern West Bank, requested detailed monthly payslips, protective gear and compensation, they were forced to sign away their rights or lose their permits.

Mohammed, a 23-year old who has worked for the company for two years and is paid US$59.22 a day for eight hours’ work, explains how he had little choice but to agree to unfair terms: “when we demanded our rights, the next month he [employer] gave us a payslip ... we thought this was going to be the beginning of a process where we improve our conditions, but the following month he handed us papers and told us to sign them or lose our permits... we all signed, we had no other choice.”

The document workers were forced to sign states that they have received clothing, travel expenses, pay and conditions as “customary in our area” and that they have “no complaint against their employer.”
Incomes:
Wage discrimination

Work in Israel and the illegal settlements provides employment opportunities with salaries more than double those in the oPt job market. Palestinian workers employed in the Israeli economy with a valid permit are entitled to receive Israeli minimum wage salaries as well as a net and gross pay that mirrors Israeli workers in the same sector and in line with Collective Bargaining Agreements (CBA).

However, there is significant wage discrimination between Palestinian workers and their Israeli counterparts. In 2018, income tax was deducted from a little over half of Palestinian workers (50.2%) with permits, indicating that a large number of workers were not paid the Israeli minimum wage of US$1,657.54 in the construction sector and US$1,568.74 in other sectors.

Comparison between wages of Palestinian workers in the occupied West Bank, in Israel and the settlements with valid work permits and Israeli workers (in US dollars for the year 2019):

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<th>Minimum wage</th>
<th>Average monthly wage</th>
<th>Av. monthly wage – construction</th>
<th>Av. monthly wage – agricultural</th>
<th>Av. monthly wage – manufacturing</th>
<th>Av. monthly wage – commerce and hotels</th>
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<td>Palestinian workers in Israel and the settlements</td>
<td>US$1,567.31</td>
<td>US$1,787.78</td>
<td>US$1,872.09</td>
<td>US$928.60</td>
<td>US$1,332.12</td>
<td>US$928.60</td>
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The average daily wage for Palestinian workers with permits ranges between US$81.40 and US$94.72, with the highest wages paid in the construction sector. Gross monthly wages average around US$1,872.09 in the construction sector and US$1,503.64 in other sectors. The average net monthly income workers take home is much lower after mandatory tax (between 10-14% of wages) and social benefit deductions (8.02% of wage for construction workers and 7.42% in other sectors), extractions by permit brokers (between US$591.27 and US$739.9 for 45% for workers), third party contractors and self-subsidised travel expenses (US$147.82).

Take home wages after deductions for permits, travel, income tax, social benefit deductions and health

Workers without permits endure the uncertainty and humiliation of selling their labour on a daily basis, therefore no monthly income can be assured, leaving them in a constant state of anxiety and vulnerable to wide ranging exploitation. The undocumented employment of women and children is particularly widespread on settlement agricultural farms in the occupied Jordan Valley, where salaries range between US$14.76 to US$20.67 per day. According to the Palestinian General Federation of Trade Unions (PGFTU), some workers in the settlements take home a monthly salary as low as US$236.22.

Workers are often paid in cash on a daily, weekly, bi-weekly or monthly basis, depending on agreements with the employer. This system leaves workers particularly vulnerable to arbitrary deductions or the withholding of wages.
Palestinian workers are mainly employed in labour intensive, dangerous, difficult and dirty jobs where the risk of work-related injuries is high. The majority do not have contractual agreements (in 2018, only 3.5% had written agreements and 42.2% had verbal agreements) and are vulnerable to wide ranging abuses, including irregular working hours, lack of overtime or night shift pay and no seniority increment as well as deprivation of social benefits.

Workers with permits work on average 42.4 hours a week and the number of days worked a month vary and depend on the employer, averaging 20.2 days a month. Some work for up to 27 days a month according to the Bank of Israel.

Despite hard working conditions, mandatory deductions from their wages and contributions by employers for social benefits, Palestinians are

### Industries where workers are employed

- **Construction**: 65%
- **Manufacturing**: 12.9%
- **Commerce, restaurants and hotels**: 12.7%
- **Agriculture**: 6.1%
- **Services and other branches**: 3.2%
- **Transportation, storage and communication**: 1%

### Maher – Exploited in a minimum wage job

Maher, a 31-year old father of three from Zeita village, northern West Bank, works at Sohal Industries Ltd., a metal factory in the Ariel settlement industrial zone.

Maher works 11 to 12 hours a day six days a week. He has a contract and considers himself one of the lucky ones. "I’m lucky, I have a contract, I receive a detailed payslip every month and I’m paid travel expenses, holiday pay, sick leave and will get a pension.” Compared to many others he does have favourable working conditions but his employer still exploits him. Despite hard physical conditions and the skills required to operate the machinery, Maher and all workers at the factory are paid a minimum wage. "I’ve been working at the factory for nine years and have a licence to operate a crane but my skills account for nothing … I receive the same pay as someone who joined yesterday and does the cleaning.” Maher doesn’t get paid extra for night shifts. “We are paid the minimum hourly wage according to law, but during night shifts the pay remains the same when we should get more… This is a big problem we have.”
systematically denied social rights. Between 2014 and 2017 only 1.0 to 1.5% of workers received sick leave pay and in 2018, despite hundreds of applications, no Palestinian received the benefit of sick leave. According to the ILO, in 2019, only 15.8% of Palestinian workers with permits were paid sick leave and around 21.34% are paid annual leave. With just a little over 40% of workers receiving a written payslip compounded with cash payment of wages, fictitious reporting by employers of working hours and pay is prevalent, depriving them of social rights upon which they are calculated. In some cases, employers misrepresent workers’ actual working hours and pay on payslips, while paying them the rest of their wages on the side. This practice enables employers to “save costs” in mandatory social benefits payments and workers are rarely aware of the implications, often welcoming the scheme as it increases their immediate income. In some cases, workers who receive sick pay and annual leave are denied other rights.

Workers dependent on the Israeli job market are pushed to accept work under extremely exploitative conditions, exacerbated during the coronavirus pandemic. During the Israeli imposed lockdowns on the occupied West Bank to curb the spread of Covid-19, only Palestinian workers in essential sectors – construction, health and agriculture – were able to keep their jobs. However, this was only possible under the condition that they not return home for at least two months. The mental and emotional toll on workers and their families, who were to be separated for long periods of time during a global pandemic, has yet to be measured.

During the enforced stay in Israel and the settlements, no clear arrangements were made to guarantee workers’ safety, access to adequate accommodation or cleaning facilities. For many workers, no accommodation was provided and they were left to sleep in large groups, on construction sites or in warehouses on factory grounds, with no adequate facilities for overnight stays and in conditions that violate the Israeli health ministry’s hygiene guidelines. Workers were not paid extra wages and their IDs were withheld by employers to monitor and restrict their movement, an act that has been identified by the Israeli Ministry of Justice as a mark of forced labour.

