

مركز بيسان للبحوث والإنماء
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Research Paper on:

"The Economic and Social Impact for West Bank Workers' who were forced out of Work in the Israeli Economy and Coping Mechanisms"

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The Economic and Social Impact for West Bank Workers' who were forced out of Work in the Israeli Economy and Coping Mechanisms – 2023

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Introduction

On October 7 2023, the Israeli occupation state prevented all West Bank and Gaza Strip workers from reaching their work in Israeli establishments. It closed all areas in Israel and imposed full closure on the West Bank and Gaza Strip territories. It also closed all settlements for Palestinian labor. This resulted in releasing around 205 thousand Palestinian workers, including 18,500 from Gaza Strip and 6,000 female workers. This resulted in creating economic and social crises for these workers, particularly with the shrinking economy in the West Bank and full collapse of the economy in Gaza Strip. Therefore, these workers were left without any form of income and have become unable to meet their living needs and financial and social commitments, particularly with the lack of any governmental or nongovernmental efforts to support these workers. As such, they were financially exposed and faced legal, economic and social problems whose negative impact increases with the prolonged crisis.

Research Goal:

- To explore the aspects of the economic and social crisis that resulted in the release of Palestinian workers from the Israeli economy.
- To explore the coping means and methods utilized by workers in dealing with the challenges they are facing as a result of losing their work in the Israeli economy.
- To identify the repercussions of releasing workers on different aspects of economic life in the West Bank,

- To identify the response mechanisms of governmental bodies and other representative bodies.

The Importance of the Research:

This research is considered particularly important because it explores the social and economic impact of West Bank workers' release from the Israeli economy and coping mechanisms, which is a recent and important topic that has direct social, legal and economic repercussions on around one million Palestinians whose provider is a worker in Israeli or settlements. It also has an indirect impact on the overall Palestinian economic and social reality, as the issue of workers in Israel is connected to the economic cycle as a whole in Palestine, and is socially connected with the Palestinian society. The research is also considered important because it implements a qualitative scientific methodology that uses various research tools, including interviews with all relevant stakeholders from the government and decision makers, as well as focus workshops with affected male and female workers and a workshop with relevant bodies, which will provide a perspective on the social and economic impact as well as the coping mechanisms implemented by workers released from the Israeli economy, in addition to practical recommendations to mitigate the effects.

Adopted Methodology

A scientific methodology based on a descriptive and analytical approach was adopted, which includes:

- Literature review and relevant statistics.

- Identification of questions for the research tools (focus workshops, interviews with relevant bodies) based on the research paper terms of reference and relevant literature and statistics.
- Implement three focus workshops with male and female workers in Israel taking into account different demographic variables, gender, geographic distribution, age and nature of work.
- Conduct three specialized interviews with relevant governmental bodies, particularly (Ministry of Labor, Ministry of National Economy, Palestinian Monetary Authority).
- Prepare applicable recommendations and propose coping mechanisms for West Bank workers released from the Israeli economy.
- A workshop was held with relevant bodies including official bodies, unions and CSOs to discuss and enrich the draft and adopt the final version.

Research Hypotheses

- Palestinian workers in the Israeli economy faced a compound crisis: economic, social and legal due to their release from work in the Israeli economy.
- There are no collective coping mechanisms that workers utilize in addressing the challenges they face as a result of their release from work in the Israeli economy, but rather individual procedures to mitigate the impact of the crisis.
- There are insufficient governmental and nongovernmental efforts to support workers and respond to their needs in accordance with the legal, economic and social challenges they face.

Research Tools



The Right to Work in International Conventions and National Legislations

International conventions and national legislations have stipulated on the right to work. The **Universal Declaration of Human Rights** stipulates in article (23) "Everyone has the right to work, to free choice of employment…"[1].

Article (7) of the **International Covenant on Economic, Social and Cultural Rights** stipulates "The States Parties to the present Covenant recognize the right of everyone to the enjoyment of Just and favourable conditions of work, which ensure, in particular:

(a) Remuneration which provides all workers, as a minimum, with: (i) Pair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work; (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant;"[2]

International labor conventions also include several provisions on the right to work.[3]

In terms of national legislations, article (25) of the **Palestinian Basic Law** stipulates:

[1] Universal Declaration of Human Rights, article (23)
[2] International Covenant on Economic, Social and Cultural Rights, articles (3) and (7)
[3] International labor conventions issued by the ILO
https://www.ilo.org/static/arabic/dialogue/ifpdial/llg/list.htm

"1. Every citizen shall have the right to work, which is a duty and honor. The Palestinian National Authority shall strive to provide work for any individual capable of performing it.

2. Work relations shall be organized in a manner that guarantees justice to all and provides workers with welfare, security, and health and social benefits."[4]

Article (2) of the **Palestinian Labor Law** stipulates "Work is a right for each citizen who is capable thereof. The National Authority shall provide it on the basis of equal opportunities and without any kind of discrimination whatsoever."[5]

The eighth goal of the Sustainable Development Goals 2030 stipulates: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."[6]

In terms of national development plans, public policies and national strategies, the **National Development Strategy 2021-2023** stipulates on "Resilience, Disengagement, and Cluster Development towards Independence". The eighth priority includes "Disengagement from the occupation and cluster development". The national public policy also stipulates on "creating decent job opportunities for all", through the following policy interventions:

- Expedite job creation through public-private investment partnerships.
- Accelerate empowerment of male and female graduates to initiate their own private and entrepreneurial businesses.

[4] Palestinian Basic Law, article (25)
[5] Palestinian Labor Law No. (7) of 2000, article (2)
[6] Sustainable Development Goals 2030. United Nations https://www.un.org/sustainabledevelopment/ar/

- Enforce relevant laws to ensure a safe work environment that observes health and occupational safety standards.[7]

The Labor Sector Strategy 2021-2023 includes the first strategic goal which stipulates: "Reinforce the application of decent work principles in Palestine", and strategic goal four: "Reinforce and institutionalize social protection for workers."[8]

Palestinian Workers in Israel and Israeli Settlements

Historic Context, Facts and Figures

Since the Israeli occupation of the West Bank, East Jerusalem and Gaza Strip in 1967, the Israeli occupation implemented a policy to connect Palestinian labor to the Israeli economy, as Palestinian workers provide cheap labor, and Palestinian farmers become paid workers in Israel. This is particularly noteworthy taking into account the extreme Israeli restrictions imposed on local investment, which weakened the local market and businesses as well as low wages in the local market compared to the higher wages in the labor market in Israel. The size of the labor force in the West Bank and Gaza Strip doubled in the period between 1967-1992. Employment in the local market increased by only 33%, while the Israeli economy absorbed 25-35% of the Palestinian labor force since 1975. The income resulting from working in Israel constituted around one quarter of the GDP of the West Bank and Gaza Strip. The importance of working in Israel was not only limited to the income it provided Palestinians, but also constituted a key factor in connecting the Palestinian economy to the Israeli one.[9] This entrenched

[7] National Development Plan 2021-2023, Council of Ministers Publication, p. 59
[8] Labor Sector Strategy 2021-2023. P. 72
[9] Palestinian Labor in Israel 1967-1997, Economic Studies Institute (MAS) Publications 1998.

dependency on the Israeli economy and imposed restrictions and obstacles before the growth of an independent Palestinian economy and control over it.

