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EMPLOYMENT AND WORKERS RIGHTS IN ISRAEL AND THE WEST BANK

TUAC SECRETARIAT REPORT TO THE OECD EMPLOYMENT
LABOUR AND SOCIAL AFFAIRS COMMITTEE (ELSAC)

21-23 OCTOBER 2009

Background

1 The TUAC was invited by the trade unions centres in Israel and Palestine, the Histadrut and the Palestine General Federation of Trade Unions (PGFTU)¹, to visit Israel and Palestine (the West Bank) in the context of the Accession process of Israel to the OECD and the broader OECD programme of work on the Middle East and North Africa (MENA). The TUAC General Secretary and two members of the TUAC Administrative Committee – Anousheh Karvar (Confédération française démocratique du travail (CFDT)) and Yves Veyrier (Force Ouvrière (Cgt-FO)) took part in the mission from 28 September - 2 October, which visited Nablus and Qalqilya in Palestine and Tel Aviv and Jerusalem in Israel. The mission held meetings with the Israeli and Palestinian trade union centres and sectoral federations, academics, Israeli employer organisations, local political leaders in Nablus and the Israeli Ministers of Employment and Welfare. It also visited the Balata refugee camp in Nablus and two worksites – the Jerusalem municipal authorities and a construction site in Jerusalem² – where TUAC representatives met employees and worker representatives.

2 The objectives of the mission were, firstly, to make a preliminary report on the rights and employment situation of workers in Israel and the Occupied Territories, which they visited, in the context of the review by the OECD Employment, Labour and Social Affairs Committee (ELSAC) of “key employment and social policy issues in Israel” in the light of Israel’s OECD Accession process³. A second objective was to brief the Israeli and Palestinian trade unions on TUAC’s role and work with the OECD. The mission did not address the wider question of the conflict in the region, nor the situa-

¹ The mission is grateful to both Histadrut and the PGFTU for the extensive efforts made to ensure that the mission was able to travel and hold meetings in both Israel and the Occupied Territories.

² The programmes of the visits are contained in Annex 3.

³ See Annex 2, the broader context is given in “The Roadmap for the Accession of Israel to the OECD Convention” adopted by the OECD Council on 30 November 2007.

tion in Gaza. It took as its starting point the policy of our partner organization, the International Trade Union Confederation (ITUC), which stated at its founding Congress in 2006 that “Congress declares that a comprehensive peace between Israel and Palestine based on the existence of two sovereign, independent and viable states requires renewed international attention and support as a matter of highest and urgent priority”.⁴ Nevertheless, the conflict has dramatic impacts on the employment and rights of workers in the region and these are therefore commented on.

TUAC’s general approach to OECD Accession and enlargement

3 TUAC supported the OECD decision in 2007 to enter into a new period of membership expansion on the grounds that to be relevant there is a need for expanded membership and engagement. Moreover, the “North” and “South” are no longer homogenous groups of countries with separate interests. Workers often have the same employers either directly through multinational enterprises, or indirectly through global supply chains. The global economy requires engagement of “major players” to produce a more equitable and sustainable globalisation.

4 However, TUAC argued⁵ that enlargement should increase OECD effectiveness and not undermine it. The strengths of the OECD include its ability to conduct evidence-based policy analysis, encourage change through peer group pressure, develop soft law and, in some areas, binding regulation, as well as its convening ability for dialogue with businesses, labour and civil society. These depend upon a shared set of values of OECD countries. This was recognised by the OECD Council in the “Road Map” setting out the process for membership negotiation with Israel, where it stated: “The Council reaffirms that OECD Membership is committed to fundamental values, which candidate countries are expected to share.... Accepting these values, along with the established body of OECD instruments, standards and benchmarks, is a requirement for membership. These fundamental values include a commitment to pluralist democracy based on the rule of law and the respect of human rights, adherence to open and transparent market economy principles and a shared goal of sustainable development”. The respect of fundamental workers’ rights is for TUAC a central element of the “fundamental values” and “the respect of human rights”. These are defined in the 1998 Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO). The Declaration covers four fundamental rights – freedom of association and collective bargaining; elimination of forced and compulsory labour; elimination of discrimination in respect of employment and occupation; and the abolition of child labour. These are codified in eight ‘core’ ILO Conventions⁷.