Moreover, tens of thousands of workers were placed on leave of absence without pay and others couldn’t access work. Palestinian workers are covered under the Law of Social Security in cases of work accidents, bankruptcy of employers and maternity leave. This meant that whilst Israeli workers received up to 75% of their monthly pay in unemployment benefits, tens of thousands of Palestinians spent months without pay. The Israeli Supreme Court refused to release some US$152.43 million that have accumulated in Palestinian workers’ sick leave funds to aid workers in need of assistance due to coronavirus related dismissals or an inability to access work.

Workers who protest working conditions in general, and during Covid-19, are threatened with and face dismissal.

Green Net Recycling and Waste Treatment Plant – Using the cover of Covid-19 to attack workers’ rights

A waste sorting plant for the city of Jerusalem operating in the Atarot settlement industrial zone undermined workers’ rights. Some 110 of its Palestinian workers joined Maan Union to fight against exploitative working conditions. Employers used financial constraints imposed by Covid-19 to weaken workers’ unionising efforts. Dozens of workers have been forced to take leave of absence without pay, others were to stay on the factory grounds without appropriate arrangements if they were to keep their jobs and nine workers were fired, including union leaders.
Occupational Health and Safety: Cases from Israel and the settlements

Despite working in labour intensive and dangerous jobs Palestinian workers receive little to no training or protective gear with minimal supervision of working conditions and enforcement of health and safety regulations.

These conditions lead to a devastating loss of Palestinian lives and debilitating injuries. According to the Palestinian Ministry of Labour, 28 Palestinian workers lost their lives at Israeli work sites in 2019. Israel’s construction sector, where the majority (65%) of Palestinian workers are employed, is notoriously dangerous. Seventeen Palestinian workers lost their lives on construction sites in Israel in 2019. Construction training is minimal and workers who do undergo training report that these are insufficient and do not equip them with the relevant skills to keep themselves safe.

Site inspections are rare, with only 50 Israeli Ministry of Labour, Social Affairs and Social Services (Ministry of Labour) inspectors for 14,000 active construction sites, and ineffective enforcement when violations are identified. While some minimal inspection takes place for worksites in Israel, there is practically no inspection of working conditions in the settlements and associated industrial zones. The Ministry of Labour does not monitor working conditions in the illegal settlements and industrial zones, on the grounds that they are outside of its jurisdiction and the ICA imposes virtually no regulations.

In a 2008 inquiry, Kav LaOved found that:
- 59% of workers in industrial zones are exposed to hazardous health conditions and were not equipped with proper safety gear.
- 20% received safety gear which did not meet international standards.
- 17% received safety equipment but did not use it and there was no monitoring of safety in the factory.
- Only 3% of the workers received proper and accessible safety gear.

Ibrahim – Unsafe work sites

Ibrahim is a 34-year old construction worker from Kaft Qaddum, a town in Qalqilya governate, northern West Bank. Having learnt the trade from his father, Ibrahim works in various sections of the construction sector-plastering, scaffolding, painting, glazing and floor tiling. He spoke of the lack of protective gear and training: "Most of the time they [contractors] give you gloves and a vest, a hat, but we have to bring our own shoes .... The current contractor I work for brought someone to talk to us about health and safety. The training he gave us was useless. You feel that they [contractors] do it just because they have to and to cover themselves in case an accident happens."

There are only 50 Israeli inspectors for 14,000 active construction sites in Israel.

Only 3% of workers received proper and accessible safety gear.
Palestinian workers’ rights – An overview

On settlement agricultural farms in the West Bank, workers spray the fields with pesticides without protective gear or proper clothing, while alongside them, women and children harvest or trim the plants that have been sprayed.\(^{52}\)

Israeli employer negligence and cost cutting puts workers’ lives at immediate and continuous risk. At the outset of the Covid-19 pandemic, Palestinian workers in Israel and the settlements were particularly susceptible to catching the virus.

Access to workplace injury compensation

When injured on the job, workers face difficulty in accessing adequate healthcare and injury compensation, although they are insured for workplace injuries under the Israeli Law of Social Security.

Palestinian workers are not entitled to receive medical care in Israel other than initial emergency treatment and have to return to the oPt for additional care. Workers have to self-finance hefty healthcare costs through monthly deductions from their wages for a “health stamp” and later apply for reimbursement from Israel’s National Health Institute. For many workers, paying the cost of their medical care without immediate reimbursement and the loss of pay due to absence from work is not a viable option, thus they go without necessary treatment. Reimbursement claims are complex and require substantial documentation in Hebrew to prove their validity, requiring workers to solicit help from third parties, often incurring costs. Most applications are denied or receive unexplained partial pay-outs after six to eight months. Thus, despite amounting to half of the injuries in the construction sector, only 5% of the construction workers who receive workplace injury stipends are Palestinian.\(^{54}\)

Furthermore, workers’ access to health insurance is hinged on their employer’s cooperation, and in some cases, employers deny responsibility claiming that a worker’s illness or injury is not job related. These procedural and bureaucratic processes compounded with workers’ lack of knowledge of their right, means that “there is almost no chance that a worker’s theoretical rights materialise.”\(^{55}\)

During Covid-19, workers who were promised that they would receive healthcare in Israel, if they caught the virus on the job, were in the event sent back to the West Bank for treatment.

Malek – Denied healthcare during the Covid-19 pandemic

When Malek Ghanam, a 29-year old construction worker, displayed Covid-19 symptoms his employer called the police who then dumped Malek at a checkpoint without any prior coordination with PA healthcare institutions.\(^{56}\)
Palestinian workers in Israel and the settlements seeking justice for labour rights violations have no alternative but to submit a case to the Israeli labour courts. However, the system is weighted against them and workers face technical and financial obstructions to fair legal procedures and representation.

The first obstacle for workers is proof of employment, made arduous by permit brokering, illegal employment, the lack of contractual agreements and cash payments without payslips. In addition to obstacles stemming from employers’ violations of labour laws, the Israeli legal system inhibits Palestinian workers’ access to fair legal process. Workers are often disadvantaged because they do not speak Hebrew, or because the courtrooms are in Israel and inaccessible to Palestinians without special permits, or because they can’t afford the heavy financial costs of the legal processes.

According to Adalah, the Legal Center for Arab Minority Rights in Israel, court-ordered deposits paid by workers increased exponentially with the introduction of the “Jordan Valley Regulations”, from US$24,966.48 in 2015 to US$83,912.23 the following year. According to the organisations who appealed against the regulations – Adalah, Kav L’Oved (Worker’s Hotline) and The Association for Civil Rights in Israel (ACRI):

“The regulation against which we are petitioning constitutes a discriminatory, dangerous and arrogant rule which has resulted from pressure by employers who wish to continue to violate – unhindered – the rights of their weak employees. The regulation will change the reality for hundreds of thousands of workers in Israel, employed in the most inferior and difficult of jobs, who have already been suffering from under-enforcement of their labour rights.”