Work in Israel continued during the First Intifada 1987-1991, in a unsteady pace depending on the conditions of the Intifada and the strikes that included workers in Israel, in addition to the growing sense of patriotism that rejected working in the Israeli economy. The gulf war that erupted in 1991 was a turning point with regards to working in Israel, as the Israeli authorities started to request obtaining permits in order to work in Israel. With the start of the peace process and the signing of Oslo Accords in 1993, an increase was expected in Palestinian labor in Israel, particularly with the signing of Paris Economic Protocol in 1994, however, labor declined massively due to the Israeli restrictions on the entry of workers to Israel, particularly workers from Gaza Strip. Entry of workers depended on security circumstances which were greatly unstable in the first half of the 1990s. With the eruption of the second Intifada "Al-Aqsa Uprising" in the fall of 2000, the number of workers in Israel was greatly reduced. The construction of the apartheid wall played great part in that. The workers of Gaza Strip suffered greatly from the restrictions imposed on them and the closure of Gaza Strip. The restrictions on Gazan workers reached its peak in 2007 with the Israeli blockade over Gaza Strip. The considerations taken by the Israeli occupation in developing its economic plan for the region were mainly political and security considerations, and were based on prioritizing the interests of economic sectors in Israel.

Shlomo Gazit, former coordinator of Israeli government activities in the West Bank and Gaza Strip, wrote in his book "The Carrot and the Strick": "The lack of planning and projects imposed on the residents of 'the territories'

the task of providing a helping hand to the Israeli economy.[10] As such, a reality was created where Palestinian workers received lower wages than Israeli ones, without having the ability to increase their income in the future. Due to the lack of protection for manufacturing and production in the West Bank from competitive Israeli products, this resulted in restraining the growth of local manufacturing.

In reality, competition was not the only impediment; the occupation placed numerous restrictions on local investors and prevented the growth of local industry. As such, the "occupied territories have become a source of labor for low wages and an open market for Israeli imports. That is not to mention the direct and indirect taxes that were paid to Israel and used to meet the needs of Israeli consumers." With time, Palestinian labor in the Israeli economy has turned to unregulated procedures with the complicity of Israeli employers and officials. The phenomenon of unregulated labor, workers without work permits, started increasing and the number of those workers rapidly increased to become many times more than those who are registered in unions and have permits. With this unregulated labor, a new phenomenon emerged of Palestinian contractors "brokers"[11] who take a cut for themselves from the wages of workers. A form of 'slave markets'[12] were created in Bani Burak, Sigula Junction and Rishon Lezion in Israel.[13]

Over the years, Palestinian workers were exploited by Israeli employers and were subject to abuse by the Israeli community. There were dozens of cases of murders of workers, including Oyoun Qara massacre in 1990, were

[10] Shlomo Gazit, The Carrot and the Stick: Israeli Governance in the West Bank. Bisan Publications 1997.
[11] These Palestinian contractors constituted the link between Palestinian workers and Israeli importers.
[12] Randa Jabr, the Problem of Palestinian Workers in Israel, Published by Palestinian Studies Journal, 1991, Vol. 5.
[13] Areas in Israel (Territories occupied in 1948).

an Israeli armed person killed seven Palestinian workers from Gaza Strip in Oyoun Qara area near Tel Aviv.[14] After the construction of the apartheid wall and the intensified blockade over the West Bank and Gaza Strip, as well as the growing right wing extremism in the Israeli community, the abuse of Palestinian workers increased. The phenomenon of "permit brokers" who exploited Palestinian workers emerged, that is not to mention the humiliating Israeli procedures at crossings and checkpoints, the security vetting of workers, as well collective punishment against them based on any direct or indirect act of resistance. For example, workers are punished and prevented from work if a member of the extended family or a resident of their town commits any act of resistance.

Violations against Palestinian workers in Israel include:

- **Discrimination** – workers are discriminated against in wages and social rights and the lack of government control. Workers are connected to employers, low safety and security work conditions, permits are revoked without notice by the Israeli DCO due to security conditions, Palestinian workers are not paid their social entitlements such as leisure, annual leaves, sick leaves and other rights.
- **Access to Work** – workers' journey to their work places is a long, tedious and complex one. Many workers have to leave in early hours of the morning (as early as 3-5am) to reach the crossing where they would have to wait in a long and crowded line until the crossing is opened. After they cross, they would have look for a way to reach their

[14] Palestinian National Information Center
https://info.wafa.ps/ar_page.aspx?id=2ZCkg2a24362973294a2ZCkg2

workplace, either by bus or taxi. Many workers sleep at their workplace and return home on weekends.

- **Fictitious Control** – the Payments Department is a governmental body established 1970, whose function is to control the full payment of remunerations to Palestinian workers by their employers in accordance with the law, as well as to ensure the payment of their social entitlements and the delivery of deducted taxes to Israeli official bodies. In reality, the department only focuses on the delivery of deducted taxes to the state and partially monitors the respect of workers' rights. The department does not provide Palestinian workers with information on the money collected in the retirement funds and does not allow as smooth and easy withdrawal of remunerations, but rather complicates the process against the interest of workers.
- **Work Injuries** – due to the lack of efficient government control, the number of accidents in the construction sector is continuously increasing, particularly falling from heights.
- **Workers without Rights** – due to the limitations on the number of work permits allowed for each employer, many workers are forced to work without permits, or would have to purchase a work permit from brokers. They do not work for the same employer and sometimes use trade permits or special needs permits to work. This category of workers are subject to numerous violations by employers.[15]

Entrenched dependency on the Israeli economy, imposition of restrictions and obstacles on the growth of an independent Palestinian economy, the PA's

[15] Palestinian Workers in Israel, Published by Kav LaOved for the Support and Defemce of Palestinian Workers in Israel, 2020, https://www.kavlaoved.org.il/ar

and its successive governments' tendency towards dependency and weak approaches to disengage from such dependency created a distorted reality for the Palestinian economy.

Palestinian Workers in Israel and Israeli Settlements in Numbers

According to the Palestinian Central Bureau of Statistics up until the war on Gaza, the number of Palestinian workers in Israel and settlements reached 178 thousand, including 153 thousand in Israel and 25 thousand in settlements.[16] Meanwhile, unofficial data shows that the number reaches 205 thousand workers taking into account unregulated employment, employment without permits or employment with treatments permits etc., which constitutes around 20% of the labor force in Palestine.

The number of female workers in Israel and Israeli settlements was estimated at around six thousands. As for the Gazan workers, there are around 18,500 workers who have work permits, 1,500 of whom work in the Gaza envelope area who commute back and forth on a daily basis. Meanwhile, the larger number of Gazan workers, 17,000, are used to sleeping at the workplace for long periods due to the difficulty in movement through Beit Hanoun "Erez" Crossing. Those workers have found themselves on the morning of October 7 subject to different forms of violations and vengeance by their employers and the Israeli police and military.[17] A large number of them were expelled to the West Bank, some were moved to Gaza Strip and other were arrested.

[16] Basic results of the labor force survey, third quarter (July-September, 2023), issued by the Palestinian Central Bureau of Statistics on 8/11/2023.
[17] Factsheet on the circumstances of Gazan Workers in Israel after the declaration of war on Gaza Strip, issued by Bisan Center for Research and Development and Huriyyat, 18/11/2023.

The Ministry of Labor Data and the statements of workers indicate that some workers returned to work in industrial zones in settlements, and are estimated at 18 thousand workers, constituting 9% of total Palestinian workers in the Israeli economy, but under difficult circumstances due to the need of these businesses and not on a continuous basis.

