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**UNEMPLOYMENT IN THE PALESTINIAN**  
**OCCUPIED TERRITORIES,**  
**1968-1991**

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Israeli control of the Palestinian economy in the occupied territories has caused drastic changes in the structure of that economy. The most outstanding change has been the systematic breakdown of the traditional branches of the Palestinian economy without the existence of real growth parallel to that of the modern sectors in many developing countries.

This situation has led to the limitation of work opportunities in various economic sectors, and has encouraged the movement of labour to labour-intensive sectors in the Israeli economy; building, agriculture, and the textile industry are cases in point. Palestinian productive sectors have also been neglected -- especially the industrial sector, which has been redirected to serve the interests of the Israeli sector; the sector has thus been unable to create alternative job opportunities in place of those being eradicated.

All these developments have rendered the Palestinian economy helpless and unable to absorb the labour force, which is now unemployed due to the lack of job opportunities in other economic sectors. These sectors have also failed to create new and continuous work opportunities for labour entering the market for the first time. This situation has forced tens of thousands of unemployed Palestinian workers to search for work in the Israeli labour market, which has absorbed 40 per cent of the Palestinian labour force in the occupied territories. University graduates with high qualifications have been forced to emigrate to the Gulf States because of the lack of appropriate jobs for them in either the Israeli or the Palestinian labour market.

Unemployment has highlighted the distortion and disintegration which has characterized the labour market and the labour force in the occupied Palestinian territories. For the Palestinian labour force, demand is affected not only by internal factors, but also by external factors -- especially those pertaining to developments within the Israeli economy and the economies of countries which receive Palestinian labour (including oil-producing Arab countries). Developments in the economies of Israel and the Arab oil-producing countries directly affect -- negatively and positively -- the economy of the occupied territories, particularly the labour market. Any increase in demand for Palestinian labour by any of these other countries helps alleviate unemployment; on the other hand, any decrease leads to an increase in unemployment in the occupied territories and leads to deterioration of the situation nation-wide.

The unemployment problem has become chronic in the occupied territories -- a product of the Israeli occupation, which has sought to cripple the Palestinian economic infrastructure. Contrary to Israeli statistics, unemployment in the territories has been a major problem since 1967; Israeli occupation authorities are careful to point out that unemployment in the West Bank and Gaza has remained very low for many years. According to these statistics, unemployment did not exceed 5 per cent between 1970 and 1990.

A close examination of these statistics, however, reveals that the rate of unemployment was higher; the statistics reflect neither the status quo in the occupied territories nor the distortion, disintegration and bad shape of the Palestinian labour market. Israeli statistical methods used to estimate the number of unemployed persons usually fail to take into account the large numbers of specialized categories of the unemployed, the partially unemployed (characteristic of the economy of the occupied Palestinian territories), the unemployed temporarily absent from work, and employees who have a work-place but do not work; these are excluded by the Israeli statistics as are those referring to the jobless who do not seek work owing to their belief that there is no work available. In addition, the Israeli statistics fail to consider 20,000 detainees of working age as unemployed, although they must be included in unemployment figures. When these potential employees are included in unemployment rate estimates for the occupied Palestinian territories, it becomes clear that the actual rate of unemployment is greater than that claimed and published by the Israeli authorities. Israeli statistics for 1990 place West Bank unemployment at 3.6 per cent, while in the Gaza Strip the rate is given as 3.7 per cent. When the number of "special category" people mentioned above is added to the number of the jobless, the rate of unemployment in the occupied territories amounts to 27.2 per cent. Up to June 1991, Israeli statistics estimated the unemployment rate in the West Bank at about 12.2 per cent, with 4 per cent for Gaza. After adding the number of jobless workers excluded from the Israeli statistics, the rate of unemployment was estimated at 42.7 per cent as of the end of 1991. This is the worst unemployment rate ever reached in the occupied territories (i.e., since the Israeli occupation began in 1967).

The majority of jobless workers are male -- 90.1 per cent in the West Bank and 95.1 per cent in Gaza in 1990. The field study we conducted showed that more than 95 per cent of the jobless in the occupied Palestinian territories were males. The low percentage of jobless females was due to the low crude-activity rate of females in the occupied territories' labour force; the majority of females of working age are homemakers or students. Their general lack or low level of education also limits their employment opportunities for them; consequently, they remain out of the labour market.