In August 2018, Israeli Supreme Court dismissed the appeal, stating that their non-citizenship or residency status was sufficient for the court to demand they provide a financial guarantee and that although the Regulation harms workers’ access to legal justice, it is “proportionate and reasonable harm.” Furthermore, workers are deterred from engaging in legal processes for fear of being blacklisted or their work permits revoked. This justified fear of losing their livelihoods, with no ability to find alternative employment, further deters workers from engaging in a biased legal process in defence of their rights.
Workers who do not meet the criteria for permits can only work for Israeli employers ‘illegally’. These workers are not protected by any legal framework and are thus extremely vulnerable to wide ranging exploitation and abuse, with no access to social benefits or fair legal process.

According to conservative estimates, in 2019, over 26,000 Palestinians were employed by businesses in Israel and the occupied West Bank without a permit, amounting to 21% of those employed in the Israeli job market that year. These people can’t cross through the checkpoints and have to take clandestine and dangerous routes to access work.

According to Adameer, the Prisoner Support and Human Rights Association, in 2017 there were 1,064 open cases against workers for attempting to access work without a permit. In the last two months of 2019, 20 construction workers were shot by Israeli soldiers as they were trying to cross the Wall seeking employment in Israel. The risks involved in accessing work and making a living forces these workers to live in hiding and often stay away from their families for long periods of time. The psychological toll on workers who live in extreme precarity and uncertainty is huge.

Samer, a 33-year old, has been working in a metal factory in Jaljulia for the past two years. Samer never completed his degree in computer science. Working illegally in Israel wasn’t his first choice. He opened his own business, but “it was useless, there just isn’t any way to make a living on the West Bank,” he explained.

He couldn’t get a permit as he has a security ban on his file. He has no idea why. Israel’s security services are not mandated to inform people of the reason for a security ban. To get his current job Samer fabricated his permit. “It was the only way the employer was going to take me on. This way he [the employer] is protected even if I’m caught.”

“Not having a permit means I’m a prisoner. A free man choosing to be imprisoned to earn a living,” Samer commented on his working conditions. To keep out of sight, Samer sleeps at the factory along with another eight workers in a single room and returns home for a weekend once a month. “The factory is all I know of Jaljulia. I work, eat and sleep at the factory.” Samer’s daily shift starts at 6am and ends at 9pm, earning US$8.88 an hour. “Being surrounded by the sound of the machines 24/7, not seeing your family or friends is hard. I get really depressed and the only thing that keeps me going is the pay. That’s what keeps us all going,” he says.
Odai is a 22-year old Palestinian from the town of Yattah, South Hebron, and the youngest of a family of 11. To help support his family he first illegally entered Israel when he was 12. He worked as a shepherd for the first five years, often not returning home for months at a time, and has been working in construction and as an odd job man ever since.

Odai pays a smuggler US$44.40 to help him cross the Separation Wall and is dropped at the outskirts of Palestinian towns and villages in Israel. “The best time to cross is between 1 and 2am as there are fewer soldiers patrolling the Separation Wall at that time. We cut through the barbed wire fence and walk into the forest. You have to be very careful as the soldiers leave many traps on the way. Sometimes they chase you in the middle of the forest using live ammunition, rubber bullets or taser guns. You just have to be smart and vigilant and very, very lucky.”

He continued: “It’s really scary and lots of people get caught. Some get shot, you can die out there.” When asked what he would do if he got caught, he answered: “I’d wait for a bit, maybe a week or so, and then I’d try again. What can I do? This is the only way I can earn enough money to support my family and start planning for the future, build a house, get married.”

Odai is paid US$59.20 a day, regardless of working hours or the type of work. On a normal day he works for 10 hours, sometimes more.

“I can’t be picky, I take any job that comes my way,” Odai explained. Workers’ precarity means that they have to rely on their employers’ good will to get paid. “Often once I’ve finished a job my employer tries to avoid paying me the full amount we agree on. Sometimes they don’t want to pay me at all. If I insist, they threaten to call the police.”

Recently he and a friend finished a six-week job. They had agreed on US$2,959.87 pay and were given US$1,183.95 in a cash advance. “At the end he gave us two cheques for US$887.96 each. When they bounced at the bank, we sent a friend to ask for the money. He was told to tell us that if we ever wanted to work in that village again, we had better keep our mouths shut and stop asking.”

He continued that: “Employers know how badly we need jobs and that because we work illegally they can get away with lots of things, long days, bad conditions and low wages.” As an illegal worker Odai knows that he is very vulnerable at all times. “If he [the employer] wants to get rid of us without paying they can call the police and say we are infiltrators. Then we will be arrested”. If caught working illegally, Odai faces fines and imprisonment. “There’s nothing we could do – it’s better not to get paid than to get caught,” he says.
Palestinian workers in the illegal settlements
In depth
Inside the occupied West Bank

Over three million people live in the occupied West Bank stretching over 5,655km2, 86% of whom are Palestinian. The remainder are Israelis living in settlements that are illegal under international law. By 2019, there were some 427,000 Israeli settlers living in 132 settlements and 124 outposts in Area C of the West Bank. In addition, some 32,000 Palestinians and over 220,000 Israeli settlers live in occupied East Jerusalem.

Since 1967, more than 250 Israeli settlements and outposts have been established across the West Bank, including East Jerusalem, in contravention of international law.

Over 620,000 Israeli settlers live in the Occupied Palestinian Territory.

- Israeli settlements
- Area-C: Restricted or inaccessible to Palestinians

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Despite their illegality and widespread international condemnation, Israel continues to expand the settlements unrelentingly and persistently threatens to bring them under its legal jurisdiction through annexing huge swaths of the West Bank.\(^6\) The reality on the ground is that settlements, as noted by UNCTAD, function as a "de facto annexation of Palestinian natural land and resources."\(^6\)

Settlements take over huge swaths of land and host substantial business activities. Seventy percent of Area C in the occupied West Bank, which is under full Israeli military and administrative control, is included within the boundaries of the regional councils of Israeli settlements, dedicated to their expansion and business activity and is completely "off-limits for Palestinian use and development".\(^6\) In East Jerusalem, only 13% of the land has been allocated for Palestinian development "much of which is already built up,"\(^7\) while 35% has been allocated for settlement expansion and the rest has been designated as nature reserves, public infrastructure or remains unplanned.\(^7\)

Settlements are connected together by an elaborate system of railways and 800km of bypass roads, creating geographical continuity and enabling settlers and goods to travel rapidly and smoothly between settlements and cities within the Green Line, further incentivising settlements with residential and business expansion. As of 2017, 65km of the settler bypass roads were off limits for Palestinians.\(^6\) The illegal settlements and accompanying infrastructure, the Separation Wall in addition to permanent and "flying" checkpoints, fragment Palestinian communities into 227 isolated and disconnected enclaves, and directly impede on the oPt's economic development and capacity to generate decent jobs.\(^4\)

The illegal settlements, their residents and associated infrastructure are altering the demographics of the oPt, threatening Palestinians' right to self-determination and are associated with devastating human rights violations, impacting every aspect of Palestinian life, including their right to liberty, security of persons, the right to non-discrimination, freedom of movement, the right to family life, health, education, decent work and adequate living.\(^4\) While generating substantial revenues for settler businesses and companies involved in their expansion and maintenance, they directly preclude any prospect of Palestinian economic development and capacity to generate decent jobs.