5 TUAC has insisted that applicant countries to the OECD be required to commit to the respect for the Fundamental Human Rights Conventions of the ILO as part of their membership. In 2007 TUAC noted that the five countries that were current applicants to the OECD, including Israel, had ratified the eight conventions. There remained, however, issues concerning enforcement

“Given the extraordinary situation the OECD should maintain a monitoring process on the reduction of socio-economic disparities in Israel.

4 ITUC Founding Congress Programme Statement, 2006,, paragraph 43.

5 TUAC statement to the OECD Liaison Committee November 2007.

6 “The roadmap for the Accession of Israel to the oecd convention” op.cit.

7 Convention 29 Forced Labour (1930); Convention 87 Freedom of Association and Protection of the Right to Organise (1948); Convention 98 Right to Organise and Collective Bargaining (1949); Convention 100 Equal Remuneration for Work of Equal Value (1951); Convention 105 Abolition of Forced Labour (1957); Convention 111 Discrimination in Employment and Occupation (1958); Convention 138 Minimum Age for Employment (1973); Convention 182 Worst Forms of Child Labour (1999).

and capacity building. TUAC proposed that ELSAC should therefore be mandated to make an examination, in cooperation with the ILO, of the applicant countries' observance of core labour standards as part of the "acquis" of the Accession process. Whilst labour rights are not referred to explicitly in the terms of reference of the ELSAC review (see Annex 2), the Road Map suggests that this must be implicit in the assessment and in Council discussions. In the case of Israel, the application and enforcement of core labour standards, along with other aspects of Israeli labour law, particularly for Palestinian workers and Israeli Arabs, remains an issue of central concern that was raised on repeated occasions in meetings held by the mission.

The specificities of the Israeli situation

⁶ At the aggregate level Israel is socio-economically similar to many OECD countries. However, Israel differs from others applying to join the OECD, in that it is a country in the midst of a longstanding and, seemingly, intractable regional conflict and one that has a very large immigrant mix and a significant religious population. These factors impact on the employment and rights situation of workers. The most striking effect is that there are very high levels of poverty concentrated among two of the three main population groups, the Arabs and Haredim (ultra-orthodox Jews), which form respectively 20% and 8% of the population. In the words of Senat, an Israeli institute, that draws from a wide segment of society: "On the face of it, in terms of the economy, technology, the political and legal system, human rights, democratization and the welfare system, Israel is a fully developed country. However, two meta-factors make Israel a unique case: the first – its being a heterogeneous immigrant country, with a significant religious population (23%), both Muslims and Jews; the second – the regional conflict. These "meta-factors" influence the various indices in direct and indirect ways."⁸

⁷ Annex 1 sets out key indicators⁹ for Israel compared with OECD countries. Israeli GDP per head is 80% of the OECD average. Population growth in Israel (1.8%) is three times the OECD average and the fertility rate is almost double. The Israeli population has grown from 4.5 million in 1990 to an estimated 7.5 million currently also influenced by a large influx of migrants from the former Soviet Union in the early 1990s. But the situation varies greatly according to population group – the average number of children in Haradim families is 4.7, Muslims 4.6, secular families 2.3. A much larger proportion than the OECD average, of working age teenagers do not work or study in Israel. However, obligatory military service affects half the 18-19 age group. This also affects the employment rate of the 15-24 age groups that is approximately 60% of the OECD average. Average life expectancy is higher and infant mortality lower than the OECD average. However, there are major differences and divisions according to population groups. Income inequality is higher in Israel than the OECD average – with a Gini coefficient of 0.39 compared to 0.31 and the poverty rate, at face value, is double the OECD average at more than 20%. The quality of schooling in Israel appears lower than the OECD average, with secondary class sizes 50% bigger than the OECD average and teachers' pay a little more than half. The PISA scores in science, reading and maths are significantly below OECD averages. As in other areas of public expenditure, there are major inequalities in investment between population groups.

⁸ A central issue is inequality in income, employment and other socio-economic outcomes between different groups of the population. Israeli

⁸ "Main Indicators for Israel Compared with OECD Countries", Senat, December 2008.

⁹ Drawn on indicators prepared by Senat.

A central labour market challenge for Israel must be to reduce segregation between population groups.

