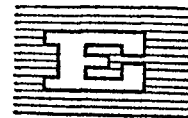


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QUESTION OF THE VIOLATION OF HUMAN RIGHTS IN THE  
OCCUPIED ARAB TERRITORIES, INCLUDING PALESTINE

Note by the Secretary-General

The appended document is distributed to the Commission on Human Rights in accordance with the request made by the Permanent Mission of the Syrian Arab Republic on 1 February 1980.

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## APPENDIX

### REPORT OF THE MISSION SENT BY THE DIRECTOR-GENERAL TO EXAMINE THE SITUATION OF WORKERS OF THE OCCUPIED ARAB TERRITORIES

1. Following an initial visit in April 1978,<sup>1</sup> a mission appointed by the Director-General and led, as on the previous occasion, by Mr. N. Valticos, Assistant Director-General and Adviser for International Labour Standards, accompanied by Mr. C. Rossillion, Chief of the Equality of Rights Branch, and Mr. J. P. Arlès, a senior official of the Branch, visited Israel and the occupied Arab territories in Palestine, the Golan and the Sinai from 25 February to 10 March 1979.

2. The mission lasted two weeks, during which it had numerous discussions and visited parts of Israel and of the occupied Arab territories in order to continue and intensify its examination of the situation of the Arab workers of these territories, whether employed in the territories themselves or in Israel. For this purpose, it was able to arrange its programme as it pleased during a large part of its time. In Jerusalem and Tel Aviv, it held lengthy talks with representatives of the civil and military authorities, both at higher levels and at the level of the administrators and experts, and with representatives of the employers' and workers' organisations of Israel. Among others, it met the military commanders responsible for the administration of the occupied territories, municipal authorities (including the mayors of Gaza and Nablus and municipal councillors from other towns and villages on the West Bank of the Jordan and in the Golan Heights), trade union leaders and other leading figures in the occupied Arab territories, Israeli and Arab officials of the employment, labour inspection and other services concerned, employers and workers at the workplaces of various undertakings it visited and members of both Israeli and Palestinian academic circles. Much of its time was consequently

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<sup>1</sup> See ILO: *Action Taken on the Resolutions Adopted by the International Labour Conference at Its 59th to 63rd Sessions*, Supplement to the Report of the Director-General, International Labour Conference, 64th Session, 1978, Appendix, pp. 24 to 32.

spent on visits and discussions in a number of localities both in Israel and in the occupied Arab territories. Among others, discussions took place in the various sectors of Jerusalem and in a number of places on the West Bank of the Jordan (including Jenin, Nablus, Bethlehem, Hebron and Bir Zeit) and in Gaza, as well as in the Sinai (at El-Arish) and the Golan. The mission sought to talk with as many people as possible, both from the Israeli and from the Palestinian side, and often took the initiative for such meetings. It also met the representatives of the United Nations Relief and Works Agency for Palestine Refugees in the Middle East (UNRWA) in Jerusalem.

3. The mission held several working meetings with the representatives of the various services concerned, as well as several private meetings with a number of people. Whenever it wished, the mission was able to talk without any witnesses with the persons whom it wanted to meet. It indicated to the civil and military authorities of Israel how important it was that none of the persons it had met should be subjected to any sanction whatsoever on that account or on account of any statements then made.

4. The mission was afforded the necessary facilities by the civil and military authorities of Israel to carry out its task during its visit and on its various trips. Many persons it spoke to in the occupied territories also showed great interest in its activities.

5. As on its previous visit, the mission focused its attention on the various aspects of equality of opportunity and treatment of Arab workers of the occupied territories as regards employment, conditions of work and social benefits and trade union activities, both in Israel and in the territories. The mission was guided in its work by the principles and objectives laid down in the Constitution of the ILO (Declaration of Philadelphia) and in the provisions adopted on the subject by the Conference, with particular reference to the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and the Recommendation (No. 111) which supplements it, together with other relevant instruments concerning the fundamental rights of workers such as the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87).

6. In more general terms, and as it had indicated in its previous report, the mission was constantly aware of the fact that the matters it was called upon to examine had to be placed within the context of the state of occupation of the territories in question. Obviously, the problems which arise from the state of occupation do not in themselves fall within the competence of the International Labour Organisation. However, this situation cannot be ignored, in view of the consequences it entails in the field of labour. The mission was therefore concerned, when examining matters falling within the particular competence of the ILO, to take fully into account the more general standards of public international law that are relevant to the situation, such as those embodied in various international instruments, particularly the 1907 Hague

Convention and the Fourth Geneva Convention of 12 August 1949. Apart from the major legal and political issues involved, the state of occupation also gives rise, in the field of labour relations with which the mission was specifically concerned, to psychological and moral problems that cannot and should not be overlooked. The values of equality, freedom and human dignity, which are embodied in the ILO standards by which the mission was guided, are bound to be affected by the state of occupation, regardless of the greater or lesser severity of prevailing conditions, and this fact requires special attention when one examines the more specific labour problems with which this report is concerned. It was in this wider context that the mission sought to examine the situation of Arab workers of the occupied territories in the light of the aforementioned ILO standards relating to the fundamental rights of workers.

7. In accordance with its mandate, the mission set out to take stock of changes in the situation since its previous visit in April 1978, to examine certain aspects more closely, to ascertain whether and to what extent the various suggestions it had made in its previous report had been examined and acted on and, finally, to consider the conclusions and recommendations that could be drawn from its current visit. It accordingly studied all the facts and figures available to it, together with the—sometimes very considerable—information supplied by the Israeli authorities and by various Arab sources during its actual visit.

8. The following report does not claim to present a definitive description and assessment of an extremely complex situation which may appear in a different light according to the standpoint adopted. Nevertheless, the mission has attempted to give as comprehensive and as objective a picture as possible, to provide more extensive statistical and other data, than in its previous report, to bring into relief the main issues at stake and to assess the situation in the light of the Organisation's established values of equality, freedom and social progress.

## **INTRODUCTION—GENERAL POPULATION AND EMPLOYMENT DATA FOR THE OCCUPIED ARAB TERRITORIES**

9. The estimated population of the occupied Arab territories is approximately 1,300,000 inhabitants, some 60 per cent of whom have settled on the West Bank of the Jordan (including East Jerusalem, which had about 70,000 inhabitants in 1967) and one-third in the Gaza Strip; the population of the Sinai is approximately 100,000 and that of the Golan 12,000.<sup>1</sup> In the territories covered by table 1, the population has risen by 1.6 per cent since January 1977. Over recent years, however, population growth has slowed down perceptibly

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<sup>1</sup> The population and employment figures communicated to the mission by the authorities and used in the tables in this report do not include East Jerusalem, the Golan and the Bedouin population of the Sinai, unless otherwise indicated—i.e. whenever the mission was able to obtain estimates affording as accurate a figure as possible for the whole of the occupied territories.

Table 1. Population and labour force in the occupied territories, 1977-78  
(thousands)

	Occupied territories			West Bank			Gaza and Northern Sinai		
	January 1977	June 1978	Percentage change	January 1977	June 1978	Percentage change	January 1977	June 1978	Percentage change
Average population	1 111.1	1 128.5	1.6	678.0	683.1	0.7	433.2	445.3	2.8
Working-age population	612.8	631.8	3.1	375.7	385.3	2.6	236.7	246.6	4.2
men	292.9	303.1	3.5	181.5	186.4	2.7	111.5	116.7	4.7
women	319.9	328.2	2.6	194.2	198.9	2.4	125.2	129.9	3.8
Working-age population as percentage of total population	55.2	56.0	—	55.4	56.4	—	54.6	55.4	—
Persons belonging to the labour force	210.0	215.4	2.6	132.2	134.3	1.6	72.9	81.1	4.1
men	179.7	183.4	2.1	106.9	107.3	3.7	72.7	76.1	4.7
women	30.3	32.0	5.6	25.3	27.0	6.7	5.2	5.0	-3.8
Participation rate (percentages)	34.3	34.1	—	35.2	34.9	—	32.9	32.9	—
men	61.4	60.5	—	58.9	57.6	—	65.2	65.2	—
women	9.5	9.6	—	13.0	13.6	—	4.2	3.8	—
Employed in occupied territories	147.8	146.7	-0.7	95.8	96.7	0.9	51.9	50.0	-3.6
Employed in Israel	60.8	67.1	10.4	35.1	36.4	3.7	25.7	30.7	19.5
Total employed	208.6	213.8	2.5	130.9	133.0	1.6	77.6	80.7	4.0
men	178.4	182.1	2.1	105.9	106.1	0.2	72.5	76.0	4.8
women	30.2	31.6	4.6	25.0	26.9	7.6	5.1	4.7	-7.8
Employed in Israel as a percentage of total employment	29.1	31.4	—	26.8	27.4	—	33.1	38.0	—
Unemployed jobseekers	(1.5)	(1.6)	—	(1.3)	(1.3)	—	(0.2)	(0.4)	—
Unemployment rate (percentages)	(0.7)	(0.7)	—	(1.0)	(1.0)	—	(0.3)	(0.5)	—

## Report of the Director-General (Supplement)

Table 2. Workers employed in the occupied territories and in Israel by economic branch, January-June 1978

	January-June 1978	
	Thousands	Percentage
<b>Total</b>	<b>214.2</b>	<b>100.0</b>
Agriculture, forestry and fishing	58.5	27.4
Industry (mining and manufacturing)	35.6	16.7
Construction (building and public works)	42.8	20.0
Commerce, restaurants and hotels	26.5	12.4
Transport, storage and communications	11.2	5.2
Public and community services	28.3	13.3
Financial services, electricity, water, personal services	10.6	5.0

(especially on the West Bank), mainly as a result of population movements that have resulted in a net outward migration of about 20,000 persons per year since 1975. This essentially male emigration is responsible for a growing disequilibrium in the distribution of the population by sex.