The Israeli Occupation's Treatment of Palestinian Workers

Since the occupation of the West Bank and Gaza Strip, the Israeli occupation does not give Palestinian workers in the Israeli economy a rights-based treatment, but rather security based treatment and economic exploitation. Palestinian workers work for low wages compared to Israeli ones and do not cause any social problems in the Israeli society because unlike foreign workers, the vast majority of Palestinian workers work during the day and return home in the evenings, holidays and vacation. They also do not enjoy their full rights in social security and national insurance like Israeli workers. That is not to mention the discrepancy in wages and the exploitation of Palestinian workers by permit brokers. Moreover, the benefits of the Israeli National Insurance such as unemployment benefits do not apply to Palestinian workers like Israeli workers, and work related injury payments are only made to regulated Palestinian workers. The Israeli national insurance and welfare is a key pillar of sociopolitical life in Israel. It was formed and operates based on the National Insurance Law adopted in the Israeli Knesset in 1953.

The National Insurance guarantees economic protection for vulnerable categories and families who are temporarily or constantly in financial distress by paying them allowances. The National Insurance Law currently includes

programs to insure elders and relatives (widows, life partners, orphans), motherhood, children, work related injuries, general disability, nursing, unemployment, bankruptcy, dissolution of bodies…etc. In addition to the financial payments, the National Insurance provides other services including, technical rehabilitation and training for disabled persons, nursing services as well as consultation services for the elderly.[18] All these services are denied for Palestinian workers from the West Bank or Gaza Strip.

Even the savings fund for the money of Palestinian workers does not transfer profits to the PA or any Palestinian funds. Palestinian workers in Israel are denied numerous financial, legal and social rights. Israel also exploits work inside Israel in extortion by Israeli security services or as punishment to give a security nature to work relations.

The Economic Impact of the Israeli War on Gaza Strip and the Closure on the West Bank

Since the Israeli was on Gaza Strip and the closure of the West Bank after October 7 2023, the prevention of Palestinian workers from working in Israel and the irregular salary payment of civil servants, the Palestinian economy suffered severe repercussions. The results of the "Palestinian Monetary Authority Indicator for the Business Cycle" for November 2023 showed a continued decline in the overall indicator for the second consecutive month, as it registered −52.7 points compared to −38.6 points in October as a result of the unprecedented Israeli attack on Gaza Strip. In the West Bank, the overall indicator declined massively from −26.7 points in October to −43.6 points in November due to the impact this aggression had on the majority of economic sectors and activities. All sub-indicators notably declined with the

[18] The Israeli National Insurance Website www.btl.gov.il/Arabic%20HomePage/Pages/default.aspx

exception of the agriculture indicator. The manufacturing indicator declined from −6.6 to −12.0, the constructions indicator declined from −3.6 to −10.0, the trade indicator declined from −8.3 to −11.2, the renewable energy indicator declined from −0.7 to −1.4, the transportation and storage indicator declined from −1.9 to −3.1 and the ICT indicator declined from −0.2 to −1.3. Meanwhile, the agriculture indicator increased from −5.3 to −4.5.

Overall, owners of targeted business in the West Bank noted a decline in production and sales and increase in stockpile. The expectations of business owners were negative with regards to production levels and employment in the coming three months. Meanwhile in Gaza Strip, the Israeli aggression brought destructive and catastrophic repercussions on all aspects of life. Estimates show that the indicator for Gaza Strip has reached −100 points in October and November compared to −13.6 is September.[19]

The Ministry of National Economy noted that 29% of businesses in the West Bank were partially or fully closed and there was a 72% decline in the number of workers in 66% of services businesses.[20]

Key Economic Impacts of the War on Gaza and Closure of the West Bank:

- 41.5% of businesses noted a decline in the total number of workers in November 2023 compared to before the attack on Gaza Strip. The average decline in the number of workers reached 61.8%.

[19] Palestinian Monetary Authority Business Cycle Indicator – November 2023, issued by the Palestinian Monetary Authority 30/11/2023.

[20] Economic Mapping Indicators on the Repercussions of the Israeli Aggression on Businesses in the West Bank for November 2023, issued by the Ministry of National Economy on 5/12/2023.

- 57.1% of businesses noted a decline of monthly working days compared to before the attack on Gaza Strip with an average decline of 42%.
- 43.2% of businesses noted a decline in the daily working hours compared to before the attack on Gaza Strip with an average decline of 47.2%.
- It is noted that the highest decline in the number of workers in businesses was recorder in the governorate of Hebron at 79% followed by the governorate of Jenin at 40%.
- The services sector has seen the highest decline in the number of workers, as 66.2% of businesses in this sector noted a decline in the number of their workers in November 2023 compared to the situation before the attack on Gaza Strip.
- It is noted that the majority of businesses have seen a decline in their performance during November 2023 as a result of the continued Israeli violations in the West Bank, as 94.2% of businesses noted a decline in their sales/revenue compared to the situation before the attack on Gaza Strip with an average decline of 54.6%.
- 84.6% of manufacturing businesses noted that their production declined in November 2023 compared to the situation before the attack with an average decline of 43.5%.
- The performance of Palestine Stock Market has seen a decline in November 2023. Al-Quds indicator has declined by 2.9% compared to the previous month. As such, the overall decline in Al-Quds indicator since the beginning of the attack has reached 11.3%, knowing that the

indicator has seen an increase by 2.3% since the beginning of the year up until 6/10/2023.[21]

Other procedures, such as the disruption of face-to-face learning at Palestinian universities and resorting to online teaching, as well as the disruption of school education and the irregular payment of civil servant salaries have resulted in shrinking the economic cycle and cripples numerous sectors.

The Economic and Social Impact of West Bank Workers' Release from Work in the Israeli Economy and Coping Mechanisms

The closure of Israel before Palestinian labor force and restricting work at Settlements after October 7 has resulted in leaving Palestinian workers in a dilemma without any social protection provided. There are several factors that exacerbated the crisis of these workers, including:

- **First, the transfer of workers' salaries and wages to banks:** A decision was made to transfer the salaries and wages of workers in Israel to banks. The law was enforced in 2022, which has resulted in tens of thousands of workers receiving loans, issuing chequebooks, credit cards and other services with interest. This resulted in their financial exposure before banks and lending institutions, and in direct transactions in the Palestinian society through cheques. (The Palestinian Monetary Authority data shows that the value of loans given to workers in Israeli amounted to $190 million or 720 million ILS).[22]

[21] Report on the performance of businesses as a result of Israeli violations in the West Bank throughout the attack on Gaza Strip, November 2023, issued by the Ministry of National Economy, December 2023
[22] Interview with the Palestinian Monetary Authority, December 2023.

- **Second, the Shrinking Economic Cycle in the West Bank and its Complete Halting in Gaza Strip:** this was stressed by reports issued by the Palestinian Monetary Authority and the Ministry of National Economy. It has resulted in a lack of alternative opportunities in the local market for workers in Israel. Moreover, workers in the local market have been either fully or partially released from work due to the shrinking economic cycle.
- **Third, the unpreparedness of workers in Israel for such a crisis:** particularly with the increased work opportunities in Israel in the past three years and the large increase in the number of workers as well as the relative work stability, which pushed workers towards engaging in construction, investment or even luxury purchases, such as vehicles. A small number of workers created emergency finds or had some savings.
- **Fourth, difference in wages between the local market and Israel:** according to the data of PCBS, the average daily wage in the Palestinian territories is 115.4 ILS, which is equivalent to $31.2, compared to 269.2 ILS, which is equivalent to $72.7[23] in Israel and Israeli settlements.[24] Accordingly, wages in Israel and settlements is 233.3% higher than wages in the Palestinian territories, which pushed the Palestinian labor force to leave their work and close their businesses in the Palestinian territories and seek employment in Israel and settlements. This has resulted in increasing their dependency on work in Israel without having any backup in the Palestinian territories.