Arabs form one fifth of the population – this proportion is roughly the same as in 1948, the higher birth rate of the Arab population being offset by periods of Jewish immigration. Participation in the labour market is lower for Arab Israelis primarily due to very low participation rates of women – 15% compared to 53% among Jewish women. Unemployment amongst Arab men is, however, almost double that of Jewish men. A key feature of the Israeli labour market is segregation: “[T]he most significant characteristic of the Israeli civilian labor market in relation to its Arab participants is the fact that it is highly segregated”¹⁰. The segregation occurs both geographically, where the Arab population lives in small villages with little employment opportunity apart from public services, and occupationally with Arab employment concentrated in lower paying industries and occupations, including construction. The result is a significant wage gap between Israeli and Arab workers – at the end of the 1990s this was estimated at 30%. Even when adjusted for demographic and occupational characteristics, the gap is still 11%. This is in turn reflected in significant poverty rates of over 50% in Arab-Israeli households and even more in Haredim households, where, due to cultural norms, there is a very low male participation rate in the working population.

⁹ The Israeli Government informed us that the Arab population group in Israel was becoming more “middle class” as a result of specific policy actions. However, any increase in mobility seems to be short-term and limited. Preliminary findings of unpublished work by researchers at the national insurance institute in Jerusalem suggest that over the past decade, whilst there was upward mobility amongst the non-ultra-orthodox Jews from low to middle and upper income brackets, amongst Arabs and ultra-orthodox Jews, mobility actually worsened from 2002/3 to 2005 due to “tougher social policies”. This was followed by improvements in 2006 and 2007 as a result of changed policies¹¹.

¹⁰ Another major feature of the Israeli labour market has been the significant influence of temporary migration of non-Jews in addition to important waves of permanent Jewish migration, as noted most recently in the early 1990s from the former Soviet Union. Prior to the second Intifada (Palestinian uprising), which began in 2000, several hundred thousand Palestinians from the Occupied Territories worked in Israel, but lived in the West Bank and Gaza, travelling daily across the “Green Line”¹². Since the uprising, the number has been drastically reduced to some 22,610 workers (April 2009), with work permits, working primarily in the construction industry. The reduction has been justified by the Israeli authorities in terms of security in the wake of the uprising. However, we were informed of the daily difficulties, uncertainty and, at times, humiliation of workers crossing security points. As indicated below, there are probably a larger number of non-documented Palestinian workers working in Israel.

Labour rights and application of labour law in Israel

¹¹ In the labour market the inequalities and segmentation result from factors other than legal discrimination. As indicated above, Israel has ratified the eight ILO core Conventions. It has also adhered to the OECD Guidelines for Multinational Enterprises that are addressed to employers and require respect of core labour rights and good practice in employment and industrial

¹⁰ S.R. Margalioth “Labor Market Discrimination against Arab Israeli citizens: can something be done?” International Law and Politics vol36

¹¹ Daniel Gottlieb et al “Polarisation, growth and social policy - the case of Israel 1997-2007” unpublished.

¹² The Green Line refers to the armistice line of 1949 and is the internationally recognised border between Israel and the Occupied Palestinian Territories.

relations, as well as other areas. The ITUC notes that “Israeli workers are free to join and establish trade unions and have the right to organise and bargain collectively. A law specifically prohibits anti-union discrimination”. Moreover, in the 1990s the Equal Opportunities act was amended to specifically outlaw discrimination in the workplace on grounds of origin, nationality and religion. The ITUC goes on to say “although workers are free to join and establish trade unions and to organise and bargain collectively, most employers breach the labour law. Palestinian workers in Israel, even with permits, are hounded by the authorities”¹³. The ITUC quotes a 2006 report by the Association for Civil Rights in Israel, which stated that 92% of employers breach the labour law.

“Histadrut committed itself to assisting Palestinian workers who had worked for Israeli employers, to provide them with legal help and to improve their working conditions.

¹² A series of explanations have been given for the failure to apply labour law and the persistence of segregation and discrimination against Arabs, despite the existence of legal protection, as well as more specifically for Palestinian workers. The most commonly stated explanation was the weak enforcement of labour legislation. Several references were made to the under-recording of working hours for Palestinian workers and the unwillingness of Palestinian workers suffering violation of their employment rights to use the Israeli system to assert their rights in the legal process. The Palestinian trade union representatives met by TUAC explained the particularly difficult situation faced by Palestinian workers crossing to work in Israel. Excessive delays, the threat of victimisation, practical difficulties in getting representation and distrust of the Israeli legal system were identified as reasons that Palestinian workers were not able to exercise their legal rights. Beyond this, the Israeli labour inspectorate appears to have been seriously understaffed – with less than 20 inspectors employed nationally up until 2007. We were informed by the Israeli authorities that the number has now been increased to some 45.