10. The estimated active population was 215,400 in 1978—134,300 on the West Bank and 81,100 in Gaza and the Northern Sinai. The very low participation rate is particularly striking: in 1978 the active population represented only 34 per cent of the working age population and a mere 19 per cent of the total population. These low rates of participation in economic activity are mainly attributable to the large proportion of young people in the population, the relative imbalance between men and women of working age as a result of emigration and, above all, the extremely low level of female participation (less than 10 per cent in 1978, as opposed to 60.5 per cent for men), which is presumably more than anything due to traditional social factors. Broadly speaking, and without allowing for any margin of statistical error,<sup>1</sup> a fairly low participation rate indicates that a large number of adults of working age are absent from the labour market and, consequently, that the per head income is correspondingly lower.

11. The active population as estimated above is almost fully employed. Total employment, which was up by 2.5 per cent in June 1978 over January 1977, is in fact reckoned to be nearly 214,000, leaving an unemployment rate of less than 1 per cent of the active population. The agricultural sector accounts for 27 per cent of this total employment figure, construction 20 per cent, industry nearly 17 per cent, commerce and miscellaneous services about 35 per cent (see table 2). This global assessment of employment of residents of the

<sup>1</sup> Statistical records of female participation in economic activity are particularly unreliable.

occupied Arab territories does not, however, properly reflect the real situation, which is more complicated. Not all the employed population referred to works on the spot, almost one-third being employed in Israel. Although the Palestinian population in Israel increased by 10 per cent between January 1977 and June 1978, employment in the occupied Arab territories dropped slightly, by about 1 per cent. There was a similar divergence in the trend of the two principal components of employment during the period 1970-77, when the number of Arab workers from the occupied territories employed in Israel rose by an average of 17.3 per cent annually while local employment dropped by an average of 1.1 per cent. These figures show that the increase in employment of the population from the occupied Arab territories and the fact that there is no declared unemployment<sup>1</sup> are essentially attributable to the employment of Palestinian workers in Israel. Furthermore, they illustrate the close dependence of the employment and labour force situation in these territories on the Israeli economy.

12. One of the special features of the population in the occupied territories is the presence of Palestinian refugees.<sup>2</sup> According to the Israeli military authorities, there are approximately 310,000 refugees, 205,000 in Gaza (where they represent almost half of the total population) and 105,000 on the West Bank (about 15 per cent of the population).<sup>3</sup> Around 85 per cent of the Gaza refugees (and 60 per cent of the West Bank refugees) still live in camps, despite the housing programme launched by the Israeli authorities in 1974. Although they are apparently not treated any differently from the rest of the population, the refugees seem to remain marginal workers and, as a population, to have their own specific problems. Many of those living in Gaza are employed as seasonal workers in the Israeli agricultural sector and their employment is consequently unstable. According to UNRWA, young people completing courses at the Agency's vocational training centres are unable to find work in Israel corresponding to the skills they have acquired. For these reasons, the unemployment rate among refugees is reckoned to be higher than among the rest of the population, and the standard of living lower.

13. The mission concentrated mainly on the two major aspects of the problem outlined above: namely, employment in Israel of Arab workers from the occupied territories, and employment in the local economy of these territories. At the same time it was mindful of the somewhat artificial nature of

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<sup>1</sup> In assessing the unemployment rate, account should again be taken of the point made above regarding participation rates, which are so low as to suggest the potential availability of a substantial additional labour force.

<sup>2</sup> In addition, some 1.6 million refugees are estimated to be living outside Palestine.

<sup>3</sup> The figures supplied by the United Nations Relief and Works Agency for Palestine Refugees in the Middle East (UNRWA) are much higher. In 1978, 310,268 refugees from the West Bank and 354,103 from the Gaza Strip were registered with the Agency. UNRWA points out, however, that these figures are not necessarily accurate, owing to erroneous or double registration, undeclared death or absence from the Agency's area of activity.

this distinction, inasmuch as, although the problems that arise in each case are often different, there is a constant interplay between the two.

## **EMPLOYMENT IN ISRAEL OF ARAB WORKERS OF THE OCCUPIED TERRITORIES**

### **Volume of employment and its fluctuations**

14. In its study of the volume of employment in Israel, over the decade, of Arab workers from the occupied territories, the 1978 mission had noted that the upward trend was reversed from 1975 onwards and up to 1977. According to the data made available to the mission for 1978, the employment curve has apparently climbed back up roughly to the peak reached in 1974. In the third quarter of 1978, the estimated number of Arab workers from the occupied territories employed in Israel was 75,000, an 11 per cent increase over the same period in 1977. There is therefore every indication that the employment of workers from the occupied territories is linked to cyclical fluctuations in economic activity in Israel. Simultaneously, certain branches or sectors of the Israeli economy have become more or less dependent upon Arab manpower from the occupied territories;<sup>1</sup> in the construction sector over a quarter of the total labour force now comes from this source. Quite obviously the Arab labour force from the occupied territories has done much to offset Israel's chronic shortage of manpower, to take the pressure off the labour market and, finally, to contribute to the growth of the Israeli economy.

### **Employment outside official channels, specifically as regards the employment of young persons**

15. In its earlier report, the mission had expressed considerable concern on the matter of employment outside the official administrative system and recommended that such practices should be "systematically discouraged and effectively overcome". This year it was informed of a number of steps that had been taken to remedy the situation. Specifically, an effort has been made to keep workers and employers better informed, a special committee has been set up jointly by the Ministry of Labour and the General Federation of Labour in Israel (Histadrut) to step up the fight against employment through non-official channels and the supervisory activities of employment services in Israel and the occupied territories have been extended and diversified. According to the Israeli authorities, the outcome of this campaign has been to increase the proportion of "regular" workers by about 10 per cent. Though not a negligible achievement, this would still seem to fall short of the mark, even allowing for the special problems that arise where the category of seasonal or

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<sup>1</sup> By way of example, the mission visited a recently completed fruit processing and packaging factory in which three workers out of five were from the occupied territories.



casual workers is involved. The fact is that, sophisticated though it may seem, the special system that has been set up to organise and regulate the flow of employment is still unable to keep track of about 20,000 workers, over a quarter of the total according to official estimates—much more according to other sources. As the mission pointed out in its previous report, these practices lay the workers very much open to exploitation. A clandestine market is growing up on which labour is traded as if it were a commodity. The mission again wishes to express its concern about this situation and recommends that further efforts be made to combat it. The objectives here should be the following: (i) a preliminary study of the phenomenon to establish where, why and how it operates; (ii) preventive action which involves, on the one hand, keeping the workers properly informed, encouraging them to use the official channels and organising direct and effective supervision of the intermediaries and employers and, on the other hand, ensuring that the administrative authorities and the community as a whole are made properly aware of the problem; (iii) repressive action: penalties for intermediaries and employers who do not go through official channels must be sufficiently severe to have a real deterrent effect. The mission drew the attention of the authorities to the need to adjust penal sanctions periodically during times of inflation and was informed that a broadly worded bill to this effect was being introduced. It will probably prove necessary to go further and increase the penalties attached to such practices; (iv) action to protect the rights of the workers and lighten the consequences for those found in an irregular situation.