[23] USD to ILS exchange rate = 3.7 ILS per $1 at the time the paper was written.
[24] PCBS, 2023, Palestinian Labor Force Survey: Annual Report: 2022. Ramallah-Palestine.

- **Fifth, the lack of a social security law:** despite the importance of a social security law to ensure the provision of protection for workers, particularly in states of emergency, the enforcement of such a law in Palestine was unsuccessful, which resulted in many Palestinian workers, including workers in Israel, having no social protection.[25]

Coping Mechanisms of West Bank Workers Released from Working in the Israeli Economy

For the purposes of preparing this research paper and identifying the economic and social impact of West Bank workers' release from working in the Israeli economy and coping mechanisms, three focus workshops were held with workers working in Israeli as well as union representatives. 48 workers participated in the workshops. The annexes show the details of the workshops and the number of participants and their gender.

- The majority of workers who participated in the focus workshops said that they are managing their living needs by using some of the funds that they saved. Other stated that they had to borrow money from relatives and friends, particularly considering the length of this crisis, which entered its third month. Other workers sold some possessions such as gold or car to meet their needs. A lower percentage pf them had other sources of income such as rented property or income generating businesses, however, they stated that the decline in the economic cycle as a whole has negatively affected this income.

[25] Factsheet on Social Protection for Workers in Israel, issued by the Independent Commission for Human Rights, December 2023.

One worker from Ramallah noted that comping mechanisms are temporary solutions rather than sustainable ones, such as using savings, borrowing from relatives or working low revenue jobs such as street merchants. These are partial solutions that will not solve a financial and social crisis of such magnitude.

- With regards to the availability of job opportunities for workers released from working in the Israeli economy in the local market, the majority of participants in the workshops noted a lack of job opportunities in the local market due to the shrinking economic cycle, the declining purchasing power of citizens, the crippling of some economic sectors like services and transportation, and the large competition with local workers who partially or fully lost their jobs due to the deteriorating economy. There is a low percentage who had job opportunities in the local market such as agriculture or small businesses like: street merchants, falafel shops…etc. knowing that such opportunities are attempts to provide a minimal income and do not provide decent living for workers.

On worker from Tulkarem noted that job opportunities and investment in the local market is possible, but it needs capital and incentives from the government with regards to registration, fees and taxes. There is also a need for training and rehabilitation to manage small enterprises, be they agricultural or handicrafts, and funding needs to be provided.

- Female workers in Israel and settlements noted that the difficult economic conditions pushed them to work in Israel and settlements. The vast majority of them work in unregulated sectors and losing their jobs created major economic and social problems for them, particularly since most of them are the providers in their families and have financial commitments through cheques. This has resulted in exposing them financially and socially, particularly with the lack of job opportunities in the local market.

One of the female workers from Qalqilia noted that she resorted to working in the unregulated market in Israel because her husband is imprisoned for financial reasons and she had to provide personal cheques to cover his debts. After her release from work, she is facing a compound legal, economic and financial problem, particularly with the lack of job opportunities in the local market.

- With regards to coping mechanisms due to release from work in Israel, they are attempts to provide the minimum and are not considered sufficient or sustainable, and they suffer from challenges mainly the weak local market.

One of the female workers from Ramallah noted that she resorted to working at a clothes shop in the local market. She state that her wage is very low compared to her wage in Israel, particularly with the declining purchasing power in the local market. However, her work in the local market is an opportunity to provide the minimum to pay part of her financial commitments.

- A high percentage of workers in the West Bank said that they have been fully or partially released from work, or that their wages were lowered, particularly workers in the services sector, such as restaurants, transportation, university services…etc. due to the shrinking local market.

One worker from Ramallah who works in the services sector "restaurants" in the local market noted that he has been temporarily released from work due to the decline in the restaurants business and that he currently works for limited days in the week.

- With regards to those who have loans from banks and lending companies operating in the West Bank, workers noted that there are no procedures from the Palestinian Monetary Authority to legally and socially protect them due to them losing their income. Banks have postponed their payments for interest, but the problem is much greater with cheques, as their cheques bounced due to the lack of funds and fees were collected on such cheques.[26] This created financial and legal problems for workers.

One worker from Tulkarem noted that his ban rescheduled his loan for three months with interest. Another worker from the same area noted that his cheque bounced due to insufficient funds, which required him to pay the fee for the bounced cheque and his classification dropped. He noted that he had to borrow from his sister to cover the cheque.

[26] The Palestinian Monetary Authority later returned the fees on bounced cheques to affected categories within certain conditions.

- Workers noted in the focus workshops that they have not received any assistance from the Ministry of Labor, while others stated that they have received guidance from the Ministry on how to claim their rights from savings funds. A small percentage of workers who participated in the focus workshops were able to submit requests to benefit from their savings funds. The reason behind that is that this procedure only applies to regulated workers and because the Israeli company responsible for this process “Amitim” no longer follows the regular procedure for such requests, and it would now require correspondence with the company or a lawyer to make such requests. In this context, the Ministry of Labor and relevant unions and bodies were contacted; they noted that the company responsible for savings no longer applied the usual procedure for submitting such request due to technical reasons because of the war. However, they respond to email correspondences and transfer the money to workers’ bank accounts without the need for any lawyers.

One worker from Tulkarem noted that when he consulted the labor office and workers union, he was able to receive a percentage of his savings from the Israeli company and that the process is available for workers.

- Workers noted in the focus workshops that some local governments stopped collecting debts from water and electricity recharging. Meanwhile, other local governments continued to collect debts, which indicates that there are different efforts and decisions from local governments rather than a decision from the Ministry of Local Government to provide facilitations for workers released from work in

Israel. There has been no facilitations from telecommunications companies and internet service providers for workers.

Workers from Ramallah area noted that local governments did not take any procedures to stop collecting previous debts. A worker from Deir Al-Ghsoun in Tulkarem governorate north of the West Bank stated that the municipality stopped the collection of debts. Another worker noted that the telecommunications company has disconnected his phone line and internet due to his inability to pay the bills and gave him only four days to make payment, which exacerbated his problems particularly since he has children in schools that have resorted to online teaching.

- The majority of participants in the focus workshops agree on the importance of adopting social security, since it provides social, economic and legal protection for Palestinian workers. However, they stressed that the problem in the social security law is the low confidence in those responsible for the social security law on the government's side, and that there should be an independent body to manage the social security fund.[27]

One worker from Tulkarem stated that he has been working at an Israeli company for 34 years and that he has savings and end of service pay. He expressed his conviction of the importance of the law, however, he is not confident that his money will be safe should the law be adopted considering the numerous financial crises the PA went through and the current situation of retired civil servants.

[27] The Social Security Law is yet to be implemented in Palestine. The Law was issued in 2016 provided that it enters into force on 13 October 2018. After a series of demonstrations against the law, it was frozen on 28 January 2019. During 2022, an amended version of the Law was issued. The Ministry of Labor held a comprehensive national dialogue on the law with relevant bodies. However, the law has not been adopted up until this paper was prepared.