¹³ Other explanations that have been given for discrimination were the security situation since the second Intifada, with the stereotyping of Arab and Palestinian workers as presenting a security risk, and the cultural differences particularly with regard to women’s participation. In meetings, in both the West Bank and Israel, the problem of competition from low-cost imports of materials and manufactured products from China was cited as a major factor reducing employment and undermining labour standards in sectors such as building materials and textiles and clothing, which traditionally employed a higher proportion of Arabs and many Palestinian workers. It was also cited as an added incentive for employers to reduce costs if necessary by breaking employment law. The significant number of temporary overseas migrants was also considered to exert a downward pressure on wages and earnings in sectors such as agriculture, household services and, to some extent, construction. More generally, the privatisation programmes of the past 15 years were cited as a factor that have weakened unions and thereby their ability to protect worker rights.

¹⁴ Despite the introduction of employment quotas for Arab and Haredim population groups in the public sector, we were informed of problems in filling the quotas in what would be considered to be relatively good quality jobs. Cutbacks in social expenditures and selective discrimination against Arabs access to certain forms of benefits were also cited. The restriction of hiring in sectors, such as transport, following the Intifada, to employees having served as members of the Israeli National Defence Force and the dismissal of Arabs in this sector, was also cited as a factor leading to de-facto discrimination.

13 ITUC Annual Survey of Workers Rights 2009.

The Role of trade unions

15 These issues represent central concerns for both Israeli and Palestinian trade unions. The ITUC notes that Palestinians from the Occupied Territories who work in Israel have the right to organise their own unions in Israel, or to join Israeli trade unions. However, the Palestinian members of Histadrut may not elect, or be elected to, its leadership bodies. Palestinian workers are entitled to protection under Israeli collective bargaining agreements negotiated by the Israeli trade union, Histadrut. Palestinian workers employed in Israel pay 1% of their wages to the Histadrut. In 1993 an agreement was concluded between Histadrut and the PGFTU that half the dues collected by Histadrut would be transferred to the PGFTU. There were, however, problems of implementation. In June 2008, Histadrut and the PGFTU signed an agreement following meetings with the ITUC General Secretary, building on the 1993 agreement, in which Histadrut agreed to reimburse the PGFTU the outstanding balance of union and legal representation fees paid since 1993 by Palestinians working for Israeli employers and, for the future, to transfer 50% of union dues to the PGFTU. In addition, the Histadrut committed itself to assisting Palestinian workers who had worked for Israeli employers, to provide them with legal help and to improve their working conditions. However, in our view contact could be strengthened and good practice developed to deal with worker rights abuses at a decentralised level, through regional and district offices of the Histadrut and PGFTU. All non-resident workers are allowed to establish employee organisations that will be recognised by the Israeli regional and national labour courts under the terms of the Collective Agreement Law. Only recognised representative employee organisations are entitled to engage in collective bargaining.

16 The role of trade unions in tripartite negotiations has moved centre stage in the light of the economic crisis. This also has to be seen as a result of the Labour Party participation in the current coalition government. We were informed about the Economic Package Deal agreed by the Histadrut, Employers Organisations and the Government in July 2009. In addition to actions to tackle the economic crisis, the agreement includes a series of measures that should increase the ability of workers to organise, by obliging employer to negotiate with organised workers and increasing sanctions against delay of wage payments by employers and breach of minimum wage laws. We were also informed about potentially important measures to strengthen union cooperation for Palestinian workers, which were supported by the Global Unions Federations (GUFs). These include a 'Hotline' for transport workers blocked at checkpoints, which have been developed with the support of the International Transport Workers Federation (ITF) and the Canadian Autoworkers Union (CAW), and a project for vocational training of construction workers, which is supported by Building and Woodworkers International (BWI). Each involves both the Histadrut and the PGFTU.