16. One of the particularly serious aspects of this phenomenon is the employment of young persons. The mission was informed that the authorities have decided as a general rule not to grant permits to work in Israel to persons under the age of 17. Judging from the visits which the mission made to various enterprises, this rule was apparently being respected. However, the mission was informed by various sources that it was not unusual for persons well under the stated age to be employed in irregular circumstances, particularly in agricultural or small production units. Moreover, judging from the number of cases which came before the courts in 1978, a large number of infringements concern the employment of minors; according to figures compiled in the course of a campaign against irregular employment conducted by the authorities in September-October 1978, some 20 per cent of the workers from occupied territories irregularly employed in Israel were minors. Considering the importance of the protection and promotion of the interests of young people, the mission strongly recommends that appropriate action should be taken by the labour inspectorate and that suitable penalties should be fixed and applied. Another positive step could be the adoption of family-welfare provisions aimed at ensuring the maintenance of children (which would thus also have an effect on the situation inside the occupied territories where, as will be seen,<sup>1</sup> there is

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<sup>1</sup> See para. 57 below.

also an employment problem for young people), including the payment of children's allowances.<sup>1</sup>

### **Occupational promotion opportunities**

17. In its previous report, the mission had detected signs of a change in the sectoral and occupational structure of the Arab population from the occupied territories employed in Israel. Although too little time has passed since then for a significant structural change to have come to light, recent data seem to confirm the existence of a gradual trend towards a slightly less disproportionate distribution among the principal sectors of activity, with construction, for example, employing 44 per cent of Arab workers from the occupied territories in 1978 (as against 54 per cent in 1970) and industry 21 per cent (12 per cent in 1970) (see table 3). Moreover, a survey conducted in April-June of the demographic and employment characteristics of the population from the occupied territories employed in Israel indicates that 22 per cent of the latter was in the skilled labour category and 44 per cent in the unskilled category (the remainder being classified as working in agriculture and the services, without distinction as to skills). The survey further reveals that there are a considerable number of cases in which the workers can be said to enjoy a certain continuity of employment: in 1977 about half of them had been employed in Israel for four years or more. Information supplied by the authorities or by the employers encountered by the mission pointed in the same direction. However, the mission is of the impression that this change is more one of degree than of nature. For the most part, Arab workers from the occupied territories continue to be employed at the lower end of the occupational scale, in many of the more menial temporary or seasonal jobs to which the Israeli labour force seems less and less attracted. To some extent, therefore, the manpower from the occupied territories seems to be used as a substitute for Israeli workers, which probably indirectly increases the latter's chances of promotion. Once again, the mission would like to draw attention to the threat which the introduction of a kind of division of the labour market not only on the basis of the type of jobs but also in fact, to a large extent, along ethnic lines poses for the achievement of industrial peace and social justice. Action must be taken to combat any tendency for a secondary labour market, partitioned off from the other and affording little prospects for the future, to become institutionalised.

18. The mission consequently attaches particular importance to the workers of the occupied territories being recognised as having, and being guaranteed, a genuine right to personal advancement and promotion in their work. This is important both from the standpoint of their sense of personal and ethnic dignity and from that of the prospects for their future and that of their territories. The mission would advocate a systematic attempt to persuade employers to

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<sup>1</sup> The payment of allowances for children under the compulsory national insurance scheme is discussed in paras. 20 and 23 below.

Table 3. Workers from the occupied territories employed in Israel by economic branch, 1970-77 and January-June 1978

	Thousands					Percentages				
	Total	Agriculture	Industry	Construction	Other	Total	Agriculture	Industry	Construction	Other
1970	20.6	5.0	(2.4)	11.2	(2.0)	100.0	24.3	(11.7)	54.3	(9.7)
1971	33.8	7.5	5.0	17.7	(3.6)	100.0	22.2	14.8	52.4	(10.6)
1972	52.4	12.2	9.1	26.1	5.1	100.0	23.3	17.3	49.7	9.7
1973	61.3	11.8	11.1	31.7	6.7	100.0	19.3	18.1	51.7	10.9
1974	68.7	13.2	12.0	36.1	7.4	100.0	19.2	17.5	52.6	10.8
1975	66.3	9.5	12.2	36.1	8.5	100.0	14.3	18.4	54.5	12.8
1976	64.8	10.0	12.8	32.6	9.5	100.0	15.4	19.7	50.2	14.6
1977	62.9	10.2	13.4	28.5	10.8	100.0	16.2	21.3	45.3	17.2
1978 (January-June)	67.1	12.1	14.4	29.6	11.1	100.0	18.0	21.5	44.1	16.5

pursue actively a policy of equality of opportunity in the acquisition of skills and access to higher posts and to do everything possible to provide the workers with an opportunity to use their abilities to the full. The bulk of the action taken should relate not only to basic, fundamental training but also to the provision of facilities enabling workers to acquire specific occupational skills at their place of work or in training centres. At present, the kind of training available to these workers in the centres that have been set up in the occupied territories (and which are described in greater detail in the second part of this report) would seem to be too limited in scope and variety to afford them equal opportunity of promotion. Finally, in certain areas where the mission felt that it would make it easier for these workers to be promoted to more responsible positions (in the hotel trade, for instance), it would probably be desirable for the authorities to consider adopting a more flexible attitude towards the issue of permits to reside on Israeli territory. If such exceptions were made, it would also permit certain workers to attend advanced training courses.

### **Wages, deductions and social benefits**

19. In its previous report, the mission had noted the statements of principle of the Government and trade unions concerning the application of the principle of equal wages (gross and net) and equality of social benefits between Israeli workers and workers from the occupied Arab territories employed in Israel. Furthermore, it had realised that Palestinian workers were very often convinced that they were treated on an equal footing as regards deductions from their wages but unequally when it came to the benefits to which the contributions corresponded, a large part of which they felt failed to serve the appropriate purposes. Specifically, it had remarked that these workers felt that the deduction of income tax in Israel was not designed to meet their needs in the territories. On this point, the mission was pleased to note a decision, taken by the authorities in response to its recommendations, to include the revenue from income tax paid in Israel by Arab workers from the occupied territories (about 200 million Israeli pounds, or some 10 million US dollars) in the budget for the occupied territories. This issue is taken up in greater detail in the second part of the report. As to the more general question of applying the principle of equality of treatment in respect of wages and social benefits, the mission took note of the Histadrut's decision <sup>1</sup> to initiate negotiations with the employers' organisation and the Government with a view to concluding a written agreement guaranteeing the application of this principle.

20. In the light of the contradictory views which it heard from various sources on this important matter of equality of treatment in respect of wages and social benefits, the mission looked very carefully into the different kinds

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<sup>1</sup> This decision was announced in a statement on the position adopted by the Executive Committee of the Histadrut following the recommendations made in the mission's previous report (see paras. 28 and 29 below).

of deduction made from the wages of workers from the occupied territories employed in Israel and into their entitlement to benefits. The situation can be summarised as follows. In the first place, under the compulsory National Insurance Scheme, the same deductions (3.8 per cent) are made from the wages of Arab workers coming from the occupied territories as from those of other workers; the principle of equality likewise applies to the employers' contributions (15 per cent of the wages) to the coverage of the various contingencies provided for under the Israeli social security scheme. As to entitlement to benefits, the conditions differ according to the benefit concerned. Workers from the occupied territories are entitled to benefits in respect of the branches of the National Insurance Scheme which are based on the criterion of employment: namely, work injury and occupational disease,<sup>1</sup> maternity,<sup>2</sup> bankruptcy and liquidation of companies. On the other hand, the residence clause included in the National Insurance Law at present excludes these workers from benefits payable in respect of the following branches: old age and survivors, invalidity, unemployment, children's allowances.<sup>3</sup> Second, as regards the supplementary pension scheme, affiliation to the Histadrut's pension and mutual assistance funds is virtually compulsory for all workers under the collective agreements which provide for contributions from the workers and the employer. Workers from the occupied territories are bound by these agreements and are entitled to the corresponding benefits.<sup>4</sup> Third, as regards sickness, workers from the occupied territories are entitled to the sickness benefits provided for in the collective agreements. A special scheme was introduced in 1978 to provide medical care for workers from the occupied territories and their families at their place of residence, on payment of a monthly contribution of 70 Israeli pounds.<sup>5</sup> Fourth, a special fund has been created for workers from the occupied territories employed in Israel into which the amounts corresponding to the workers' and employers' contributions to the National Insurance Scheme and the Histadrut's pension Funds are paid and held in reserve. In view of the benefits which, as has been seen, are not paid to workers from the occupied territories and those to which they are not yet entitled, a sizeable sum of money is paid into this fund each year (over 250 million Israeli pounds for the last

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<sup>1</sup> A special provision was included in the National Insurance Law to ensure the coverage of this contingency in the course of the journey of workers from the occupied territories to their place of work in Israel and back. Judging from information made available to the mission, benefits are actually paid for employment injuries. Moreover, the mission was able to visit a hospital in Israel where a number of workers from the occupied territories who have suffered employment injuries have been treated and hospitalised.

<sup>2</sup> However, as regards the allowance for birth, the condition that the birth should take place in a hospital in Israel is not usually fulfilled in the case of potential beneficiaries from the occupied territories.