- With regards to workers' vision for the future, their vision is blurred and foggy. They hope to return to their work by they have no vision on how to deal with the future should the crisis continue, particularly those who have loans, cheques and debts to settle. There is great concern amongst workers that they will be legally, economically and socially exposed with time as they are currently managing through some savings or by selling possessions or borrowing money. These procedures however will be depleted with time, and when that time comes, workers will face legal and social problems.

One worker noted that working in Israel always comes with the risk of losing the job, that is why he is currently thinking of immigrating and working abroad, particularly since his wife has Jordanian nationality and her entire family live abroad.

A worker from Ramallah area stated that he is under a lot of pressure because of the cheques he gave contractors for building his house. He stated that he has no solutions ahead of him and that he managed the cheques of November and December by borrowing from an acquaintance who he will not be able to borrow from for months to come.

One female worker from Ramallah area noted how difficult it was for her to borrow money to meet her needs for social and cultural reasons, which had her resort to working jobs that are socially not suitable for women and for limited income.

It is noted from the presentation above that the coping mechanisms with the release of workers in Israel and settlements rely on workers themselves and their social relations or even their relations with banking institutions or their employers. There is no clear governmental or union role or interventions. There is no governmental plan – up until the preparation of this paper – to deal with the issues of 205 thousand workers who lost their jobs in Israel. This entails complex economic and social repercussions of the crisis, particularly since workers have exhausted their current coping mechanisms. For example, a worker was able to collect the balance for a due cheque through individual coping mechanisms such as borrowing money or selling possessions, however these coping tools will be exhausted with time. Similarly, an agreement with the bank to reschedule a loan will be for a few months only and with interest, and will be costly with time. The same applies to workers who were able to obtain money from their savings fund "for regulated workers", as such money will not be available after their savings are depleted.

Response Mechanisms of the Government and Existing Representative Bodies

First: Palestinian Monetary Authority

In order to understand the Palestinian Monetary Authority's role in dealing with the release of Palestinian workers for work in Israel and settlements, and the economic and social impact, an exclusive interview was conducted with the Palestinian Monetary authority for the purposes of this research paper. The Palestinian Monetary Authority stated the following:

- It is a known fact that the wages of Palestinian workers in Israel have been the largest source of cash flow to the national economy in recent years. Our estimations show that their annual income amounts to 20 billion ILS. The full halting of their work in the past two months has resulted in a clear scarcity of cash in the economy, particularly since it accompanied the PA's inability to pay the wages of its employees die

to the piracy of tax money. There is also clear caution in consumption, which has reflected negatively on the economic cycle. Unfortunately, the Palestinian monetary authority does not have sufficient intervention tools to address the sudden release of 200 thousand workers. It is not the directly responsible body in this regard, but it can cooperated with all relevant bodies to mitigate the impact of this crisis on the individual level (for workers) and on the economy cycle and national economy as a whole.

- With regards to the Palestinian Monetary Authority's position on the financial commitments of workers in Israel to banks, such as loans and cheques, the Monetary Authority noted that it is currently working on steps to mitigate the impact of the scarce cash flow in the market, which includes all categories; workers and others. With regards to workers whose salaries are transferred to banks, around 50 thousand workers, their salaries for September were transferred in early October, and their wages for their work in the early days of October were transferred in November, which assisted them in covering their commitments. As for workers who have loans, our data shows that loans granted to workers amount to $190 million. It is worth noting that 65% of workers were able to make their loan payments in the past two months. Workers who were not able to make their payment were given an opportunity to address that by the Palestinian Monetary Authority through several options in agreement with their bank.

  With regards to cheques, our data shows that the percentage of bounced cheques due to insufficient funds amounts to only 9% of total cheques as was the case by the end of November. We are aware that

bounced cheques is an economic and social problem, but it is still under control despite the gravity of the current situation in terms of scarcity in cash. We have to stress here that the banking system acts only as an intermediary between the person who issues the cheque and the person who cashes it, and does not have the power to stop any cheques. It is possible that through the continued use of cheques, the available cash in the market continues to be used and reduces the expected economic and social impact.

- With regards to the Palestinian Monetary Authority's support and assistance to female workers, particularly since they are a vulnerable category in the society, the PMA noted that it announced the launching of Sustainability Fund in 2021, which aims at funding SMEs with minimal interest. The fund was able to finance 3000 enterprises thus far with a total funding of $180 million. With regards to women and vulnerable categories, this fund has allowed such categories to obtain financing that amounts to $10 thousand with a grace period, low payments and zero interests in order for them to start their enterprises or expand existing ones.
- With relation to the PMA procedures taken to provide social, economic and legal protection for workers, the PMA issued instructions for banks operating in Palestine on 25/10/2023, specifically for the residents of Gaza Strip to defer loan payments until 31/1/2024 and provide facilitations for clients. Instructions were also given to alleviate the burden on civilians and businesses in all districts by giving them

temporary facilitations through rescheduling of loans or giving them an overdraft ceiling.[28]

It also issued several other instructions that aim at addressing the scarcity of cash in the market, including an initiative from the PMA in cooperation with the Ministry of Finance and banks to give civil servants an advance on their salaries to assist them in meeting their needs because their salaries are not paid. With regards to Gaza Strip, the PMA will take the suitable procedures according to the developments of the current situation, knowing that instructions aiming at addressing the repercussions of the war were issued two weeks after the war erupted and addressed the situation at that time.

Following the study, the PMA issued instructions to banks requesting the refunding of fees taken for bounced cheques to all individuals affected by the current circumstances. The instructions stipulated on refunding the fees on bounced cheques for insufficient funds as of 1/11/2023 up until 31/12/2023, including civil servants, private sector employees and workers whose work stopped or income was affected during the said period. The instructions also include handicrafts, freelancers and micro enterprises. To benefit from such instructions, the amount of the bounced cheque must be within the limits of the monthly income of individuals from all sectors, or withing the monthly average of cheques issued by business owners during the first nine months of the current year.[29]

The Palestinian Monetary Authority's vision on addressing the issues of workers in Israel who have dealings with banks, particularly with the lengthened war: the PMA is in constant dialogue with bank administrations, private sector representatives the government and unions to take the

[28] Statement issued by the PMA on 25/10/2023 on banking facilitations for residents of Gaza Strip.
[29] Statement issued by the Palestinian Monetary Authority on 26/12/2023, PMA instructions to banks to refund the fees on bounced cheques of affected categories.

necessary procedures in this regard, particularly since developments are still happening at a rapid pace on all levels.

- **With relation to the PMA's vision to provide incentives to local economic sectors, including the creation of job opportunities for released workers:** the PMA issued instructions no. (15) of 2023 on Sustainability+ Fund, knowing that the traditional Sustainability Fund still finances enterprises to assist their sustainability.[30]

  Sustainability+ Fund is a 500 million ILS fund to finance different economic sectors in order to increase cash flow in the Palestinian market and assist businesses affected by the war in recovery and sustainability, which will reflect positively on the national economy.[31]

In this context, according to the statements of the PMA and in comparing them to what workers stated, it is noted that the PMA's procedures with regards to the problems and challenges facing workers in Israel and settlements are insufficient. PMA referred the settlement of workers' issues with banks to the workers themselves in based on understandings with the banks. There were no binding decisions or instructions, except for refunding the fees of bounced cheques and within limitations. All the decisions issued were exclusively relevant to the residents of Gaza. Workers are currently forced to settle theor issues with banks individually by rescheduling loans. The issue of cheques remains to be without any fundamental solutions by the PMA, as current

[30] Interview with the Palestinian Monetary Authority, December 2023.
[31] For more information on Sustainability+ fund, please see annex (2).

solutions are made by workers and their relations with cheque owners and banks. In reality, the PMA did not have any impact on mitigating the crisis of workers in a regulated manner. The PMA can take procedures and instructions that better respond to the needs of workers through general decisions to banks with regards to loans and cheques, which is a more vital role it has played before.