17 The need for further action to reduce discrimination at the workplace remains key. In the words of one commentator: "Labor market segregation along nationality lines contributes to the tension, distrust, and stereotyping between the Jewish and Arab population. Eliminating segregation in the labour market will serve many purposes other than promoting the principle of equality. The workplace is an ideal platform in which individuals, Jews and Arabs, can get to know each other personally, build respect and trust for one another, and breakdown stereotypes."¹⁴ At the worksites that TUAC visited we witnessed the invaluable role of good industrial relations. Both Arab and Israeli shop stewards and workplace representatives informed us of their joint

14 Margalioth op cit

efforts to ensure their members' interests were respected. We would only concur with the aspirations above – a key priority should be to extend good practice to the large area of abuse of workers rights in the Israeli labour market. The regional conflict and the complex relationship with their own authorities and membership pose difficult challenges for the relationship between the Histadrut and the PGFTU. These go beyond economic and social issues to the political heart of the conflict.

Employment of Overseas Migrant Workers

¹⁸ Since 2000, following the drastic reduction in the numbers flowing to the Israeli labour market, Palestinian workers have been replaced by the temporary migration of an estimated 200,000 overseas workers. The Government has said that 90,000 temporary foreign workers were legally employed in Israel in 2008-09 of which 50,000 are in the care sector, 28,000 in agriculture and 10,000 in construction. The ITUC notes “[M]igrant workers, who make up around 7% of the working population, are increasingly coming from Asia. Many migrant workers are mistreated and threatened with deportation to deny them their basic rights. Foreign trade union organisers are systematically expelled from the country.” In meetings TUAC received several accounts, which corroborated this information. As in other OECD countries, we are concerned about the exploitation and abuse of vulnerable migrants carried out by ‘gang masters’ and what appear to be poorly regulated employment brokers and work agencies. As already noted, it was reported to us that unprotected migrant workers are the source of a significant downward pressure on wages, and earnings of Arab workers in particular.

¹⁹ We noted that the situation of migrant workers gave rise to a review by the ILO Committee on the Application of Standards of Israel’s application of the ILO Convention no 97 on Migration for Employment, ratified by Israel in 1953. Whilst in theory employment legislation applies to migrants, the Government has been asked to provide further information on what measures are being taken to reduce migrants’ dependence on their employer and to have access to the social security system.

The situation in the West Bank

²⁰ The issue of the Occupied Territories spills over into questions concerning the rights and treatment of workers. The 2009 Report of the ILO Director General on the situation of workers in the occupied Arab territories¹⁵ in the words of the Director General: “depicts a dismal human, economic and social situation in the occupied Arab territories, overshadowed by stalled peace negotiations”. The ILO report outlines “[C]losure measures, including the separation wall and intensified settlement activity in occupied territory, have kept a tight lid on any economic shoots that might appear.” It goes on to argue that “[T]he presence of increasing numbers of Israeli settlers directly harms the livelihood of Palestinians, who are barred from access to land and other resources (notably water), and from building housing and economic infrastructure (notably enterprises), and entails severe restrictions on the movement of persons and goods.” The two state solution and respect for workers rights in the region will require a viable Palestinian economy that can create decent jobs for the young Palestinian workforce.

²¹ Our Israeli counterparts emphasised the security situation as the reason for both the Separation Barrier and the closures of security checkpoints in

“The Israeli government representatives that we met stated that settlements would be disbanded if a peace settlement was reached. However, the scale of economic activities would require major planning in advance for their closure and offsetting measures to protect workers, of which we saw no evidence.

15 ILO 2009 Report of the Director General « the situation of workers of the occupied Arab territories »

the West Bank. In the short-term, economic activity in Palestine and income per head is directly affected by closures. It appears that the security situation and, as a result, economic activity has improved over recent months in the West Bank. Nevertheless, the longer term situation is of deep concern. Half the working age population in Palestine is between 15 and 29 and, as seen since the second Intifada in 2000, employment opportunities in Israel have been effectively closed for this age group, who are no longer accepted for work permits due to security reasons. Meanwhile, the closures act as a major break on local economic development in Palestine. Half the 15-29 age group are neither in employment nor in education and in the words of the ILO Director General this is “a waste of precious human resources anywhere but, in the context of the occupied territories, a dangerous mix.” We visited the Anjah university campus in Nablus, where we were informed that Palestinian graduates had to migrate overseas or to the Gulf States if they were to find employment.