<sup>3</sup> However, partial compensation is paid in the form of a special allowance for the first two children.

<sup>4</sup> Since the minimum qualifying period is ten years and these workers only started contributing in 1969, no pensions have yet been paid.

<sup>5</sup> A special agreement was also reached with the Histadrut's sickness fund to provide them with medical care in Israel when necessary.

financial year and probably between 400 and 450 million for the coming year). Interest from the fund's investments is used to finance development projects and social services in the occupied territories. Fifth, workers from the occupied territories employed in Israel are entitled to a number of other social benefits provided for in the collective agreements, details of which need not be given here.

21. International experience has shown that the issue of social security for migrant workers, and especially frontier workers, always poses delicate and complex problems; in normal circumstances, these are settled by bilateral or multilateral negotiations and agreements between the countries concerned by the migratory movements. In the present case, the current political situation naturally does not permit of this kind of approach. The mission therefore endeavoured to assess the prevailing situation in the light of the guiding principles of the ILO's international standards (particularly the Equality of Treatment (Social Security) Convention, 1962 (No. 118)) and of the Office's experience in this area; at the same time, it tried to look further ahead in order to make recommendations taking into account foreseeable or possible changes or trends in the event of a cessation of the state of occupation.

22. The two principles which have guided the authorities in their choice of solutions are: equality of cost of labour, and transfer of these social security contributions which do not give rise to any individual entitlements to the social budget of the occupied territories, in which they represent the principal source of social funds made available to them. The mission does not underestimate the intentions behind these solutions. However, it is of the opinion that it would be appropriate to maintain the fundamental principle that the contributions should be used for the initial and specific purposes for which they were intended, in other words for the payment of social security benefits and not for welfare or social assistance purposes. It follows from this rule that the workers must be entitled to the benefits which correspond to the contributions paid in respect of their employment in Israel.

23. Under these circumstances, the mission formulates the following proposals and conclusions:

- (i) Arrangements must be made to recognise the right of workers from the occupied territories to old-age, survivors' and invalidity benefits under the compulsory National Insurance Scheme, irrespective of their place of residence. More particularly, measures should be taken to permit benefits to be paid in the territories which are at present occupied, even after the state of occupation has ceased. Should developments render it absolutely impossible to make such arrangements, alternative solutions or compensatory measures should at least be applied so as to permit the reimbursement of the accumulated contributions in the event of the corresponding contingency arising (invalidity, retirement, death) or the payment of special lump-sum allowances based, for example, on the number of years in employment.

- (ii) For the same reasons, entitlement to unemployment benefits and children's allowances under the National Insurance Scheme should be recognised by virtue of the contributions paid, bearing in mind, however, that, on the subject of children's allowances, international standards mention the possibility of providing for certain different conditions and limits, depending mainly on the place of residence of the children concerned.
- (iii) As regards the supplementary pension scheme based on the collective agreements, the mission noted that, in the view of the Histadrut, it was preferable for contributions to be paid into the corresponding pension funds rather than held in the state-run reserve fund. It is not for the mission to pass any judgement as to the desirability of one solution rather than the other; what is important is that whichever solution is adopted should protect the rights of the workers concerned as well as possible. However, the mission does feel authorised to express the view that moneys accruing to the Histadrut's pension Funds, which use a different method of financing (funding) from that of the National Insurance Scheme, should at any rate be shown in a separate set of accounts so that they could at any moment be set aside for the satisfactory organisation of the payment of the corresponding benefits.
- (iv) Finally, with respect to sickness insurance and to the special medical-care scheme that has recently been set up, the mission took note of the efforts and progress made in this direction. There is, however, still room for improvement and the mission recommends the pursuit of a policy aimed at further extending and improving the quality of medical care and health protection services. At the same time, every effort should be made to ensure that the workers and their families are able in practice to take more and more advantage of the arrangements that exist for them to receive in Israel the kind of care that cannot at present be satisfactorily extended in the occupied territories.

#### Conditions of employment and work

24. The recruitment and admission into Israel of workers from the occupied territories are organised and supervised by the employment service's placement offices which issue temporary permits—recently extended from one to four months<sup>1</sup>—to work in Israel. Generally speaking, employment contracts in Israel are verbal contracts valid indefinitely. The workers have to renew their authorisations to work in Israel every four months, through the placement office of their place of residence. It would perhaps be desirable to contemplate the possibility of subsequently increasing the duration of these authorisations. This would make the system more flexible and, above all, would help to give

<sup>1</sup> A worker from the occupied territories who is employed in Israel for the first time receives a one-month permit which is renewed for three months the second time; subsequently, the normal extension period applies.

the worker the feeling that his freedom of movement was less strictly controlled and that he had greater employment security. Nevertheless, lack of security in their job remains one of the characteristics of the situation of these workers. An authorisation to work is dependent upon the employment relationship and, when this ceases, a worker from the occupied territories is not insured against unemployment. He then has no option but to register once again as a jobseeker, try to find a job in the occupied territories (where, as we shall see, the chances of finding productive work are limited) or emigrate to the Arab countries where a demand for labour exists. The foregoing considerations are intended solely to ensure that the workers enjoy greater security of employment in the circumstances in which they find themselves at present, irrespective of the more far-reaching changes that need to be brought about in the future employment situation of these workers.

25. Save in exceptional circumstances (for example, when the worker's home is a very long way from his place of work, or to enable him to work on night shift), workers from the occupied territories employed in Israel are not authorised to reside on Israeli territory. Because of the relative proximity of the place of work and of residence and the problems of every kind that could arise, the authorities decided from the outset, as a matter of policy, that it would be preferable for the workers to return each day to the occupied territories. This is probably also what most of the workers would wish. However, it would seem reasonable to envisage a somewhat more flexible approach to the issue of special residence permits, for instance—as already mentioned—when it is essential for a worker's promotion in a particular branch of employment (the hotel trade, for example) or to enable him to attend training and advanced training courses.

26. This policy, whereby workers are expected to return to the occupied territories every day, raises the problem of their transport, the actual conditions under which such transport takes place and, above all, the length of the journey. The mission, which had already commented on this in its previous report, was again forced to conclude that, although the distance between the place of work and the worker's home is sometimes quite short, it is nevertheless not unusual for the journey to last an hour-and-a-half or even more each way. In such cases workers have to leave their homes at around 4.00 to 4.30 a.m., and the total amount of time spent travelling and at work may be as much as 12 hours. The mission naturally took note of the fact that in many cases, generally involving large enterprises, employers organised and paid for the necessary transport. In its previous report the mission had suggested that workers could receive compensation for an abnormally long journey. The Israeli services indicated that employers very often provide for such compensation in the form of overtime payments and that negotiations were currently under way on the subject. However, the Israeli employers' organisation (Association of Industrialists) informed the mission that it could not make any further commitments in this respect, on the grounds that employers could only offer



their workers remuneration that was directly related to the actual working time. Considering the importance which the workers involved attach to this matter, to which they referred time and time again, the mission considers it desirable to repeat its recommendation that the possibility of introducing an appropriate scheme for paying them an allowance in respect of abnormally long travel time (by a method of financing to be established subsequently) should be examined.

27. Occupational safety and health is another area to which the mission attaches particular importance, realising as it does from the experience of numerous countries that migrant workers without any prior training or occupational experience who are employed in high-risk sectors and jobs are particularly liable to employment injury and occupational disease. It noted with interest the various efforts that have recently been made in this area to alert workers from the occupied territories to these problems by means of a variety of information and education campaigns. The mission can but recommend that these measures be pursued and extended so as to promote equality of opportunity in working conditions. It noted that this was one of the objectives of the future agreement which the Histadrut intends to negotiate with the employers and the Government (see paragraph 19).

#### Exercise of trade union rights

28. In its previous report, the mission had expressed its concern about the problem of the effective exercise of the right to organise, pointing out that there were clear difficulties, in the case of Arab workers from the occupied territories who work in Israel, as regards the possibility of joining trade unions. It had recalled the fundamental principles laid down in international labour standards in this respect, according to which all workers should have the right to establish and join trade union organisations of their own choosing. The mission was informed by employers that workers from the occupied territories could be represented on works' committees and that, in some cases, they actually participated in them. So far, however, this would seem to be the exception rather than the rule and it would be desirable for the trend to be encouraged. The Histadrut assured the mission of its intention to devote particular attention to the problem of effective participation in works' committees.