Second: The Palestinian Ministry of Labor

In the early stages of the crisis, the Ministry of Labor provided support and aid to **Gazan workers** in Israel, such as providing shelter and distributing cash assistance in cooperation with relevant bodies, particularly governors' offices, official bodies and NGOs. Cash assistance has been provided to around 5200 workers from Gaza Strip forcibly expelled from their workplace in Israel by the Israeli occupation, with the support of UNRWA and the World Bank.[32]

In an interview with the Ministry of Labor for the purposes of this research paper, Mr. Abdulkareem Mardawi, General Manager of Foreign Employment at the Ministry of Labor, stated that the Ministry worked on the following as soon as workers were releases from work in Israel:

- An electronic platform was launched to map and follow up on Gaza workers in Israel, considering they constitute an urgent humanitarian issue and a national priority. Gazan workers were received at the Ministry of Labor offices in the West Bank and directed to shelters. A Ministerial committee headed by the Ministry of Labor was established to oversee this matter with all relevant bodies. Shelters were opened

[32] Press release by the Ministry of Labor on 8/11/2023. "The Ministry of Labor, the World Bank and UNRWA Provide Cash Assistance to 5200 Gazan Workers"

and health services were provided to workers. This was followed by cooperation with the World Bank and UNRWA to provide financial support to Gaza workers.

- With regards to the fate of 18500 Gazan workers in Israel, the Ministry of Labor noted that it is following up on their affairs with all relevant bodies. Some of these workers were transferred back to Gaza Strip by the Israeli occupation, some were arrested by the occupation and some are in shelters in different districts in the West Bank and are provided with care. Some workers were already in Gaza Strip on October 7.
- With regards to workers released from work in Israel in general, the Ministry provided them legal counselling through the Ministry's offices and labor unions in order for them to receive their rights from their employers in Israel.
- The Ministry coordinated with the Palestinian Monetary Authority to find solutions and assist workers who are utilizing different banking services and provide them legal and social protection.
- With relation to the local market's ability to absorb this number of released workers, the Ministry of Labor noted that the local market does not have the capacity to absorb this amount of workers, particularly since the economic cycle in general greatly declined in the West Bank as a result of the war, closures and fragmentation of the West Bank; and was completely crippled in Gaza Strip due to the war. Job opportunities in the local market remain limited.

The Ministry of Labor's Vision to Address the Issue of Workers in Israel and Workers in General

- The adoption implementation of the Social Security Law because it provides legal, economic and social protection for workers. The conditions workers went through during COVID-19, the current conditions after the release of workers from their work in Israel and the decline in local labor are all sufficient indicators to adopt the Social Security Law.
- Continue working through legal committees to obtain the rights of Palestinian workers in Israel, be they legal or financial rights or social protection.
- Work on opening foreign labor markets for Palestinian workers for limited periods in order to provide alternatives for work in the Israeli market.[33]

Through the Palestinian Employment Fund, the Ministry of Labor is working on creating local job opportunities, particularly for women. The total number of enterprises funded in 2022 reached 623 enterprises, the total number of permanent job opportunities created in 2022 reached 1239, and the total number of temporary job opportunities created in 2022 reached 4756 opportunities.[34]

Despite the Ministry's efforts regarding the rights of workers, more is still needed, particularly considering the depth of workers' crisis and the extended period of their unemployment. This requires a

[33] Interview with the General Director of Foreign Employment at the Ministry of Labor, Nr. Abdulkareem Mardawi, November 2023
[34] Citizen Budget Newsletter for the Labor Sector 2023.

comprehensive plan and not only fragmented procedures and assistance. The Ministry of Labor prepared an emergency response plan in light of the war on Gaza Strip, but the plan is still in the development process until the preparation of this paper and has not been officially published or implemented.

Third: The Ministry of National Economy

In an interview with the Ministry of National Economy for the purposes of this paper, Yousef Rashad, the Director General of Policies and Planning at the Ministry noted the following:

- After October 7 2023, the war on Gaza and the release of workers in Israel as well as the irregular payment of civil servants' salaries and the crippled economy in Gaza Strip and the declining economy in the West Bank have all resulted in shrinking the economy. This is clarified in the report issued by the Ministry, as important economic indicators show a decline in the economic scene in Palestine.
- With relation to the Ministry of National Economy's approaches in dealing with the release of workers from work in Israel and settlements, the Ministry noted that it has been working since before the war on incentivizing labor in Palestine towards small production enterprises as well as on resettling skilled labor in the local market based on need. This comes to promote the Ministry's approach towards economic detachment from Israel and to promote local production and economy. To this end, the Ministry facilitated the registration procedures of small

enterprises in order to support the regulation of this sector. It should be noted that the possibility to employ and integrate some workers who were released from work in Israel in the labor market is difficult at the time being because of the shrinking economic cycle.

- Through the national strategy for MSMEs this it is developing, the Ministry is working on developing a regulatory legal environment for the national economy, providing options that incentivize investment and facilitating the conducting of economic activities, particularly since such enterprises are the backbone of the Palestinian economy. The Ministry of National Economy is leading efforts to prepare this strategy in cooperation with the Ministry of Finance the Palestinian Monetary Authority, the Capital Market Authority and many partners interviewed in this regard to complete the strategy. There are a number of incentives aimed at small enterprises to regulate and promote their work.
- The Ministry is working on an Online Trading Law to regulate this sector and provide job opportunities in a manner that guarantees respect of work controls and consumer protections. This would provide good job opportunities, particularly for women.

The Ministry of National Economy's Vision for dealing with the issues of Workers in General and the Issues of Workers in Israel in Particular to avoid Major Repercussions in Emergencies:

It is necessary to work strategically on three main components:

- Adopt the Social Security Law as it will provide social and legal protection for workers in any emergency.

- Promote small enterprises, facilitate their regulation procedures and finance them in order to provide job opportunities for workers through them.
- Training and rehabilitating entrepreneurs and small business owners in order for them to acquire the skills and expertise needed for the labor market.

These three components constitute work priorities, particularly after the crises the Palestinian economy and workers in Israel and the local market went through after COVID-19 and the current war on Gaza.

- With regards to the possibility of the **government / Ministry launching a package to incentivize the economy, the Ministry stated that** it is difficult at this stage due to the financial crisis the PA is facing and its shrinking resources, particularly since Israel is seizing the tax money and the shrinking economic cycle. In practice, during the consultations in the preparation of the 2024-2029 strategic plan, approaches were explored to incentivize workers in Israel to work in the local market, particularly since the local market is in need of several professional specializations where there is a shortage of such professionals. Moreover, work is being done to establish private enterprises through facilitations in registration, training and funding in order to avoid future crises, particularly with the instability in Palestine where emergencies are prone to happen.[35]

It is noted that the Ministry of National Economy mapped the impact of the war on Gaza on the economic scene, however, it did not make any

[35] Interview with the General Director of Policies and Planning at the Ministry of National Economy, Mr. Rashad Yousef, November 2023.

essential procedures to handle the economic challenges and mitigate the burden on released workers.