22 Our Palestinian counterparts repeatedly emphasised that the Separation Barrier was primarily to protect Israeli settlements, which they stated are illegal under international law. Only 14% of the planned Separation Barrier was along the Green Line. It is estimated that 280,000 Israelis now live in the 121 settlements that are recognised by the Israeli government in the West Bank and a further 190,000 in settlements in Palestinian East Jerusalem. There are an estimated further 102 “outposts” in the West Bank that are not authorised by the Israeli Government. Twenty-one settlements formerly existed in Gaza but were closed by the Israeli Government in 2005 as part of its withdrawal from Gaza.

23 It appears that the Israeli settlements in the Occupied Territories also now, effectively, form part of the Israeli economy and labour market outside the officially recognised borders defined by the Green Line. As far as we could assess, goods and services produced in the settlements and the resulting employment are included in data of the Israeli economy.¹⁶ Of the work permits issued in April 2009 by Israel to Palestinians a roughly similar number of permits (22,063) were issued by Palestinians to work in the settlements, as in Israel (22,610). Histadrut note that “50,000 Palestinian workers are currently employed by Israeli companies”. The ILO quotes estimates that in 2008 approximately 27,000 Palestinians worked in the settlements without a permit.

24 In 2007, the Israeli High Court ruled in response to a petition from Histadrut that Israeli labour law rather than Jordanian law should apply to Palestinian workers in the settlements and called “unacceptable discrimination” earlier labour court rulings that allowed employers to employ Palestinian workers under Jordanian law. The PGFTU said that in practice widespread abuse of labour laws occurs in the settlements to which they do not have access. They cited as examples, daily wage labourers recruited by contractors and required to sign documents waiving their rights to Israeli benefits and protection. The Israeli employers we met stated that such documents had no legal status. However, it appears again that enforcement of employment law in the Occupied Territories is even more problematic for Arabs. The ILO 2009 mission stated that “The mission obtained credible and substantiated information indicating that many of the Palestinian workers in Israeli settlements and industrial zones are exposed to hazardous work environments without appropriate occupational safety and health measures in place.... Child labour in Israeli settlements remains a matter of

16 An anecdotal example is given by the claim by the Port of Hamburg for Unpaid duties by the firm “soda club” for products sold as made in Israel that it claims were in fact produced in factories in the occupied territories Israel Arte information 13 October 2009.

great concern, particularly in agriculture”. They go on to say that they were unable to obtain any information on labour inspections carried out in the West Bank settlements and industrial zones¹⁷.

²⁵ The Israeli government representatives that we met with described the settlements as a political issue. They stated that settlements would be disbanded if a peace settlement was reached. However, the scale of economic activities would require major planning in advance for their closure and offsetting measures to protect workers, of which we saw no evidence.

Conclusions

²⁶ The TUAC mission recognises that the situation in Israel is unlike any other OECD country due to two exceptional factors – the regional conflict and the entrenched social and economic divisions between the three population groups: secular Jews, Haredim (ultra-orthodox Jews) and Arabs. Israel is not one society but three, reflected in widely different levels of income and economic development between population groups and persistent poverty notably, though not only, amongst the Israeli Arab population. Given the current widely different demographic trends affecting the three groups, the only long term socially and economically stable solution is to reduce radically the divergences in income and economic prospects of the different population groups and ensure that economic development of the Palestinian economy contributes to a more stable regional situation. Ensuring the enforcement of workers’ rights has a major contribution to make.

²⁷ The persistence of massive poverty rates, particularly amongst the Arab population group is not primarily due to legal discrimination but due to the weak enforcement of employment legislation, the security situation, the impact of the settlement process in the West Bank, and economic pressure leading to a weakening of the bargaining power of Arab and Palestinian workers, as well as the geographical separation of Arab communities.

²⁸ Fighting poverty in the short-term and reducing the wide gaps in income distribution between the three main population groups should be the most pressing priority for Israeli government domestic policy. This will require a radical approach to increasing the enforcement of employment protection, minimum wage, health and safety and other regulations at the workplace level both in Israel and, in the short-term, in Israeli settlements in the Occupied Territories. There should be further expansion of the labour inspectorate and the labour court system.

²⁹ Enhanced cooperation on the rights of Palestinian workers with international support by Palestinian and Israeli unions is needed. Foreign migrants also suffer rights violations – the activities of labour contractors needs to be brought under regulation.