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**Profit and loss:**

**The cost of the illegal settlements**

In 2014, the World Bank estimated that the cost of the occupation of Area C, restriction on movement and trade, amounts to a loss of 35% of Palestinian GDP, some US$3.4 billion, and that if the occupation ended employment could rise by 35%.\(^6\) Some 23,000 Palestinians work in the illegal settlements, associated agricultural farms and industrial zones.\(^7\)

Although wages might be higher than those in other parts of the oPt, working conditions in the settlements are exploitative and precarious. Employment conditions for Palestinian workers in the settlements are subject to legal uncertainty. Although in 2007 the Israeli Supreme Court ruled that relations between Palestinian workers and Israeli employers should be governed by Israeli labour laws and that they should receive the same rights as Israeli workers, the ruling – which left open the possibility for the parties to agree otherwise – is loosely enforced and workers are generally employed under the 1967 Jordanian labour law which includes minimal protections.\(^8\) According to the ILO, the application of the 2007 ruling "remains limited, as only certain aspects, such as the minimum wage, have been extended through military orders."\(^6\)

The ruling enabled workers to seek justice through labour courts. Legal victories have in turn led to improvements in select workplaces. Yet, Palestinian workers are reluctant to claim their rights in court due to fear of reprisals, in addition to financial and legal impediments. The ICA does not carry out any inspections and the Israeli Ministry of Labour does not monitor working and safety conditions in the settlements, claiming that they fall out of its legal jurisdiction.\(^6\) Lack of oversight encourages employers to cut costs through the provision of unsafe and exploitative conditions.
Palestinian workers in the illegal settlements – In depth

Israeli and international corporations facilitate and profit from all aspects of Israel’s occupation. Corporations are substantially involved and profit from facilitating the establishment, maintenance, expansion and economic viability of the settlement enterprise. Corporate complicity with Israel’s settlement enterprise is multi-faced and ranges from:

- Involvement in land confiscation and demolitions making way for settlements and associated infrastructure development;
- Financing and carrying out settlement construction;
- Delivering services to settlements thus ensuring their sustainability;
- Operating directly out of the settlements generating profit for settler businesses and the Israeli economy as a whole.

The Israeli research centre Who Profits, dedicated to exposing corporate complicity with Israel’s occupation of Palestinian and Syrian land and violations of rights, lists over 400 Israeli and international companies involved in Israel’s illegal settlement enterprise. In February 2020, the UN Human Rights Office published a limited database of 112 businesses identified as involved in activities in the oPt that “raised particular human rights concerns,” as mandated under the Human Rights Council resolution 31/36, adopted on 24 March 2016.

The accumulation of profit by Israeli and multinational corporations is contingent upon precluding Palestinian economic development, annexation of land and the plunder of Palestinian natural resources. Furthermore, businesses benefit and are incentivised to operate out of the settlements owing to the availability of cheap Palestinian labour and direct Israeli subsidies.

Doing business with the settlements: Illegal under international law

All Israeli settlements are illegal under international law. The Hague Regulations and Fourth Geneva Convention prohibit settlements under occupation and consider them as war crimes. Through various resolutions, the UN Security Council continues to call for a complete Israeli withdrawal from the occupied territory (including East Jerusalem and the Syrian Golan). The advisory opinion of the International Court of Justice on the construction of the Separation Wall also reaffirmed the illegality of Israeli settlements in the oPt. In 2014, the UN Office of the High Commissioner for Human Rights (OHCHR) restated that Israeli settlements “encompass all physical and non-physical structures and processes that constitute, enable and support the establishment, expansion and maintenance of Israeli residential communities beyond the Green Line of 1949 in the Occupied Palestinian Territory.” Accordingly, business activity with the settlements or any form of financial support for the occupation economy, in general, would constitute a violation of international law. In its 2018 report on business enterprises linked to the occupation, the UN OHCHR concludes that:

“considering the weight of the international legal consensus concerning the illegal nature of the settlements themselves, and the systemic and pervasive nature of the negative human rights impact caused by them, it is difficult to imagine a scenario in which a company could engage in listed activities in a way that is consistent with the Guiding Principles and international law.”

The 2011 UN Guiding Principles for Businesses and Human Rights (UNGPs) recognise that all companies, regardless of size, industry, location, ownership or legal structure have a responsibility to conduct due diligence to identify, prevent and mitigate adverse human rights impacts and violations of international humanitarian law throughout their supply chain. Companies ought to “avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur.” If a company cannot ensure an end to human rights abuses, then it should refrain from being involved in that action. Importantly, the UNGPs address the issue of business operations in conflict-affected areas, which includes situations of occupation. In such areas the guidelines recognise that “host
states”, such as Israel in the oPt, may be unable to protect human rights because of its own involvement in abuse or lack of enforcement. In such situations, corporations’ “home states” have a responsibility to assist both corporations and Israel to ensure that businesses are not involved in human rights abuses.91

Moreover, under the OECD’s guidance for Responsible Business Conduct institutional investors, even as minority shareholders, have a business relationship with their portfolio companies, which may mean they are directly linked to adverse impacts. Investors are expected to undertake due diligence to avoid and address involvement in violation of international law and their own human rights obligations.

Privatising the occupation: Incentives for settlement businesses

Businesses based in the settlements and industrial zones benefit from an abundance of land and natural resources made available through Israeli military policies and cut costs through the mass exploitation of Palestinian workers.