The Need for Essential Plans, Policies and Procedures for Actual Economic Disengagement from Israel

It is noted from the previous presentation that **there are no** essential plans, policies and procedures towards actual economic disengagement from the Israeli economy, particularly with relation to the issues of workers. Official statistics show a steady increase in the number of workers in Israel and settlements in recent years, which contradicts with the governments' approach towards economic disengagement from the occupation. Meanwhile, workers find themselves without any support in case of closures in Israel, which means that hundreds of thousands of Palestinians and around 20% of the labor force in Palestine lose economic, social and legal protection. Therefore, it is imperative to derive and enforce plans at the macroeconomic level towards economic disengagement and liberation from the restrictions of the Israeli economy. This includes creating job opportunities in the Palestinian market by promoting local industries, investing in advanced professional expertise for Palestinian workers in Israel in local enterprises in the industrial, agricultural and handicraft sectors, particularly since there is a shortage and need in the Palestinian market, and improve national products in order to replace imports from Israel and elsewhere.

This cannot be realized through individual or sectoral efforts at the microeconomic level, but rather requires procedures at the macroeconomic level through national plans, support from the government as a whole and the private sector and investment of all available resources. The price of the

Palestinian economy's subordination to the Israeli economy is steep on the short, medium and long run. Even if working in Israel solves the problem on the short term, it will backfire again unless there is a comprehensive national plan for actual economic disengagement from the Israeli economy. There are promising sectors to work on in Palestine in different industries, agriculture, handicrafts and services.

The existence and enforcement of a national plan for economic disengagement from Israel and the provision of a business incubator for Palestinian workers will reap benefits for the PA by addressing the existing imbalance in the commercial scale based on the gap between exports and imports, will reduce import tax fund that are controlled by Israel, will promote the national economy, will provide social and economic protection for Palestinian workers and will realize the national vision of resilience and disengagement from the occupation.

Conclusions and Recommendations

❖ First: Conclusions

- Since October 7 2023 and the Israeli assault on Gaza Strip, the closure of the West Bank and the release of workers in Israel, workers have been subject to a multi-dimensional crisis: economic, social and legal, which exposed the economic subordination to the occupation and its control over the lives of Palestinians.
- There are no mechanisms of methods for workers to cope with the crisis and overcome its repercussion, there are rather individual procedures and temporary solutions to mitigate the impact of the crisis and deal with the challenges they face as a result of losing their work in Israel.
- There are governmental and nongovernmental efforts to support workers, **but they are insufficient**. The government's response is not proportional with the enormity of the workers' needs and the legal, economic and social challenges. There are no comprehensive plans to deal with this issue or any effort for an in depth study on such crises reflect on the reality of workers and other aspects of life. It is worth noting that he Ministry of Labor developed an emergency response plan in light of the war on Gaza Strip, but the plan is still being prepared and has not been implemented up until this paper was written.
- There is an overall decline in the Palestinian economy. The economy completely paralyzed in Gaza Strip and severely decline in the West Bank, which negatively affected the availability of work opportunities for workers released from the Israeli economy in the local market without having a work plan at the macroeconomic level.

- The problem is even greater for released workers who are unregulated, elderly, women, workers who use permits other than work permits or workers in industrial zones and settlements, as they have no labor rights.
- The Palestinian Monetary Authority worked on mitigating the impact of releasing workers, including procedures especially for Gaza Strip, such procedures include the launching of Sustainability+ to incentivize the local economy and procedures to contain the problems facing West Bank workers, such as refunding the fees on bounced cheques. However, such procedures are insufficient and do not present fundamental solutions of the challenges facing workers released from work in Israel, such as cheques and loans, and it could work on other solutions.
- Although the PMA data shows that the percentage of loan payments made by workers is high, and the percentage of bounced cheques is low, this may not apply to the coming period, as workers were able to manage their affairs temporarily during the first month of the crisis through different methods, which will be exhausted with time.
- The Ministry of Labor provided support and shelter to Gazan workers who were expelled to the West Bank through a ministerial committee and within the available capacities.
- The Ministry of Labor provided legal support and counselling to West Bank workers released from work, however, it has not provided any fundamental solutions for them or suitable alternatives by providing other job opportunities or any financial assistance.

- The Ministry of National Economy is working on incentivizing labor in Palestine towards small productive enterprises as well as localizing skilled professional labor in the local market based on need. To this end, the Ministry seeks to mitigate and facilitate registration procedures of small enterprises in order to incentivize the regulation of this sector. It is worth noting that the integration of workers in Israel in the local labor market is difficult at the time being due to the shrinking economic cycle.
- The Ministry of National Economy is working on developing the legal environment regulating the national economy, providing an incentivizing business environment for investment, facilitating the conducting of economic activities, and provide incentives for small business to regulate and improve their work.
- Adoption of the Social Security Law is the best option to provide legal, social and economic protection for all workers, but there remains the problem of workers confidence in those overseeing social security, particularly governmental bodies.
- There are no national plans for economic disengagement from the occupation, including the provision of job opportunities for workers in Israel and settlements, which does not solve the problem of these workers.

❖ Second: Recommendations

Key Recommendation: the current dysfunction in the Palestinian economy, including the issues of workers in the Israeli economy, cannot be solved unless it is disengaged from the Israeli economy, particularly with the accumulating deformities in the Palestinian economy throughout years of occupation, and the restrictions placed by Paris Economic Protocol on the Palestinian economy as well as allowing Israel to control the majority of Palestinian revenues through import tax returns. This requires working within a national plan for economic disengagement from the occupation, rejecting Paris Protocol and its restrictions and promoting national economy (economy of resilience) through the development of local industries and returning to the agricultural sector through a national plan that engages all sectors.

- The government needs to launch an incentivizing package for local economy at the macroeconomic level, through which job opportunities will be created to workers released from their jobs in accordance with a comprehensive practical plan and by investing available resources and rearranging public spending priorities to support this plan at the national level.
- It is imperative to accelerate community dialogue on the Social Security Law for its adoption, as it guarantees the provision of social protection to workers in Palestine. It is also necessary to promote confidence in the body overseeing the fund.
- Labor unions must assume their responsibility in defending workers and their rights, and they must work will all bodies to provide them social, economic and legal protection.

- The PMA must issue decisions that contribute to the protection of workers in Israel and provide banking facilitations, such as deferring loan payments without interest, exempting bounced cheques from fees and the negative credit score, as well as other procedures.
- The Ministry of Labor must provide legal support to workers in order for them to obtain their entitlements from Israeli employers and Israeli investment firms. Awareness raising brochures must be issued in this regard and social media website can be utilized in raising awareness on labor rights.
- The government must instruct local governments and essential service providers, such as water, electricity and telecommunications to facilitate payments for workers released from work, particularly since such services are considered fundamental.
- National industries must be promoted in order to promote national economy and disengage from the occupation, and at the same time create job opportunities for workers and promote local revenue.
- Open Arab markets for Palestinian labor through the Palestinian government and the Ministry of Labor.
- The government must obligate the private sector to contribute in assuming the burden of this crisis through corporate social responsibility, and invest this support in creating job opportunities for workers.
- More specialized studies need to be conducted based on the results of this research paper with relation to the issues of workers released from the Israeli economy, such as: the reality of female workers released from work in the Israeli economy; social, economic and legal challenges

they face; investment in small agricultural and handicrafts projects as an alternative for working in the Israeli economy; the rights of Palestinian workers in the Israeli economy…etc.

