

Palestinian laborers in Israel: between a rock and a hard place

By Melkam Lidet for MIFTAH

Working in Israel

Every year around 40,000 Palestinians cross over to Israel to work; about half of this number does so illegally. Because wages in Israel are double, even three times more than wages in the West Bank or Gaza, Palestinians go through the hassle of acquiring work permits and or they take the risk of crossing over to Israel illegally. While wages in Israel might be attractive, working in Israel is no bed of roses for Palestinians. Starting from the bureaucratic and “security” procedures they have to pass through to get the permit, to actually crossing through checkpoints and getting to work on time, to receiving the proper social benefits at the end of their work contract, Palestinians face challenges.

For those who work in Israel illegally, the challenges are even greater. Their “illegal” status makes them vulnerable to exploitation by their employees. Often times, Israeli employers deny illegal Palestinian workers the minimum wage and under write their working days which later affects the employment benefits and insurance they are entitled to. Legally speaking, the Israeli labor law that regulates workers’ rights, wages, benefits etc. is applicable to Palestinian workers legally or illegally working in Israel. Employment benefits, minimum wage, work insurance and other rights and benefits the law ensures for Israeli workers is also applicable to anyone working in Israel, regardless of nationality or the legality of his/her presence in Israel.

Further, 15,000 out of the 20,000 Palestinians who cross over to Israel illegally are detained by Israeli officials. While the detention is meant to deter others from attempting to cross illegally, Israeli officials often mistreat and abuse detainees while in their custody. They also use it to threaten and to try to coerce people to “collaborate” with them on security matters. Oftentimes such abuses and threats are not well investigated and happen without proper legal redress for the detainees.

Working in Israel: over the years

Right after the 1967 war, the West Bank and Gaza were considered closed military zones and whether or not Palestinians from these territories could enter Israel was disputed. It was only settled by the Ministerial Committee for Economic matters in 1968 when it

decided to allow Palestinians from the West Bank and Gaza to work in Israel¹. As a result, a significant number of the Palestinian labor force started working in Israel and unemployment rate went down to almost five percent².

After the first intifada in the late 80s and early 90s, Israel started restricting the number of Palestinians seeking work in Israel and introduced a stricter permit system. It made a distinction between “green card” ID holders (residents of the West Bank and Gaza) and “blue card” ID holders or permanent residents of Jerusalem. After the Gulf war of 1991 and the end of the first intifada, the general entry permit of 1972 ended and a new one was to start. As B’tselem - an Israeli human rights organization put it “if past procedure had been to allow entry into Israel except in extraordinary cases, now the rule was that Palestinians were not allowed to leave the occupied territory except in extraordinary cases in which the applicant met stringent conditions and received an individual permit”³. Accordingly, Green card holders are required to have “magnetic cards” which are issued based on Israel’s “security” criteria. This significantly reduced the number of Palestinians who could legally seek work in Israel as can be seen in the graph below.

Graph 2: Palestinian workers employed in Israel, 1970-1990 (by percentage)*



* Source: Israel’s Central Bureau of Statistics

¹ B’tselem crossing the line p. 14

² B’tselem crossing the line p. 14

³ B’tselem – crossing the line pg. 15

Working in Israel: post Oslo

While the Oslo Accords and the following Paris protocol was “to maintain the normality of movement of labor” between the two sides, in reality, Israel further maintained “comprehensive closures” for long intervals of time as collective punishment, in response to suicide attacks in Israel during the period 1994 – 1997. But it was mainly after the second intifada that Israel maintained a general closure while placing temporary comprehensive closures on a regular basis.

The Oslo Accords established the Palestinian Authority which would have certain authorities over taxation, industrial policy, monetary policy and civil service administration of (some parts of) the West Bank and Gazaⁱ. While Oslo ridded Israel of most of its responsibilities as the occupying power in the West Bank and Gaza, it still gave it significant control over the Palestinian economy. Almost half the PA’s budget came from value added taxes and West Bank and Gaza import taxes collected by Israel. This allowed Israel to use these funds as a carrot and stick to coerce the PA into submitting to its will. Israeli control over PA funds also prevented the PA from fully exercising its authority and developing the Palestinian economy.