In addition, they benefit from a host of Israeli governmental policies and subsidies designed to encourage economic development of the settlements through private Israeli and international corporations. Some 90 Israeli settlements have been designated as a “National Priority Area” (NPA). Companies in classified NPAs benefit from reductions in the price of land and rent, and up to 50% tax reductions and compensation in cases of loss of income resulting from customs duties imposed by EU member states, or boycotts.92 For example, a month’s rent per square metre in the Barkan settlement industrial zone is between US$5 and US$7. In comparison, rent for a square metre in the Beit Shemesh industrial zone is a minimum of US$10.36, on top of which there is a US$2.37 management fee.93 In Atarot industrial zone (occupied East Jerusalem), municipal tax is collected by the Jerusalem municipality, and is approximately US$21.90 per square metre for an industrial building compared to US$27 to US$36 per square metre in other parts of Jerusalem.94

Moreover, companies in NPAs receive generous grants for infrastructure development. For example, in 2019, the government gave a US$1.98 billion grant to the company American Knitting Ltd. to establish a factory in Barkan industrial zone, occupied West Bank. The government also granted the Israeli company Em Hitah Ltd. US$11.84 million to expand its factory in Atarot industrial zone, occupied East Jerusalem.95

In addition, domestic Israeli laws and regulations have been reformed to pressure businesses to serve settlements and settlers. In 2017, Israel amended its Consumer Protection Law (1981) making it mandatory for businesses to state clearly before completing a transaction if they are unable or unwilling to provide services to settlements. The Prohibition of Discrimination in Products, Services and Entry into Places of Entertainment and Public Places Law (2000) was also amended in 2017 to include a consumer’s place of residency as illegal grounds for discrimination. The law applies to all businesses (even private) who provide public services such as transport and telecommunications.96
Over 4 million tourists entered Israel in 2018, generating US$6.51 billion in revenues. According to a 2018 inbound tourism survey by the Israeli Ministry of Tourism, 24.3% of tourists listed pilgrimage as the prime purpose of their visit. This suggests that the oPt, rich with cultural heritage, historical landmarks and religious sites, and East Jerusalem and Bethlehem in particular, were prime destinations. Recognising the huge financial opportunity of the oPt, Israel implements a dual strategy: heavy investment in Israel’s tourist enterprises beyond the Green Line and restricting the activity and de-development of the Palestinian tourism industry. For example, in 2017, the Israeli PIA sent an official letter to tourism agencies urging them not to book overnight visits for their foreign clients and tourist groups in the oPt, and in Bethlehem in particular.

The expansion of digital tourism and online booking platforms further opened the market for companies such as Airbnb, booking.com and TripAdvisor to greater profit from Israel’s tourism sector. These companies offer properties for rent in various West Bank and East Jerusalem illegal settlements at the expense of the Palestinian tourism sector. Thus, while the Palestinian tourism sector accounted for some 13% of GDP in 1966, by 2010 it contributed only 0.6% and employed only 5% of the labour force in 2019. Airbnb, booking.com, TripAdvisor and others are complicit in the systematic crippling of the Palestinian tourism sector, sustaining the settlements and pushing more Palestinians to work in Israel and the settlements.
Palestinian workers in the illegal settlements – In depth

Settlement agricultural farms: Hadiklaim – Israel date growers' collective Ltd.

Israel’s agricultural exports generate considerable profit. In 2018, Israel’s agricultural sector generated some US$9.03 billion, US$118.39 million of which from exports, primarily to European countries (including the UK). Much of Israel’s exported produce is cultivated in the occupied West Bank. The Jordan Valley, with its fertile land and favourable climate, once known as the “Palestinian Food Basket” is particularly targeted.

Located in the eastern part of the West Bank, the Jordan Valley accounts for 28.5% of its size and has 87% of oPt’s fertile land. Fewer than 12,500 settlers, living in 30 settlements and 18 outposts, control 86% of the Valley’s land and cultivate an area of 3,200 hectares. In addition to enjoying access to fertile land, settler farmers have an abundant supply of water and use 18 times more water than Palestinians in the same region. Amnesty International has accused Israel of depriving Palestinians of access to water “as a means of expulsion”.

Illegal settler agricultural business generates US$147.99 million in annual profits and is a major source of employment for settlers. Currently, some 30% of the Valley’s settler population is directly employed in the agricultural sector, while an additional 30% are employed in related sectors such as packaging and transport. Settler, export-oriented, palm growing businesses are particularly lucrative. According to the Israeli Ministry of Agriculture and Rural Development, 70% of palm yield is exported, generating some US$118.39 million in annual profits. According to the same Ministry, 38% of Israel’s palm trees are located in
the Jordan Valley, where the main variety grown is the Majhoul (Piarom) date. Israeli Majhoul dates dominate 65% to 75% of the global market.\textsuperscript{107}

Hadiklaim is one of Israel’s leading date marketing companies, and the main supplier of Majhoul dates on a global scale.\textsuperscript{108} The company sources its dates from settlements including Tomer and Beit Ha’Aravah and has a packaging facility in Gilgal Settlement. The research group Corporate Occupation has documented Hadiklaim’s systematic mislabelling of produce as “made in Israel.”\textsuperscript{109} The mislabelling of produce violates 2015 European Union (EU) guidelines regarding the labelling of produce originating from Israel’s illegal settlements in the oPt and the occupied Syrian Golan. EU guidelines stipulate that labelling of goods imported into the EU “must be correct and not misleading” and thus must include the words “Israeli settlements” and can no longer be marked as “Made in Israel.”\textsuperscript{110}

Israeli occupation policies and the settlements’ agricultural industry led to the sharp decline of the oPt’s agricultural sector and its ability to provide employment for Palestinians. In 2019, only 6.1% of the oPt’s workforce were employed in the agricultural sector\textsuperscript{111}, compared with 40% in 1970.\textsuperscript{112} Over 80,000 Palestinians living in the Valley have lost 50% of their cultivated land, and are the oPt’s most impoverished community, facing the imminent threat of forced displacement.\textsuperscript{113}

The collapse of the Valley’s agricultural economy has led to mass unemployment resulting in forced relocation to nearby urban areas in Areas A&B. Many of those who remain have no options but to work as cheap labour for Israeli settlers, often on confiscated land that was previously owned by their family.\textsuperscript{114} Hundreds of Palestinian children and approximately 5,000 Palestinian women work in Israel’s illegal settlements, 45% of them in agriculture.\textsuperscript{115} Most of them have no work permits, no contracts and no direct contact with the settler employer, leaving them vulnerable to poor working conditions, job uncertainty, financial extortion and exposure to physical and verbal abuse.
Settlement industrial production: General Mills Israel/Avgol Industries 1953 Ltd.

There are 19 operational industrial zones situated in or in close proximity to illegal Israeli settlements in the occupied West Bank and East Jerusalem. They occupy over 602.7 hectares of land,116 and make use of rampant joblessness in nearby Palestinian communities, governmental subsidies and free movement facilitated by an intricate system of bypass roads. Industrial zones house a wide range of export-oriented Israeli businesses and a smaller number of international corporations. They constitute a foundational pillar of the occupation’s economy and contribute to the economic development of settlements.