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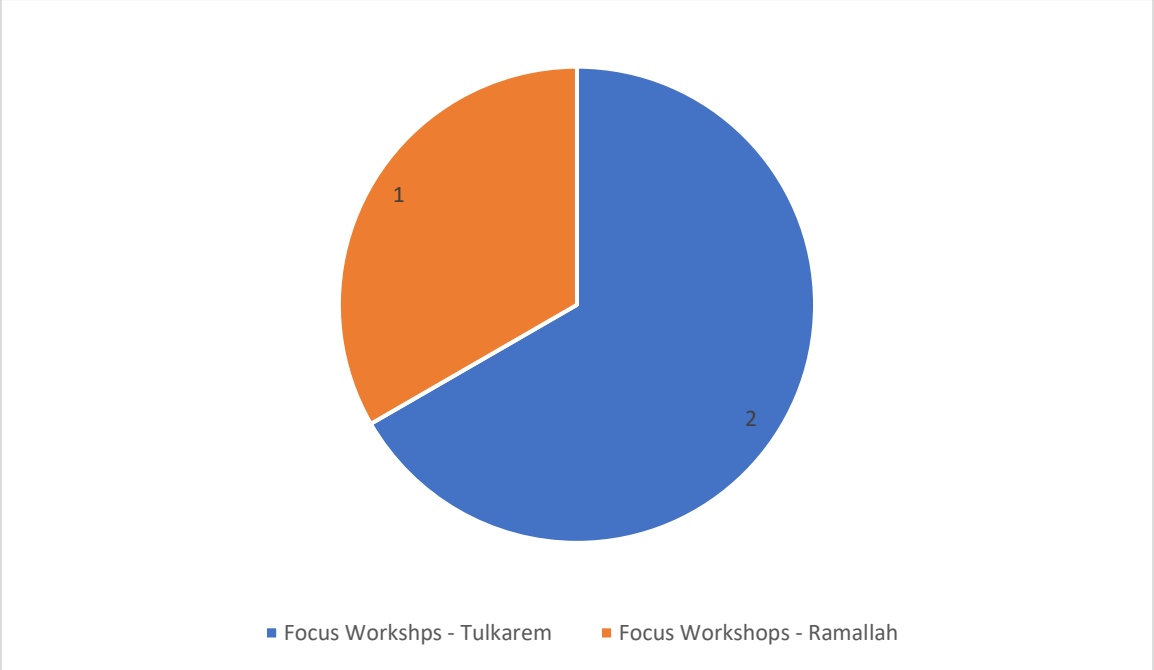
Exclusive Interviews for the Purposes of the Study:

- Interview with the General Director of Policies and Planning at the Ministry of National Economy, Mr. Rashad Yousef, November 2023.
- Interview with the General Director of Foreign Employment at the Ministry of Labor, Mr. Abdulkareem Mardawi, November 2023
- Interview with the Palestinian Monetary Authority, December 2023.

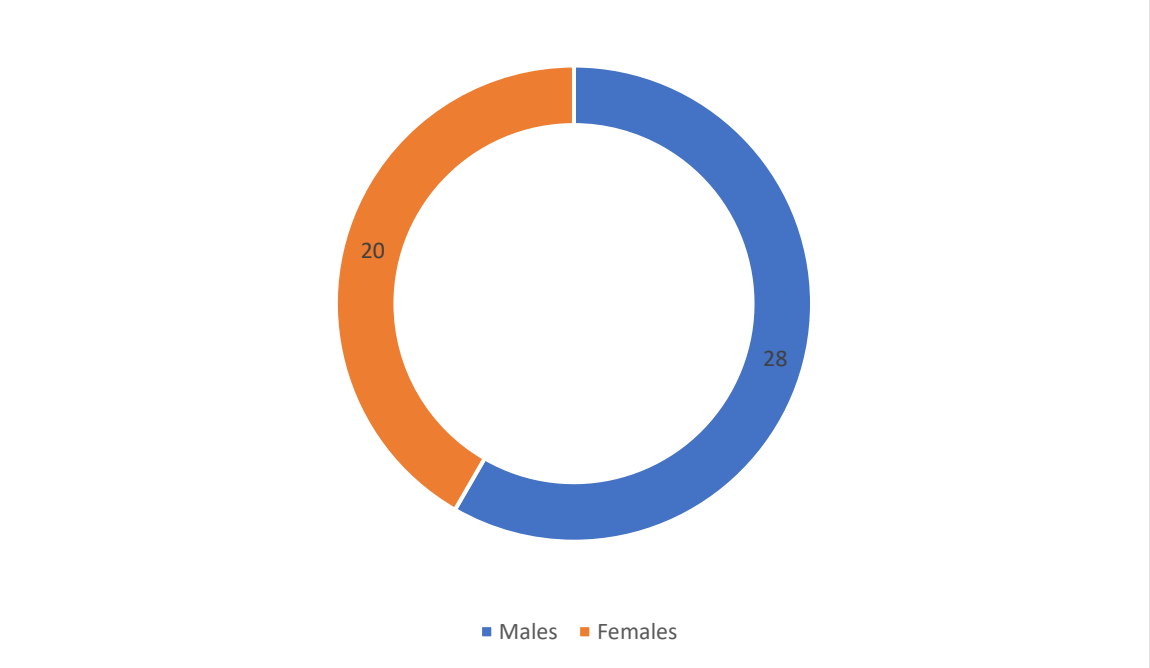
Annexes

Annex (1):

Graph showing the geographic distribution of focus workshops



Graph showing the distribution of participants in workshops based on gender



Annex (2):

Sustainability+ Fund to Support Businesses Affected by the Repercussions of the War[36]

The Palestinian Monetary Authority launched Sustainability+ Fund with a 500 million ILS budget to finance different economic sectors in order to increase cash flow in the Palestinian market and assist businesses affected by the war in recovery and sustainability, which will reflect positively on the national economy. The fund provides financing at low interest rates, facilitated conditions and medium and long-term payment plan. It also provides a sufficient grace period to ensure the targeted sectors benefit from the financing. Targeted sectors include: sectors affected by the current economic conditions with focus on health and agricultural sectors as well as renewable energy and environment protection. Small, micro, medium and large enterprises from the mentioned sectors may benefit from the fund.

The fund also aims at assisting affected, and most affected, businesses in recovering from the repercussions of the political and economic crisis resulting from the war, as well as to provide raw materials and the necessary resources for them to continue their business, develop their product, maintain their labor force, sustain the production cycle and address the shortage in cash flow. Sustainability+ Fund provides financing for targeted businesses at a reducing interest rate of 5% for all programs, provided that the PMA designs and incentives program for the beneficiaries from the fund through a cashback program if there is commitment to payments.

[36] PMA, the launching of Sustainability+ Fund https://www.pma.ps/ar

Sustainability+ Fund comes as part of a series of interventions aiming at addressing the impact of the sharp decline in cash flow in the national economy. Other interventions included instructions issued by the PMA to banks to defer loan payments for Gaza residents or reschedule payments in the West Bank and Gaza Strip in order to protect the credit score of creditors affected by the repercussions of the war. The PMA will do everything possible to assist individuals and companies in overcoming these difficult circumstances and maintain the economic cycle, while taking stringent procedures to maintain the banking system and increase its resilience in dealing with any foreseen shocks in the economy.

The PMA had launched Sustainability Fund in 2020 to assist businesses affected by the COVID-19 pandemic. Over 3000 businesses benefited from the fund and the financing provided amounted to $159 million. It is worth noting that Sustainability Fund remains in place for micro and small enterprises, and the PMA is currently working on developing “My Business” Platform, which is an interactive platform that aims at providing economic advice and feasibility studies for enterprises. Through who wish to obtain financing may submit any application to their bank through this platform.