This depressingly consistent upward trend in the unemployment level is most apparent among young men who are either entering the job market for the first time or were once employed but later lost their jobs. Moreover, the high level of education among people on the dole indicates the existence of a structural unemployment; jobless young men who have university or community college diplomas represent about 38.88 per cent of the total number of unemployed.

The occupied Palestinian territories' areas of unemployment are the cities (44.6 per cent), villages (36 per cent), and camps (19.4 per cent); however, the West Bank and Gaza Strip must be considered separately; in the West Bank, unemployment tends to spread in rural areas and cities, respectively, whereas in the Gaza Strip, unemployment spreads in cities and then in camps.

Two types of unemployment prevail in the occupied Palestinian territories: structural and cyclical.

The spread of unemployment in these territories has largely been due to external factors related to the linkage of the Palestinian labour market with both the Israeli labour market and that of the Arab oil countries employing Palestinian labour (such as Kuwait). Some of the external factors affecting joblessness included the Gulf War, the failure to receive permission to work inside Israel, security measures, the necessity of having Israeli identity cards (which Palestinians in the occupied territories are required to carry), and Israel's refusal to employ Palestinians (replacing them with new immigrants). Unemployment due to internal factors has been lower, and has included the lack of employment opportunities that suit the specializations of the jobless in the occupied territories, as well as the lack of job opportunities in general in the West Bank and Gaza Strip.

In order to eliminate both structural and cyclical unemployment (a chronic problem in the West Bank and Gaza directly related to the Israeli occupation), there is a need to end the occupation and restructure the economy of these areas. This restructuring includes rebuilding the economic infrastructure -- roads, electricity and water networks, and the planning of cities and villages -- as well as the rebuilding and expansion of economic sectors, most important of which are industry and agriculture. The current educational system must also be modified and restructured at all levels and in all directions to better serve the process of comprehensive economic development; the present system has become little more than an apparatus to produce structural unemployment. After the Gulf crisis and the closure of the job market to Palestinians in Kuwait and other Gulf oil States, the educational system must be largely redirected towards the provision of technical education to further the industrialization process in these territories.

The process of restructuring also includes the improvement and expansion of health services and large-scale housing construction; needless to say, the Palestinians are presently suffering from a severe housing shortage.

This process of restructuring is designed to create sufficient employment opportunities to combat the chronic unemployment in the territories, and to build, concurrently, an economy capable of creating new job opportunities for job-seekers entering the job market for the first time.

Although the process of reducing or eliminating unemployment involves ending Israeli occupation and restructuring the Palestinian economy, it is by no means useless to establish a number of economic projects -- especially those linked with the United Nations' organizations -- for the sake of reducing the severity of unemployment. In this respect, the establishment of a number of badly needed local projects (under the presence of the Israeli occupation) might help to alleviate the severe unemployment problem in the occupied territories. The proposed projects should aim at checking economic deterioration in the occupied territories and at preventing increased

unemployment problems in the near future. These projects should also aim at creating income sources and employment opportunities concurrently and within a limited period of time. These projects can be accomplished only if enough funds are made available and the projects are monitored and audited so that the money is not misused. Most important of these projects are: building schools; water and electricity networks in towns, villages and camps; paving and asphaltting roads; renovating and repairing existing roads; executing housing projects; and reclaiming agricultural land. Industrial projects recently approved by the Israeli authorities also need to be funded in order to start production. Providing funds is necessary to revive the various sectors in the territories.

It should be noted that the Israeli occupation makes implementing plans to develop the Palestinian economy next to impossible, especially with respect to short-, medium- and long-term economic projects; the Israeli occupation authorities place many obstacles in the way of economic development in the territories. In addition, there is no body or authority for economic planning at either the overall or sectoral economic or social levels.

The unemployment problem will grow, and will indeed include the majority of the labour force if the proposed projects are not established and if the Israeli occupation authorities do not ease their restrictions, obstacles, and measures against economic activity and against the population in general in the occupied territories. This in turn will create social problems and instability in Palestinian society which might very well have serious regional repercussions.