Industrial zones are cynically presented by corporations and Israeli politicians as being part of an “economic peace” framework by providing employment opportunities and being spaces of interaction between Palestinian and Israeli workers. Shraga Brosh, head of the Manufacturers Association of Israel, claimed that “their employment [of Palestinian workers] aids security in the region and advances economic peace.”117

This claim was rejected outright by the United Nations Human Rights Office of the High Commissioner for Human Rights in a 2018 report and by some 82% of Palestinian workers who would leave their job in the settlements if there were a choice.119

Furthermore, industrial zones serve as a means of “financial annexation” which explicitly supports the ever-advancing geographic annexation. Figures published by the Israeli Ministry of Economy indicate that a small percentage of settlement industrial zones are fully built up, however between 50 to 70% of their capacity is unused. For example, in Baron industrial zone, near the settlement of Shavie Shomron, in the northern West Bank, 35.7 hectares are vacant and 8.2 hectares are in use.120 Despite the underuse of existing industrial zones, the Israeli government has authorised the construction of new industrial zones, which will take over at least an additional 530 hectares of Palestinian land.121
Palestinian workers in Israel
In depth
Palestinian workers from the occupied territories have been entering into Israel in search of work ever since Israel’s occupation of the West Bank, East Jerusalem and Gaza in 1967. Historically they have served as a pool of cheap and exploitable labour on the back of whom Israeli employers mitigate shortages of manual labour in the local market and maximise profit through lower wages, substandard working conditions and deprivation of social benefits.

The Israeli construction sector, in particular, is dependent on Palestinian labour and increasingly foreign workers. Palestinians with work permits constitute over 22% of Israel’s 272,000 construction workforce. In addition, it is estimated that some 14,000 work in the sector without permits. Palestinian workers generate some 66% of the sector’s US$23.68 billion annual contribution to Israel’s GDP.

Local and international restrictions of movement during Covid-19 amplify Israel’s dependency on Palestinian workers in the construction sector. According to Israel’s Builders Association, the shortage of Palestinian construction workers led to a contraction in the sectors’ operation and by mid-April 2020, only 35% of the sector was fully active. In earlier statements the Association noted that the absence of Palestinian workers could lead to a monthly loss of some US$1.35 billion and disrupt the employment of over 125,000 Israelis, leading it to exert considerable pressure over the Israeli government to arrange for their continued entry.

Some 110,000 Palestinians worked in Israel in 2019. Their integration into the Israeli labour market was regulated by a cabinet decision in 1970. In principle, the ruling clarified that Palestinian workers would be employed under the same conditions as Israeli workers and would enjoy the same rights included in Israel’s labour laws.

Further regulations were outlined as part of the 1994 Paris Protocol, the economic annex of the Oslo Accords, introducing the permit system and laying the mechanisms for workers’ safety and access to social rights. The Protocol stipulated that Palestinian workers’ wages are to be paid directly to them by their employers, while social benefits would be collected and transferred by the PIA. Palestinian workers are also included in a 2010 CBA for the construction industry, which by an expansion order applies to all workers and employers in the industry.

However, regulations and Israeli government decisions have not assured Palestinian workers’ access to rights and dignity at work. Israeli employers exploit a blatant lack of enforcement and workers’ dependency on the Israeli job market to deny them their rights and wages.

The dependency of Palestinian workers on a permit system which ties them to a particular Israeli employer leaves them particularly vulnerable to exploitation by employers and extortion by Israel’s security apparatus.

It has also facilitated the emergence of a “black market” in permit trading, where Israeli businesses who are granted permits sell them to workers or Palestinian middle men who in turn sell them at a profit to workers desperate to make a living. Permit brokering is widespread with 45% out of the 94,254 workers with permits (42,501 workers) accessing work through brokers, generating enormous profits: US$119 million in 2018 in total and on average US$242.94 from every permit sold. Permit brokering is prevalent in all sectors; however, the majority (75.7%) are sold to construction workers (32,155 workers).
Although available data does not allow for disaggregated analysis, Israeli workers’ organisations note that permit trading is more prevalent for work in Israel than the settlements. This is attributed to the lack of governmental quotas on permits in the settlements. Monthly permits cost workers between US$591.27 and US$739.9, depriving them of adequate wages, even when they are paid the minimum hourly wage. Despite imposing a heavy financial burden on workers, permits are no guarantee of employment. Seventy-two percent of workers who purchase their permits are either traded off between employers (leaving them with no clear sense of their employer’s identity or proof of employment) or have to find work independently, often on an irregular basis.

The lack of alternatives pushes workers to buy their way into work and accept any job that they can find. According to the ILO “brokers profit at the expense of desperate workers who are compelled to accept jobs with poorer working conditions than their peers.” All Palestinian workers suffer from a denial of social rights and protection, but workers who buy their way into work are particularly vulnerable, with only 41.23% paid annual leave and 11.2% paid sick leave. Moreover, employers who are themselves brokers have a financial incentive to underreport wages and working hours in order to reduce mandatory payments of social benefits.

In 2016, the Israeli government approved a reform plan to the permit system in an attempt to curb permit trading, including enabling workers to move between employers in the same sector, payment of wages through bank transfers, the development of an online platform for permit application and matching between workers and Israeli employers after workers obtain security clearance and undergo training. The ICA application, called Al Munasiq, is already in operation but is lacking the matching element and has already faced criticism for violating workers’ right to privacy as well as increased surveillance. A pilot was launched in Atarot Industrial Zone in March 2019 where workers were permitted to move between employers, and the construction sector was to be next. However, the implementation of the full reforms have been sluggish and successive Israeli governmental decisions have deferred the implementation to changes in the permit system.

Despite the announced reforms and a PA ban on permit trading, this underground and exploitative business continues unabated. In fact, the black market in permit brokering is increasing. According to the PCBS, between the first and fourth quarter of 2019, the number of workers who bought their permits via illicit brokers increased from 40.3% to 49.2%.
Palestinian workers in Israel – In depth

Khalil – The cost of working in Israel

For over two years, Khalil, a 25-year old from Tulkarem, has worked as a plumber for Shapir Engineering and Industry, an Israeli construction and infrastructure development company, in Harish in northern Israel, building residential apartments. Khalil is a university graduate with a manufacturing management degree. When he couldn’t find a job in his field Khalil started accompanying on/off plumbing jobs. The low pay and lack of jobs pushed Khalil to seek employment in Israel. “On some days I’d go home with just US$44.39 in my pocket. On other days I wouldn’t make any money.”

After he completed a one-year probation period the contractor offered him a permit under the premise that they would share the US$739.07 costs. Khalil agreed, as he is paid US$103.47 a day and works on average eight hours a day for 20 days a month. However, once the permit was issued the contractor rescinded on the agreement and deducted the whole amount from Khalil’s monthly wage, “He [the contractor] promised me that we would split the cost of the permit, but now he deducts US$739.09 from my salary. He tricked me and now I’m trapped; I have no choice but to pay it all and work for him.” The cost of the permit, social benefit, insurance and tax deductions, compounded with some US$147.82 in travel expenses, leaves Khalil with a monthly salary of under US$1,000.