29. With regard to trade union membership, the mission was reminded by the Government authorities that there was no legal obstacle to the creation of new trade unions in Israel. Moreover, the mission was interested to note the statement of the official position of the Histadrut which was issued by its Executive Committee following examination of the recommendations contained in the mission's previous report. The Histadrut indicated very clearly its attachment to the fundamental right of workers, including Arab workers from the occupied territories, to establish and join trade union organisations of their own choosing. It has decided to publish a leaflet in Arabic setting out the

fundamental principles of freedom of association as embodied in the ILO standards and containing all useful information regarding the rights and duties of members of the Federation. The Histadrut also stated that it was ready to sign agreements guaranteeing trade union protection for members of a trade union organisation set up to represent the interests of workers from the occupied territories, if it so wished. The leaflet will moreover refer to the earlier decisions of the Histadrut and contain information on the equality of rights and on the protection granted to workers whether or not they are members of the Federation, and specifically on the right to elect works' committees and to be elected to them.

#### **Respect for cultural identity**

30. Last year, the mission had emphasised the importance that should be attached to preserving the cultural identity of the workers from the occupied territories. Throughout its discussions with several Palestinian workers, it had detected a growing sense of inequality and alienation among many of these workers and the existence of a need for recognition of their identity and personal dignity. This year, it found that these feelings persisted and were perhaps even more common and more deeply felt than before. This poses a threat to future relations between the different communities to which the mission would particularly like to draw attention. It is important that Israeli society should not be encouraged to form and spread a disparaging picture of Palestinian workers which would be constantly thrown in their faces, thereby offending their self-esteem. The mission feels that an objective study should be made of the attitudes and behaviour of the population, particularly as far as labour relations are concerned, and that a vast information campaign should be launched to alert public opinion to the situation.

31. In the course of its visits to enterprises this year, the mission was interested to observe that, in several cases, training courses and written texts concerning employment and working conditions, especially as regards safety and health, were in Arabic. Naturally, the efforts made in this direction should be continued, since the use of a worker's mother tongue helps him to keep in touch with his own culture while at the same time guaranteeing him equality of opportunity. In the enterprises it visited, the mission was also able to observe that no distinction was made between the workers from the occupied territories and Israeli workers at the place of work or as regards the facilities provided by the enterprises for breaks and meals. These were fairly large enterprises, run along modern lines. However, instances of discriminatory behaviour were also drawn to the attention of the mission by Palestinian trade unionists. It therefore feels it useful to recommend that an information campaign should be organised to make all employers fully aware of the need to take particular care to show proper respect for the dignity of workers coming from the occupied territories. Generally speaking, it is important in day-to-day life and work in the enterprises to avoid any system of organisation of work

or any treatment that is liable to lend credence to the impression that these workers form a special and less appreciated category.

#### Legislation and procedures to guarantee and promote equality of opportunity and treatment

32. The mission noted that Israel's 1959 Employment Service Law contained a clause prohibiting discrimination in respect of placement and recruitment on account of religion, ethnic group and country of origin, *inter alia*. It was informed that, under a 1977 amendment, failure to comply with this clause was now a criminal offence and that, furthermore, any worker was entitled to bring civil proceedings in a labour court.

33. Nevertheless, the mission considers that, in the light of the changing attitudes and new policies aimed at eliminating discrimination and promoting equality of opportunity and treatment which can be observed all over the world, more complete and more specific measures would be useful. As it stands, the current legislation still has some shortcomings. For example, there is no definition of discrimination, and this is liable to restrict its scope to direct, overt discrimination, whereas more and more it is the cases of indirect, concealed discrimination that pose a problem. Court action leaves the initiative to the worker; on the other hand, special procedures (which could be a preliminary form of action) have a number of advantages from the point of view of the ease, discretion and confidence with which they can be employed. Other limitations on the scope of the existing legislation could be analysed. They are particularly apparent when the law is compared with the procedures and methods recently adopted in a number of countries and which are notable for the very broad application of provisions prohibiting any form of direct or indirect infringement of the principle of equality of rights by any person whatsoever and for the creation of *ad hoc* bodies initiating proceedings ensuring that the law is applied at all times and possessing extensive powers to promote equality of opportunity. In the view of the mission, these brief considerations seem to indicate that the time has come to consider the adoption of legislation or regulations providing for specific procedures dealing in more general terms with the various issues of equality of opportunity and treatment, and specifically from the standpoint of ethnic or national origin and religion. The International Labour Office could use its world-wide experience in this field, to which reference has already been made, in order to help in the formulation of such measures.

#### EMPLOYMENT IN THE OCCUPIED ARAB TERRITORIES

34. The employment situation and status of Arab workers in the occupied territories must be looked at against the backdrop of the three major factors to which they largely owe their origin. One is political in nature: namely, the state of occupation of the Arab territories and the unification of the city of

Jerusalem. The other two are economic factors. Of these the most relevant is the development and rapid growth of migration of workers between the occupied Arab territories and Israel. Finally, there is the unilateral organisation of a kind of common market involving partners between whom, in the absence of a system of negotiated guarantees, an unequal exchange situation has arisen.

**Income of Arab workers employed in Israel and over-all growth in the occupied territories**

35. According to statistics communicated by the Israeli authorities, the growth rates in the occupied territories are high. Between 1970 and 1977, the gross national product apparently rose at an average annual rate of about 11 per cent and per head product by about 9 per cent, the figures being somewhat higher on the West Bank of the Jordan than in Gaza. However, these figures need some qualification. Leaving aside the question of the reliability of the statistics, and this is contested by some,<sup>1</sup> the averages given conceal the fact that the growth-rate curve began to fall off from 1974/75 onwards.<sup>2</sup> Most important, an analysis of the factors of over-all growth in the occupied territories reveals a fundamental characteristic, namely that the decisive factor is the income earned in Israel by workers from the occupied territories. More than a third of the increase in the gross national product during the period 1970-77 is directly attributable to this component, and in 1977 the total income of Palestinian workers in Israel accounted for a quarter of the gross national product of the occupied territories. If one considers its multiplier effect, certain commentators estimate that half of the over-all growth is attributable to this income.<sup>3</sup> The result, therefore, is a form of unbalanced growth that is largely dependent on external factors.

**The domination of the Israeli economy over the economic structures of the occupied territories**

36. This dependence is more than anywhere visible in the goods trade between Israel and the occupied territories. The markets of these territories have been opened up to the Israeli market and are protected by a common external tariff, that of Israel. The effect of this situation took little time in making itself felt. According to the statistics communicated to the mission, the total estimated imports of the occupied territories in 1977 represented 5,181 million Israeli pounds while their exports amounted to 2,638.6 million pounds, leaving an import surplus of 2,542.5 million pounds. Over 90 per cent of the

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<sup>1</sup> See for example Brian Van Arkadie: *Benefits and burdens: a report on the West Bank and Gaza Strip economies since 1967* (Washington DC, Carnegie Endowment for International Peace (New York), 1977), pp. 116-119. Van Arkadie's growth-rate estimates for the period 1968-73 are half those given by the Israeli authorities.

<sup>2</sup> See A. Bregman: *The economy of the administered areas, 1974-1975* (Jerusalem, Bank of Israel (Research Department), p. 7.

<sup>3</sup> See Van Arkadie, op. cit., p. 122 (estimates for the period 1968-73).

total value of these imports came from Israel. The fact that the markets have been opened up has had unfavourable effects on the development of certain economic sectors in the occupied territories, especially industry, which is exposed without protection to Israeli competition. This state of affairs was emphasised by several Palestinians with whom the mission spoke, as was the more long-term menace of Israel's growing hold over the trade of the currently occupied areas and the absence of any diversification of their external markets.

37. This assessment of the over-all growth and trade situation is confirmed by an analysis of the sectoral structure of the economy of the occupied territories. There has been little change in the share of the agricultural sector in the total product, which has stayed at around one-third. Employment in the sector, as will be seen, has declined. Small farmers are hurt by the competition from Israeli agriculture, which has a higher productivity and is sometimes subsidised. Although, thanks largely to the modernisation of agricultural techniques, production has risen, the sector now seems to be threatened from two directions, an acute shortage of manpower and a chronic lack of water resources and irrigation. If mechanisation is to be extended and the irrigated area increased, therefore, large-scale investment would seem to be called for.

38. As to the very small industrial sector, there has been no significant change in the situation since 1968 and it continues to account for considerably less than 10 per cent of the over-all product. There are many reasons why the sector is so underdeveloped: lack of a proper capital market and banking system for loans and investment, shortage of skilled manpower and especially of entrepreneurs, completely unprotected exposure of local products to competition from Israeli products, dependence on Israel for supplies and a general economic and political climate of insecurity, to mention only the more blatant reasons. For the sake of the region's future and, above all, to ensure the creation of sufficient productive employment to absorb their skilled manpower, a large proportion of which currently emigrates, as will be seen below, the rapid and large-scale development of this sector is vital and urgent. Before this can take place, however, the various obstacles present today have to be eliminated and a positive approach adopted to industrial investment.