The fact that the agreement delimits the amount, type as well as source of goods that can reach the Palestinian economy, and the fact that it gave Israel full control of the entry and exit ways of import/export to and from WB and Gaza, distorting the smooth functioning of the Palestinian market based on demand and supply. Further, these restrictions gave Israel an absolute advantage and made it the primary provider for Palestinian market demands- pushing the Palestinian market deeper into dependence on Israel. It also gave Israel the authority to unilaterally determine value added and import tax, giving preference to the economic interests of Israel”ⁱⁱ

When it came to flow of labor, Israel still had the upper hand in controlling and regulating the entry of Palestinian workers in Israel. Accordingly, and especially after the outbreak of the second intifada in 2000, Israel continued to put strict limitations on the mobility of Palestinians in general and the possibility for them to work in Israel. The political division between Hamas in Fatah in 2006 also created a situation where Hamas – a government Israel considers “terrorist”— took over Gaza while Fatah was administering the West Bank. Using this as a pretext, Israel put even stricter limitations on imports and exports to and from Gaza while also restricting employment opportunities in Israel for Palestinians from Gaza.

Even after the unilateral “disengagement” in 2005 where Israel pulled out all settlements and military personnel, it still continued to control what goes in and out of Gaza. Israel has closed all major crossings, including the economically crucial Karni crossing which facilitated the imports and exports to and from Gaza. After the Karni closure in 2006, “75% of Gaza factories shut down due to a shortage of raw materials.”⁴. Because of the partial and full closure of the crossings, Palestinian manufacturers and traders are exposed to high expenses for storage, loss due to spoilage and are unable to satisfy the time requirement of their customers, which are all reasons pointing to why 75% of the manufacturing industry shut down. On top of this closure, Israel also refused to forward tax money it had collected on behalf of the PA. This put the PA in a situation where it couldn’t pay the salary of its civil servants - which is around a quarter of the Palestinian population in the West Bank and Gaza.

Another impact of the Oslo Accords is its division of the West Bank into Areas A,B and C. While the PA had full control over Area A and civilian control over Area B, it ceded almost all of its control over Area C or 60% of the West Bank. The agreement was meant to be an interim agreement valid for five years, after which, further solutions would be sought. However, more than a decade later, it is still in place and Israel now controls Area C of the West Bank where Palestinian agricultural land and water resources are found. Because land in this area is continuously confiscated as “state land” or “military zones”, areas such as the Jordan Valley, which have promising agricultural potentials do not benefit Palestinians. Rather, Israel has expanded Jewish settlements in the Jordan Valley where massive agricultural settlements bring millions of dollars in revenue to the Israeli economy. It is estimated that the potential agricultural loss of Area C to the Palestinian economy is around 480 million USD annually and contributes to the unemployment of about 110,000 Palestinians⁵.

Overall, the Oslo agreement only benefited Israel. It was partial economic integration geared at developing the Israeli economy while undermining or not aiding the development of the Palestinian economy at all. It allowed Israel to find a non-competitive market in Palestinian territories by limiting the countries and quantities of goods that can come to Palestine. Instead of supporting the production capacity of the occupied territories, it put in place cumbersome local and international investment environment through regulations and physical restrictions. Israel used Palestinian tax it collected as a bargaining chip and further weakened the economic capacity of the PA.

⁴ B’selem. The Gaza stripe – one big prison pg. 10

⁵ Maan Development Center: Status of Agriculture in the Jordan Valley

In practical terms, what all this means is that while the impact of the occupation and the Oslo Accords weakened the Palestinians economy and significantly reduced employment opportunities in the West Bank and Gaza, Israel was limiting the number of permits it gave out and raising its “security” standards to Palestinian workers. Palestinians need to obtain a “magnetic card” issued by the Israeli District Coordination Offices after they go through a “security” clearance. But such clearance is not a guarantee that a person will get a permit. Cases where Palestinians find themselves blacklisted by Israeli security authorities, without being told the reason are not few⁶. Israeli security authorities then use this opportunity to offer a security clearance for collaboration⁷.

Hence, the crumbling Palestinian economy and limited job opportunities, coupled with higher wages in Israel continue to force Palestinians to seek work in Israel. Most even settle for wages lower than the Israeli standards but still double or triple the amount they would earn in the West Bank or Gaza. Therefore, on the one hand, a strong, independent Palestinian economy was impossible to achieve due to the Israeli occupation and restrictions and the fact that the Palestinian economy is growing more dependent on Israel. But on the other hand, Israel continued to raise its “security” standards and further limit the number of Palestinian workers. It is in light of these limited economic opportunities that Palestinians want to cross over and work in Israel legally or illegally.