Khalil doesn’t have a written contract with his employer, and although he works 20 days on average, actual work days and pay fluctuates, “Sometimes the contractor calls me at night telling me not to come to work in the morning because the site isn’t functional that day or even when it’s a rainy day. Of course, we don’t work on Jewish holidays either.” Khalil’s low wages and these arbitrary reductions of days worked and pay are in direct violation of the construction sector’s collective agreement. Under the agreement, a construction worker’s minimum monthly wage should amount to US$1,656.03, and if a worker is requested by his employer not to arrive at the work site due to weather conditions, he should receive pay for four hours of work. “Beyond loosing pay every day without work, I live in uncertainty,” explained Kahlil. “I have to be ready to work all the time ... sometimes at the end of the work day on Thursday he tells me that I’m needed for work the next day. This mainly happens when we are working on a tight schedule and have to hand over construction.”

Low pay and uncertainty compels Khalil to work extra jobs. “I often take on extra work once I return to Tulkarem to make extra cash. You can’t miss an opportunity to make some extra money as you never know for how long you’ve got your current job and how many days of work you will do that given month.” When Khalil started work, he saw it as a temporary necessary stepping stone to start a better life. He wants to travel and maybe start his own business, but now these dreams feel untenable. “I look at the old men who have been working here for years. They look exhausted. Did they also think it was only temporary in the beginning? Am I going to be in their exact same situation in 30 years’ time? That’s a scary thought, this can’t be my life,” he said.
Commuting to work through checkpoints

Obtaining a valid work permit is the first hurdle Palestinian workers must go through to access work in Israel. Workers with a valid work permit can legally enter into Israel through 11 permanent checkpoints stationed across the 730km long Separation Wall enclaving the occupied West Bank and cutting it off from East Jerusalem.

Checkpoints are overcrowded and workers are subjected to “security checks, harassment and long delays under inhumane and humiliating conditions”.

Such delays often extend the working day and exhaust workers, rendering them more vulnerable to worksite accidents. The ILO notes “significant improvement in the length of checking procedures in two of the seven major crossings”. However, “bottlenecks continue at major crossings, and especially in Qalqilya and Tulkarem.”

Furthermore, having a valid permit to work in Israel is no guarantee of a workers’ access to work and their rights at checkpoints can be arbitrarily violated depending on the Israeli operators’ action or perceived security considerations. The Israeli organisation Machsom Watch – Women for Human Rights and Against the Occupation, reports the widespread use of a so-called “administrative deterrence” policy, where workers who have valid work permits are denied passage because they had been blacklisted by Israel’s security apparatus (the ICA, police or the Shabak). A worker can be blacklisted for any one of multiple arbitrary claims including: association with an individual who is deemed a security threat by Israel’s security apparatus; originating from a particular village; having the same surname as people alleged to have attacked Israelis; or being involved in political activity. Denial of access constitutes an act of collective punishment against Palestinians preventing access to work and livelihoods. Other issues beyond the control of the Palestinian workers have drastic consequences for them. For example, in 2017, when Israeli workers of the Land Crossing Authority went on strike to improve their working conditions and to push for direct employment by the Ministry of Defence, checkpoints were closed to pedestrians, preventing the entry of Palestinian workers into Israel. This meant a loss of a day’s work and pay.

On the Israeli side of the checkpoint, travel to the worksite is expensive. According to Israeli law and construction industry collective bargaining agreements, employers are obliged to provide workers with transportation from the checkpoints to the worksite, or reimburse them for travel expenses. However, according to Kav LaOved, “full reimbursement of the travel expenses does not happen.” The estimated travel costs for a Palestinian worker employed in Israel is around US$147.82 a month, (equivalent to a day and a half of work, for an average wage earner).
Withholding social protection

Palestinian workers in Israel are entitled to the same social rights as their Israeli colleagues in accordance with Israeli law and CBA's. These include rights to severance pay, annual vacation, pension, work injury, and sick leave compensation. However, for decades, workers have been systematically denied access to social benefits. Fictitious reporting by employers and operational failings of the “Payment Division” ("Matash" in Hebrew) are the main obstacles. Matash is a department of the Israeli Population, Immigration and Border Authority and is mandated with collecting and distributing social benefits as well as issuing payslips and monitoring working conditions for Palestinian workers.

Deducted and collected social benefits and taxes are referred to as “equalising taxes” (equalising the cost of employing a Palestinian worker with an Israeli one), involving contributions from employers and workers.

In addition, deductions from workers' monthly wages include US$27.52 as health insurance, referred to as the “health stamp”. Palestinian workers do not have the right to free medical care inside Israel, instead health insurance is deducted from monthly wages to self-finance healthcare costs. Workers are then eligible to apply for reimbursement from Israel's National Health Institute. Workers are only entitled to first aid in cases of workplace accidents if their employer has provided them with a special document, National Insurance Institute Form BL/250, for providing medical care to persons injured in the workplace.

The PIA is responsible for transferring collected equalising taxes, health stamps and 75% of income taxes to the PA, after handling fee deductions.

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**Monthly Employer contributions and deductions from Palestinian workers' wages in Israel and the settlements (as % of wages in 2019):**

<table>
<thead>
<tr>
<th></th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
<th>Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comprehensive Pension</strong></td>
<td>12.50%</td>
<td>6.00%</td>
<td>13.1%</td>
<td>6.60%</td>
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<td>0.80%</td>
<td></td>
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<td><strong>Total funds</strong></td>
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<td>6.00%</td>
<td>16.23%</td>
<td>6.60%</td>
</tr>
<tr>
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<td>0.3%</td>
<td>0.56%</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Equalising tax (reduced rate)</strong></td>
<td>2.99%</td>
<td>0.37%</td>
<td>2.99%</td>
<td>0.37%</td>
</tr>
<tr>
<td><strong>Income Tax</strong></td>
<td></td>
<td></td>
<td>10–14%</td>
<td>10–14%</td>
</tr>
<tr>
<td><strong>Health stamp (US$$)</strong></td>
<td>US$27.52</td>
<td></td>
<td>US$27.52</td>
<td></td>
</tr>
</tbody>
</table>
However, over the past five decades huge sums of collected social benefits and taxes have been withheld by Israel and funneled into funds managed by the Israeli Ministry of Finance. According to a report by the Israeli State Comptroller, between the years 2006 and 2013 the amount of US$169.2 million in equalising tax was withheld from the PA. In 2014 alone US$19 million was withheld. It is also estimated that between 2006 and 2013 Israel withheld the transfer of US$55.4 million in collected “health stamps” and a further US$16.2 million in 2014.\(^{148}\)