39. Another significant feature of the economic structure of the occupied territories is the size of the services sector. If one includes trade, transport and communications and public and private services, the sector represents between 40 and 50 per cent of the product and of employment. In the view of certain analysts, this hypertrophy of the low-productivity services sector is the natural corollary of the absorption of manpower into the productive sectors of the Israeli economy and is a reflection of the stagnation of the economy of the occupied territories.<sup>1</sup>

<sup>1</sup> This, in sum, is the conclusion reached in Palestinian studies. See also Van Arkadie, *op. cit.*, p. 74.

40. While on the subject of the services sector, and although its significance goes far beyond this aspect of the situation, it is worth mentioning that there has been a major change in tourist activities as a result of the unification of the city of Jerusalem. For the West Bank the main source of income, tourism, has to a large extent dried up.<sup>1</sup> Although commercial and financial links do seem to have survived between the Arab sector of the city and the West Bank, the integration of the area's main centre of activity into the economic, fiscal and commercial system of Israel can only have had a negative effect on the development of the territory.

#### Effect of Israeli settlements in the occupied territories

41. Another matter which the mission investigated was the question of Israeli settlements in the occupied territories. According to available information, there would currently seem to be around 100 non-military settlements in the occupied territories.

42. There are numerous aspects of the problem of the settlements in the occupied territories, not the least of which is that of international law. However, the specific issue which the mission looked into particularly was that of the direct or indirect effect of these settlements on labour and employment problems. For the Israeli authorities, who justify them on security grounds, the relevance of the settlements is only very marginal as they are looked upon, in practice, as affecting only public land or land not suitable for cultivation and only a minimal number of Israelis are employed in agriculture and since, in the few cases where cultivable land is temporarily requisitioned, the former owners are offered fair compensation. According to the Palestinians to whom the mission spoke, on the contrary, the settlement policy of the Israeli authorities, whose objectives are not solely of a military nature, has serious negative repercussions on the employment situation and income of the local population, owing to the extensive natural resources (cultivable land and water resources) which the authorities now control; as a result, problems of unemployment and shifting of small owner-farmers and countless other difficulties have appeared, while a climate of growing insecurity is kept alive by the announcement of projects on an ever increasing scale. Notwithstanding these conflicting views of the problem, the mission finds it difficult to imagine that this policy could be pursued without conflicting with the objective of development by and for the local population and, therefore, without jeopardising their chances of employment.

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<sup>1</sup> It has been estimated that the tourist income of the West Bank was 6 to 7 million Jordanian dinars in 1966, of which 5 to 6 million was spent in Jerusalem. Including the 1 million dinars earned from East Bank tourists, the earnings from tourism equalled about one-third of total imports of goods from the East Bank and abroad. See Van Arkadie, *op. cit.*, pp. 125-126.

## Employment and unemployment in the occupied territories

43. In April-June 1978 the over-all level of employment inside the occupied territories was 146,700 persons (see table 1). This represents only 23 per cent of the working age population (not all of whose members, of course, are necessarily capable of work or wish to be employed) and less than 70 per cent of the currently employed active population of the occupied territories; as was seen in the first part of this report, the remaining 30 per cent are employed in the Israeli economy. Although unemployment has thus been virtually avoided, these few statistical data are a clear indication of the low level of employment in the occupied territories and the large proportion of the local active population working in Israel. Moreover, these figures do not include the 10,000 to 15,000 workers of Jerusalem who are integrated into the Israeli economic system or the approximately 1,500 workers of the Golan who are employed in Israel.

44. A look at the trend in the local employment level shows that there was a drop of about 1 per cent in the number of persons employed between January 1977 and June 1978. Official figures for the period 1970-78 record an over-all reduction of 6,000 jobs in the occupied territory while the active population increased by 34,600 during the same period and the number of Palestinian workers in Israel rose from roughly 20,000 to 70,000.

45. As it emphasised last year, the mission considers the employment situation in the occupied territories a matter of the utmost concern. The local economy does not create any new jobs and the local market cannot absorb the increase in the active population or the workers who lose their jobs in Israel when the economic situation becomes unfavourable. During the 1975 recession in Israel's construction sector, for example, some 9,000 workers were dismissed without being able to find alternative employment in the occupied territories; if the newcomers to the labour market who have likewise been unable to find employment are added to this, the number of persons who ceased to be economically active in 1975 is estimated to be between 15,000 and 20,000.<sup>1</sup> There has been more and more emigration towards the Arab countries (either to pursue studies or to look for work) in the course of the last few years. The point has already been made in the introduction that there has been a net average outflow of about 20,000 persons for the last three or four years. This emigration mainly involves young men and skilled and professional workers. Its effect is to modify considerably the local demographic structure and to deprive the occupied territories of the most vital elements of its population.

46. In these circumstances, it is easier to appreciate the artificial nature of the very low unemployment rate indicated in official statistics referred to in the introduction. Given the present state of affairs, continued low unemployment levels depend very much on the growth of the Israeli economy and on

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<sup>1</sup> See Bregman, *op. cit.*, p. 10.

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Table 4. Workers employed in the occupied territories by economic sector, 1970 and January-June 1978

Economic sector	1970		January-June 1978	
	Thousands	Percentages	Thousands	Percentages
<b>Total</b>	<b>152.7</b>	<b>100.0</b>	<b>146.7</b>	<b>100.0</b>
Agriculture, forestry and fishing	59.2	38.8	46.3	31.6
Industry (mining and manufacturing)	21.0	13.8	21.4	14.6
Construction (building and public works)	12.9	8.4	13.3	9.1
Commerce, restaurants and hotels	21.7	14.2	22.0	15.0
Transport, storage and communications	7.9	5.2	10.2	7.0
Public and community services	23.0	15.1	25.3	17.2
Financial services, electricity, water, personal services	7.0	4.6	8.2	5.6

the continued flow of migration towards Israel or, alternatively, towards the Arab countries. Were this to slow down or cease altogether for economic reasons or because of the evolution of the political situation, employment in the currently occupied territories would rapidly become critical, with high unemployment especially among young educated workers.

47. As to developments in the structure of employment in the occupied territories (see table 4), a number of striking features can be detected which, naturally enough, are related to what has already been said about the various economic sectors. In the first place, agricultural employment declined in both absolute and relative terms during the period 1970-78, from 59,200 (39 per cent of total employed) in 1970 to 46,300 (slightly less than 32 per cent) in 1978. Many of those who left the sector found work as wage earners in Israel. This is not necessarily a negative trend and can reflect an increase in productivity. However, the mission's attention was frequently drawn to the fact that the agricultural sector was facing an acute shortage of manpower which was being lost to the Israeli economy. The construction sector, which with 13,000 workers has accounted for less than 10 per cent of total employment since 1970, has also experienced some difficulty in finding all the manpower it needs since, even with wage levels that are now closer to those prevailing in Israel, employers are unable to compete against the Israeli sector. Industry employed 21,000 workers in 1978, as in 1970, and accounts for less than 15 per cent of total employment in the occupied territories. Productivity is low and, in textiles and clothing, subcontracting for Israeli firms has developed which, so the mission was informed, is largely carried out by women earning very low wages. Employment in the services sector (commerce, transport, public and private services) rose from 59,600 in 1970 to 65,700 in 1978, representing almost 40 per cent of the total. It is unnecessary to repeat what has already been said about the hyper-



trophy of this sector, but it is significant that there has been no increase in employment in commerce and in the hotel and restaurant trade, which is presumably not unconnected with the decline in tourism as a result of the unification of Jerusalem. As to public-sector employment, no improvement is possible here because of the state of occupation. As regards community services, and especially co-operative services, the mission was told that, on the West Bank of the Jordan for instance, only one-third as many people were employed in the co-operatives as before 1967; the lack of prospects for advancement and promotion is said to dishearten employees in these institutions and encourage them to look for work elsewhere.

#### Towards an employment policy corresponding to the specific needs of the occupied territories

48. In the light of the information it received, the research it conducted and various discussions it engaged in on the subject of employment, the main details of which are summarised in the foregoing paragraphs, the mission feels obliged to repeat the basic recommendations it made in its previous report. There is a definite need, strongly felt by the local population, for an active investment and employment policy in the occupied territories corresponding to the specific requirements of the inhabitants. The institutional vacuum resulting from the state of occupation at present prevents any such policy from being implemented, and no attempt is being made to assess and plan manpower needs and resources in the occupied territories. None of the measures which in normal circumstances would be part of the exercise of governmental authority and permit the objectives and means of a genuine employment and income policy to be defined can responsibly be taken by those who are directly concerned. This situation seriously jeopardises the future prospects of the currently occupied territories. It would therefore seem to be particularly appropriate at this point to envisage some kind of action and solutions to smooth the way for future developments and for an adjustment to a different political status.