Working in Israel: without a permit

Every year Israeli security forces catch around 15,000 Palestinians trying to cross over to Israel illegally⁸. By law, both Israeli law (Basic Law: Human Dignity and Liberty) and International law (Declaration of Human Rights), Israeli security forces are required to respect the basic rights and dignity of those detained. In practice though, security forces fall short of abiding by these laws and obligations and abuse their power in handling Palestinian detainees. Further, Israeli authorities turn a “blind eye” to such actions and abuse of Palestinians is often left uninvestigated⁹.

Palestinians without a permit are exposed to unlawful detention without food or protection from severe weather conditions, as a punishment. In a series of interviews it conducted, B’tselem noted that “Exceeding authority in the treatment of Palestinians

⁶ ILO report 2012 p. 27

⁷ B’tselem – crossing the lines p. 18

⁸ Bsaikri, Senussi– The predicament of Palestinian workers in Israel. Middle East Monitor

⁹ B’tselem – crossing the lines p. 27

staying in Israel without a permit has become a rule rather than the exception". Soldiers sometimes ask detainees to undertake humiliating actions such as undressing in front of each other for "security checks"; they beat detainees in their custody and later coerce them into signing a statement they have not been beaten¹⁰. Border police uses live ammunition at illegal workers caught trying to cross over, as a way of "deterrence".

Once in Israel, illegal workers might have to stay in Israel for a week or two weeks to avoid the traveling back and forth and in order to minimize their chances of getting caught. Doing so often entails that they sleep in abandoned sites and outdoors in order to avoid the expenses and risk of renting a place without the right papers to do so. They live under desperate and undesirable conditions, and are always on alert for fear of being caught by Israeli soldiers or security authorities.

At the work place, working without a permit means two things. One, they would have to find employers that will take the risk of employing them. And two, their bargaining power when it comes to working conditions and salary is extremely compromised. While currently Palestinians from Gaza are completely excluded from employment in Israel, West Bank Palestinians struggle to receive the appropriate wages and applicable social benefits the Israeli labor law allows them regardless of their legal status in Israel.

When it comes to social security entitlements, one major problem Palestinian workers face is under-reporting. Employers sometimes underreport the number of days their Palestinian workers worked and pay the difference to their employees directly. While doing so would relieve the Israeli employers from employers' contribution to social security of their Palestinian workers, the workers lose their social security entitlements such as severance pay, pension and disability payments. In order to control this phenomenon, a newly established regulation requires Israeli employers to declare a minimum of 18 working days per month for their Palestinian employees. Another issue on social security entitlement of Palestinian workers in Israel is the lack of formal regulations and institutions that facilitate the transfer of such contributions from Israel to Palestinian social security institutions. This delays or even prevents social security entitlements and funds from reaching the appropriate individuals who have earned it.

Working in Israel: the paradoxes

Looking at the challenges but also the benefits of Palestinians working in Israel, there are at least two noteworthy paradoxes one observes. One is the fact that while the Israeli occupation and the Oslo agreement have and continue to weaken the Palestinian

¹⁰ B'tselem crossing the lines p. 32

economy and cripple its labor market, the occupation puts physical, bureaucratic or ‘security’ obstacles to curtail Palestinians from seeking work in Israel. In doing so, not only is Israel failing to meet its obligations under the Paris protocol but it is also systematically applying collective punishment and expanding its mode of control as the occupying power, dressing it as “security measures”.

The second notable paradox is concerning the nature/area of work most West Bank Palestinians are engaged in: construction and agriculture. Most Palestinians work in the field of construction which includes the construction of settlements in the West Bank. Tens of thousands of Palestinians also work in agricultural settlements mostly in the Jordan Valley. While Israel’s expansion of settlements in the West Bank and growth of agricultural settlements in the Jordan Valley may seem to provide job “opportunities” for Palestinians, expansion of settlements is in fact the roadblock to peace and the reason for the land grab that contributes to a weaker Palestinian economy.

Hence, even if employment opportunities in Israeli settlements ease the economic burden of Palestinian families in the short run, in the long run, it helps maintain the occupation by expediting the expansion of Israeli settlements and “creating facts on the ground”. The psychological implication of this paradox on the individual Palestinian is not quantifiable, yet it is important to take into account the burden Palestinian workers in this line of work must shoulder. Not only do they have to live under an occupation but they are also forced to sustain this occupation in order to put bread on the table and send their children to school. Therefore, it is important to understand the economic, social and psychological impact of the occupation on Palestinian workers in Israel as they are caught between earning daily bread for their children and building the very settlements that deprive these children from a chance at freedom.

ⁱ B’tselem, crossing the line pg. 12

ⁱⁱ B’tselem – crossing the line p.12