Israel refrains from transferring these funds as a punitive measure against the PA. In addition, the convoluted application process further prohibits workers from accessing social benefits. To request their social benefits, workers must independently file an application to the Payment Division. Lack of awareness of rights, coupled with the Division’s well documented lack of transparency, cumbersome bureaucratic procedures and its failure to assure employers correctly report working hours and pay, has resulted in workers’ lack of access to social benefits they are entitled to and that they have paid for. According to Kav LaOved, the Division not only fails to fulfil its obligation, “but rather has become a focus and cause of grievous violations in its own right.”\(^{149}\) For example, only 878 workers out of 55,000 exercised their right to request payment of sick leave. Many of these requests were rejected and others weren’t given the full amount they are entitled to.\(^{150}\)

The Division’s lack of transparency and failings makes obtaining accurate information as to the amount of social benefits Israel is withholding challenging. In a 2016 response to a law suit filed by Kav LaOved – Workers’ Hotline and the Association for Civil Rights (ACRI), the PIA declared that the fund holds US$152.43 million.\(^{151}\) The Histadrut, however, estimates that the fund holds a higher amount closer to US$199.75 million.\(^{152}\) As the astronomical accumulated funds became clear, rather than discussing a mechanism to transfer these to past and present Palestinian workers, an inter-ministerial team discussed the use of these funds to upgrade the checkpoints. To add insult to injury, the PIA arbitrarily announced it would transfer US$64.53 million to Israeli contractors through the Israeli Builders Association. This move was only prevented by an Israeli Supreme Court order.\(^{153}\)

### Proposed changes do not guarantee access to social benefits

Following a damning 2014 report by the Israeli State Comptroller outlining the Division’s wide-ranging portfolio of failings and legal challenges by Israeli labour and rights organisations, a number of recommendations have been suggested to alter its role and the mechanisms through which Palestinian workers can access social benefits. In May 2019, an inter-ministerial Israeli committee recommended the abolition of the Division’s intermediary role, suggesting that Palestinian workers receive their benefits such as sick leave and holiday pay directly from the employers noted on their permit, while pension contributions would be deposited directly into a pension fund.\(^{154}\)

In August 2020, it was announced that the management of Palestinian pensions will be transferred from the PIA to Amitim, a private Israeli pension fund. Amitim is to manage US$0.89 billion in collected pensions according to market value and charge management fees.\(^{155}\) Up until then, Palestinian workers’ pensions were managed as capital savings rather than retirement savings, thus “eliminating significant elements that ought to be part of retirement insurance such as disability benefits and survivor benefits.”\(^{156}\) Furthermore, workers were encouraged to make a one-time withdrawal of the entire amount, rather than save it towards an old-age pension. Workers’ requests to receive pensions in the form of a regular stipend are handled slowly with lack of transparency regarding process and status of the request.\(^{157}\)
Transferring responsibility from the state to private companies and employers does not guarantee workers access to social rights, but rather renders them beholden to entities with a conflict of interest. In practice, the PIA stopped collecting a blanket contribution of 4% for annual leave from employers in 2016 and discontinued the collection of 2.5% of wages in sick leave contributions in 2019.158 In theory workers were to directly arrange payments with their employers.159

Construction: A deadly job for Palestinian workers

Israel’s construction sector is infamously unsafe. Oversight and inspection of working conditions is negligible, and penalties against contractors who cut costs and generate additional profit at the expense of safety measures for Palestinian and foreign workers are lenient.

In 2019, the Israeli Ministry of Labour recorded 40 fatalities in the construction sector. The sector makes up only 7.2% of the Israeli overall workforce. However, it accounted for almost half of the 84 job fatalities that year.160 Palestinians who constitute some 30% of the 272,000 Israeli construction workforce are particularly vulnerable and are over represented in recorded fatalities and nonlethal injuries.

According to the Israeli Ministry of Labour, out of the 40 fatalities in 2019: 19 were workers from the oPt, 14 were Palestinian citizens of Israel and seven were foreign workers.161 Similarly, according to Kav LaOved, more than half of the workers injured in the construction industry on an annual basis are Palestinian.162 The over representation of Palestinian workers reflects a lack of training and the division of labour within the construction sector, where Palestinians are employed in the most dangerous and thinly regulated areas. Palestinians are mainly employed in what is called “wet work” (framing, plastering and scaffolding), constituting the majority of workers in these areas.163
A 2017 investigation by the Ministry of Labour found that 70% of scaffolding used on Israeli construction sites does not meet the required safety standards. In 2019, 19 of the fatalities on construction sites were caused by falls from heights. Contractors enjoy a culture of impunity, with Israeli law enforcement slow to act when grave violations of regulations and safety conditions occur. For example, out of the 277 on site accidents in 2016, only 88 were investigated and a criminal case was opened for causing death and serious injuries and a mere 39 of these were transferred to the State Attorney’s office for further investigation.

The sector is also characterised by an acute lack of inspection. In 2018 the Histadrut and the Ministry of Finance and the Ministry of Labour agreed on a 14-point plan to increase safety conditions in the sector. Importantly, it included pre-deployment health and safety as well as skills training for Palestinian workers and increasing the number of inspectors to 60. However, by 2019 there were only 50 inspectors for 14,000 active construction sites. Reports indicate that site inspections have decreased by 70% during Covid-19. Although some improvements were recorded, a comprehensive implementation of the 14-point agreement is “almost non-existent”, with the implementation of five out of the 14 points in evidence.

Yussif – Life as a construction worker

Yussif, a 43-year old construction worker from Qalqilya and a father of eight, reflects on his 20 plus years of work in Israel’s construction sector: “I’ve worked for many contractors all over Israel. I’ve built everything, from schools to private homes.”

Yussif has a permit, with no broker involvement, and takes home on average US$1,478.60 a month. According to the collective bargaining agreement between the Histadrut and Israel’s construction industry, Yussif should receive a monthly pay of at least US$1,656.03, a written payslip, travel expenses and is entitled to sick pay and annual leave among other rights. However, Yussif’s working conditions reflect a very different reality. Yussif reports that he’s “never seen a payslip in all my years of work” and has had to balance his health against making enough money to support his family. “Every day without work is a day where you lose money which I don’t have. Employers make this very clear. This has been the case ever since I started work.”

The fear of losing his work permit also deters Yussif from taking days off, even when he’s in a bad physical state. “A short while before corona I injured my back while moving bricks. The right thing to do was to stay at home and rest. My employer told me to take time off, but he didn’t offer to pay for them. I took a few days off, but couldn’t take more … If I’m absent for too long he will replace me and take my permit. There are many workers waiting in line for jobs.”

Yussif is aware his rights are being violated, but his comment below reveals his false optimism. He is hopeful that holding a permit means his rights are protected: “I can’t afford to complain now … But at some point, I’ll launch a legal suit against him and receive compensations … After all, we who work with permits are lucky. At least all of our hours are recorded.”

This false assumption is at the core of his hope for rest and dignity in his old age. He has no savings and in reality, once he can no longer work, he and his wife will either be supported by their family or face poverty.
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Research and drafting carried out by Riya Al’sanah.


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