49. Present circumstances being what they are, it would seem especially opportune to encourage the municipal authorities responsible for local affairs to take development action and give them greater resources and wider responsibilities for the formulation and execution of their programmes. Furthermore, community development institutions or some such, capable of acting in the place of the kind of political authorities with general powers that do not for the time being exist and of taking action in the absence of a national economic and social development plan, should be able to play a major role. Such bodies would allow the local population to define its needs, mobilise and make proper use of its resources and extend the scope of its responsibilities. Co-operatives could be one of the institutions best suited to this purpose, and particularly close attention must therefore be given to satisfying their minimum demands as they were described to the mission. The most important of these demands, which concerned the co-operatives on the West Bank, were free access to available

sources of financing and assistance, training of technical and administrative staff, career prospects permitting the continued employment of qualified personnel, supply of the material resources that are essential for their normal operation and speedier handling of procedures and formalities by the authorities. The International Labour Office could, of course, provide assistance with any measures designed to promote, inter alia, the development of the co-operative movement in the occupied territories.

50. In its previous report, the mission emphasised the importance of the necessary means being made available for the implementation of the recommended employment policy. The mission had considered, while bearing in mind the budgetary credits or transfers allocated by Israel to the occupied territories, that profits had resulted for the country from the situation as it had developed and had recommended that a more equitable balance, from the taxation and welfare aspects, should be ensured of the costs and benefits arising from the employment in Israel of Arab workers from the occupied territories. More to the point, the mission had indicated to the authorities that it considered it as both logical and appropriate that the taxes levied on the inhabitants of the occupied territories, and especially on the income of Arab workers from the occupied territories employed in Israel, should be more specifically and directly allocated to meeting the needs of the territories themselves. As indicated earlier in this report (paragraph 19), the mission noted with interest the recent decision along these lines to include the revenue from income tax paid by workers employed in Israel—an estimated 200 million Israeli pounds—in the budget for the occupied territories. This transfer is to take place as from the 1979/80 fiscal year. This is the kind of measure that should have a positive effect; other measures in the same direction could well be looked into, too. If they are to have the desired impact, however, the representatives of the population must participate in the decisions regarding the use to be made of this money.

#### **The development of vocational training**

51. No coherent employment policy is possible without the simultaneous implementation of appropriate measures in the field of vocational training; this was a point to which the mission attached particular importance. It visited a number of training centres set up by the Israeli authorities; it collected, besides, information on the subject by UNRWA officials. Achievements so far are not to be underestimated: in all, 33,400 trainees received diplomas between 1968 and 1977 and in 1978 some 3,650 students received training. Both the length and the number of the courses have been somewhat increased. It was the impression of the mission, however, that the activities of these centres were only partially of benefit to the development of the occupied territories. In a centre which it visited on the West Bank, for instance, it observed that only 20 per cent of the students having completed the course were able to find employment in the territories themselves while all the remainder left to work elsewhere, roughly half in Israel and half in the Arab countries. However, the

Table 5. Wage rates paid in the occupied territories and wage rates paid in Israel to workers of the occupied territories (daily wage in Israeli pounds)

	Total of occupied territories	West Bank	Gaza and Northern Sinai
A. 1970			
1. Wage rates in the territories	6.4	6.8	5.8
2. Wage rates in Israel	11.8	11.8	11.7
(ratio 1:2)	54.2	57.6	49.6
B. 1977			
1. Wage rates in the territories	63.7	64.9	61.6
2. Wage rates in Israel	71.0	72.2	69.8
(ratio 1:2)	89.6	89.9	88.3

Table 6. Wage rates paid in the territories and wage rates paid in Israel, by economic sector, third quarter of 1978 (daily wage in Israeli pounds)

	Agriculture	Industry	Construction
West Bank	84	77	123
Gaza and Northern Sinai	76	82	110
Israel	90	120	130

Israeli authorities indicated that about 40 per cent of all graduates from vocational training centres were employed in the occupied territories, 50 per cent in Israel and the rest in the Arab countries. In the opinion of the mission, unless it is expanded the training policy as currently pursued will not be able to contribute greatly to raising the standard of skills in the local labour force from a level which, more than anything, merely equips it to find semi-skilled jobs in the Israeli economy. Consequently, the mission recommends that the authorities should make a much greater effort to increase the length of the training course, offer a wider range of programmes and provide training in skills that are adapted to specific local requirements or could easily be so adapted upon the return of the workers to the local labour market.

### Wages, social benefits and conditions of work in the territories

52. The level of wages in the occupied territories went up rapidly between 1970 and 1978 and the difference between these wages and those paid in Israel to workers from the territories appears, according to available statistics (see tables 5 and 6) to have diminished considerably. Roughly speaking, the

daily wage paid in the territories in 1970 seems to have been slightly more than half the wage paid in Israel and, in 1978, between 60 and 90 per cent of the latter, according to the sector. The increase in wages is to a large extent due to the massive employment of workers from the occupied territories in Israel, since local employers have to pay the price if they wish to keep their indispensable manpower.

53. At the same time, the high rate of inflation that Israel has been experiencing for several years (and a rate of around 50 per cent is forecast for this year) is passed on to the occupied territories, setting in motion a prices and wages spiral. The average level of prices went up by some 500 per cent on the West Bank and over 600 per cent in Gaza between 1970 and 1977 (a higher increase than that recorded in Israel which was just over 400 per cent for the same period). Although according to the official figures published by the Israeli authorities there has been an increase in the purchasing power of wages, this is not the view of wage earners in the occupied territories: quite the contrary. Inflation was the principal cause of the complaints expressed to the mission by the Palestinian wage earners and trade unionists, particularly those from the West Bank, who no doubt feel underprivileged in relation to the Palestinians of the East Bank, since in Jordan there has not been a comparable surge of inflation.<sup>1</sup>

54. As regards social benefits, the workers employed in the territories are now compulsorily insured against employment injuries. In 1978 a voluntary sickness insurance scheme was introduced in the occupied territories and it was told that some 500,000 residents contribute to it; persons employed by the administration must be insured (as well as workers employed in Israel—as stated in the first part of this report). The mission refers here to the recommendation it made in paragraph 23 (point iv) above concerning the improvements it considers advisable in the standard of medical care.

55. The mission was informed by the authorities of a certain number of developments and changes that had been made, often in response to the recommendations in the previous report, particularly in the fields of labour administration and regulations.

56. In the district of Gaza, for example, ordinances have been revised to improve sanitary arrangements in factories and there have been various campaigns in the occupied territories to provide information on occupational safety and health. In the same region entitlement to severance pay and holidays with pay has been extended to daily workers employed in government services. Labour inspection activities have been expanded and stepped up, particularly in Gaza, and regulations drawn up regarding recruitment and conditions of

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<sup>1</sup> A comparison, in rough figures, of price indices shows comparative stability in Jordan where the general price index rose from 1 to 2.5 between 1969 and 1977 (April), compared with an increase in the general price index on the West Bank from 1 to 6.4 between 1969 and 1977.

work in the Rafah Salient. The mission has noted these developments and can but recommend the pursuance of the necessary efforts to improve conditions of work and ensure respect for the regulations.

#### Youth employment

57. As when it examined the situation of employment in Israel, the mission paid particular attention to the conditions of employment and work of young people. It was informed of the adoption in 1978 of two ordinances raising the minimum age of admission to employment from 12 to 14 years in the district of Gaza and from 13 to 14 years on the West Bank. The mission recommends the authorities to ensure that the provisions are implemented and to impose heavy penalties for infringements; according to the information obtained there still seem to have been frequent infringements last year, particularly in the district of Gaza and in the Rafah Salient, where those who suffered most from abuses were children from the refugee camps and the Bedouin tribes. Increased supervision seems all the more necessary since there may be fears regarding the practical application of such legislation in poor agricultural regions characterised by family smallholdings where child labour is a source of income. This is why the mission, basing itself on the Minimum Age Recommendation, 1973 (No. 146) (Paragraph 2 (c)), feels that positive steps should be taken as regards family-welfare measures aimed at ensuring child maintenance, including children's allowances (see also paragraph 16 above).

#### Towards the effective exercise of the right to organise

58. As emphasised by the mission in its previous report, one of the main aspects of social progress and of improvements in the status of workers, both as regards their material interests and their dignity, is genuine recognition of the right to organise. This is a universal principle and should therefore be applied to the workers concerned both in the occupied Arab territories and in Israel. In this connection, while noting that in some respects the traditional economic structures did not provide conditions that were particularly propitious to the development of occupational organisations, the mission pointed last year to the existence of a number of problems or shortcomings and made recommendations on what it considered to be the most important points.

59. This year the mission continued its close examination of the extent to which trade union rights are respected, particularly during several meetings it held with Palestinian leaders and trade union representatives in Bethlehem, Hebron, Gaza and East Jerusalem.<sup>1</sup> In general, it found that the activities of

<sup>1</sup> The mission met the secretaries or trade union representatives of the following organisations: the Nablus General Federation, the General Union of Institutional Workers and Employees (Bethlehem), the Building and Institutional Workers' Union (Ramallah), the Textiles Union (Hebron), the Union of the Jerusalem District Electricity Company, the Engineers Union of Jerusalem, the Hotel, Restaurant and Coffee Houses Labour Trade Union (Jerusalem), and the Federation of Workers of Gaza.

the unions existing in the territories followed no uniform pattern. On the West Bank of the Jordan, there are some 25 unions, eight of which, the Israeli authorities told the mission, were created after 1967. Membership varies from 100 to several hundred members and recently there has been a slight increase in the membership of some unions. Some of the organisations seem to carry on their activities and hold elections and meetings; their main concern seems to be to defend the purchasing power of wages (this for example seems to be the case of the Textiles Union at Hebron). Other unions, however, told the mission that they had great difficulties in functioning normally since they were obliged to apply for prior authorisation,<sup>1</sup> which would often be refused, to hold certain meetings; the unions maintained that they were subjected to various forms of pressure and intimidation by the military occupation authorities and that arrests and imprisonment of trade unionists had been stepped up (for example in Bethlehem and Ramallah); individual cases were cited. The mission communicated a list of names to the military authorities to whom it put a number of questions on the motives for the measures taken and on the stage reached in the proceedings. In reply, the authorities furnished information on each of the cases, stating that the persons concerned had been sentenced by the courts, or were being tried, not because of trade union activities but on specific charges relating to activities within illegal political organisations. In this connection, but referring to the situation in general, the mission stressed the importance of the principles invoked in paragraph 61 below. In Gaza, where it had seemed to the mission during its previous visit that trade union activity was practically non-existent, the Federation that existed before appears very recently to have received the necessary authorisation to function; the competent authorities assured the mission that any subsequent applications would be met immediately.

60. In Jerusalem the trade union situation is a particular one. According to the Histadrut, some two-thirds of the workers in the Arab sector (i.e. between 10,000 and 11,000) have joined it.<sup>2</sup> Organisations that existed before the change in the town's status have refused to join the Israeli trade union federation at the price, the mission was told, of less favourable conditions of work and various difficulties (this is the case of the Union of the Jerusalem District Electricity Company, which has over 400 members). Very recently, efforts have been made by Arab trade unionists in the city to reactivate independent organisations (for instance, the unions of tailors, printers, shoe repairers and hotel workers are now trying to reorganise). The Histadrut has stated that it does not intend to intervene to impede this movement. In the field of collective bargaining there seem to be difficulties in drawing up and implementing collective agreements, which remain the exception in East Jerusalem.

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<sup>1</sup> According to the Israeli authorities, authorisation is not required for statutory general meetings: the labour inspectorate must simply be informed that meetings are being held.

<sup>2</sup> The situation is similar in the Golan, where the mission was informed that workers belong to the Histadrut.

61. All things considered, it appears to the mission that the problems encountered must be seen within the general context of the occupation of the Arab territories and of the resulting situation, which leads the military authorities to keep a close watch on trade union organisations and to stand in their way when they consider that trade union activities are going beyond the bounds of labour matters to touch on political affairs. The situation also leads certain unions to adopt positions which, in normal circumstances, would not be considered to lie within the competence of occupational organisations. It is important that the fundamental principles of freedom of association should be fully observed, that is to say that the authorities should not intervene in union activities designed to protect the interests of their members, and that union leaders should not be arrested because of trade union activities. The mission recalls that the situation of persons exposed to repressive measures should be examined quickly to ensure that there is no link between such measures and the exercise of legitimate trade union activities; if valid grounds are presumed to exist, the trade unionists should in all cases be given a fair trial as soon as possible. It may be recalled in this connection that an ILO resolution, adopted in 1970, specifically emphasises the relation between fundamental civil liberties, national independence and political freedom, on the one hand, and the exercise of trade union rights on the other.<sup>1</sup>

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62. As can be seen from this report, a number of measures have been taken by the Israeli authorities mainly in order to implement the recommendations made in 1978. A detailed account of these measures was given to the mission. To give a clearer picture of them, the measures are summarised hereafter:

- (1) the reallocation of the revenue from income tax paid by Arab workers from the occupied territories employed in Israel (paragraphs 19 and 50);
- (2) the campaign against the irregular employment of these workers in Israel (paragraph 15), particularly the young workers (paragraph 16);
- (3) regulation of the permit to work in Israel (paragraph 24);
- (4) consideration of the question of paying a travel allowance to workers travelling to Israel (paragraph 26);
- (5) the development of vocational training in the occupied Arab territories (paragraph 51);
- (6) the regulation of employment and conditions of work in the occupied Arab territories as regards: (i) the minimum age of admission to employment (paragraph 57); (ii) the application of legislation on severance pay and holidays with pay to further categories of workers (paragraph 56);

<sup>1</sup> Resolution concerning trade union rights and their relation to civil liberties (1970).

- (iii) various occupational safety and health activities (paragraph 56);
- (iv) various efforts to safeguard entitlement to certain welfare benefits and the introduction of a special sickness insurance scheme (paragraph 54).

63. Mention should also be made of the action which the Histadrut has said it will be taking to follow up the previous recommendations of the mission with regard to the two major problems of (i) freedom of association (paragraphs 28 and 29); and (ii) application of the principle of equality of treatment in conditions of work (paragraph 27) and wages and welfare benefits (paragraph 19).

64. While appreciating the action taken to give effect to the 1978 recommendations, in the present report the mission has recommended, after examining the situation and its recent developments, that further or fuller measures be taken in the following fields:

- (1) a stepping up of preventive and repressive measures to overcome irregular employment in Israel (paragraph 15) particularly in the case of young Arab workers from the occupied territories (paragraph 16);
- (2) improvement in the conditions of employment in Israel: by introducing greater flexibility into the regulations governing work permits in Israel (paragraph 24) and the system governing residence permits in Israel (paragraph 25), and by adopting a suitable system whereby workers travelling into Israel every day may be compensated for excessively long journeys (paragraph 26);
- (3) enhancement of the occupational status of workers from the occupied Arab territories employed in Israel (paragraph 18);
- (4) the extension of equality of treatment as regards social security between Israeli workers and workers from the occupied Arab territories employed in Israel (paragraph 23);
- (5) further action to improve conditions of work in practice (paragraph 27) and, more generally, recognition that there should be greater respect of the cultural identity of Arab workers from the occupied territories (paragraphs 30-31);
- (6) the effective exercise of trade union rights by workers from the occupied Arab territories who are employed in Israel (paragraphs 28-29);
- (7) the adoption of specific legislation and procedures to ensure and promote the equality of opportunity and treatment of workers employed in Israel, whatever their ethnic or national origin (paragraph 33);
- (8) the implementation of an active investment and employment policy corresponding to the specific needs of the population in the occupied Arab territories (paragraph 48), together with the diversification and develop-



ment of training levels by the vocational training centres established in the territories (paragraph 51);

- (9) the extension of the economic and social action of the municipal authorities and community development institutions, particularly the co-operatives (paragraph 49) and the study of measures to enable resources to be allocated to the development of the occupied Arab territories with the participation of representatives of the population concerned (paragraph 50);
- (10) the pursuit of efforts as regards the enforcement of labour regulations in the occupied Arab territories (paragraph 56), particularly the implementation of the new ordinances on the minimum age of admission to employment and action to be taken to safeguard child welfare (paragraph 57) and to improve the standard of medical care available to the population as a whole in the occupied Arab territories (paragraph 54);
- (11) respect of the fundamental principles of freedom of association in the occupied Arab territories (paragraph 61);
- (12) development problems resulting from Israeli settlements in the occupied Arab territories (paragraph 42).

65. In the course of its various discussions, the mission also informed all parties concerned that any problem they might encounter in connection with the various issues referred to above could at any time be reported to the International Labour Office for examination and, where applicable, appropriate action.

66. At the end of its visit the mission informed the Israeli authorities orally on the main aspects of its various findings and recommendations. In view of the importance of these questions, the Government was requested to inform the International Labour Office, at the beginning of next year, of developments in the situation and of the action taken on the above recommendations.

67. In reporting the foregoing findings and recommendations, the mission has sought not only to take account of the present situation, but also to furnish certain bases that would allow this situation to adapt more easily to future developments.

Geneva, 28 March 1979

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In submitting the above report, the Director-General recalls that he will continue to follow the situation and will inform the Conference of further developments in the matter.