³⁰ Not all objective factors are negative. The economic crisis appears to have had less disastrous consequences in Israel than in many other OECD countries and is being relatively well managed, with a strong tripartite agreement in 2009 making a positive contribution. The tripartite agreement increases the rights to negotiate and bargain for Israeli unions in the private sector. If coupled with a renewed effort to apply these rights in the interest of Arab workers, it could serve to reduce discrimination and relative deprivation. The public sector should act as an example as a model employer.

“The persistence of massive poverty rates, particularly amongst the Arab population group is not primarily due to legal discrimination but due to the weak enforcement of employment legislation, the security situation, the impact of the settlement process, the weakening of the bargaining power and geographical separation of Arab communities.

17 ILO 2009 op cit p 15.

³¹ There is a need to expand the economic infrastructure in Arab areas, improve labour market services and policies, including childcare, and to reduce the gaps in education provision and performance.

³² In the Occupied Arab Territories, there is a desperate need for economic development to create jobs for an unemployed youth labour force. As indicated by the ILO this is seriously compromised by the expansion of Israeli settlements that undermines the territorial integrity of Palestine, making economic development unlikely and the two state solution highly difficult. This in turn creates a vicious circle militating against a lasting improvement in the security situation. Whilst this is a central political issue, it has major economic and social implications and adjustment measures should already be planned for the economic impacts of the withdrawal of the settlements.

³³ Short-term measures should be taken to improve the conditions of Palestinian workers who cross daily the Green Line to work, including increasing the points of access, avoiding unplanned closures and managing the process more humanely.

³⁴ A project to ensure enhanced application of the OECD Guidelines for Multinational Enterprises by all companies from adhering countries operating in the Occupied Territories, including Israeli settlements should be launched.

³⁵ Given the extraordinary situation the OECD should maintain a monitoring process on the reduction of socio-economic disparities in Israel and alongside the Accession process and the MENA process develop an enhanced engagement process with the Palestinian Authority with a view to encouraging broader economic development in the region.

ANNEX 1

MAIN INDICATORS FOR ISRAEL¹ COMPARED WITH OECD COUNTRIES

	2006	
Population	Israel	OECD average
1. Annual population growth rate	1.8%	0.6%
2. Population density - people per square kilometre (2004 data)	294	120
3. Percentage of elderly (+65)	9.9%	13.8%
4. Percentage of girls, 15-19, who do not work or study (2005 data)	25.1%	7.3%
5. Percentage of boys, 15-19, who do not work or study (2005 data)	26.1%	8.3%

	2006	
Health	Israel	OECD average
1. Fertility - average number of children of women aged 15-49 (2005 data)	2.84	1.63
2. Infant mortality - number of deaths per 1,000 live births (2005 data)	4.4	5.5
3. Life expectancy - women (2005 data)	82.2	81.4
4. Life expectancy - men (2005 data)	78.5	75.7

	2006	
Macroeconomic trends	Israel	OECD average
1. GDP per capita (PPP dollars)	24,271	31,469
2. GDP growth rate (over last year)	5.2%	2.9%
3. Inflation (over last year)	2.2%	2.5%
4. Debt / GDP ratio (2005 data)	96.9%	58.8%
5. Government deficit as percentage of GDP	1.4%	-1.8%
6. Balance of payments as percentage of GDP	3.2%	0.65%
7. Broad government expenditure as percentage of GDP	46.8%	42.3%
8. Social public expenditure as percentage of GDP	16.2%	20.9%
9. Total tax burden as percentage of GDP (2005 data)	36.8%	32.2%
10. GINI income inequality index	0.39	0.31
11. Percentage of poor households (2005 data)	20.6%	10.2%

	2006	
Employment	Israel	OECD average
1. Employment rate, percentage of civil workforce	50.9%	66.1%
2. Employment rate - men	56.3%	75.6%
3. Employment rate - women	45.9%	56.8%
4. Employment rate among 15-24 age group	26.6%	43.3%
5. Employment rate among 25-54 age group	71.5%	76.5%
6. Employment rate among 55-64 age group	54.9%	53.0%
7. Percentage employed in part time job among all employed	24.9%	16.1%
8. Unemployment rate (not employed)	8.4%	6.1%
9. Long-term unemployment (percentage of unemployed over a year among total unemployed)	32.5%	32.2%

1 Source : Senat - project attached to the Macro Center for Political Economics

	2006	
Education	Israel	OECD average
1. Rate of tertiary education graduates as percentage of total population at graduation age	35%	36%
2. PISA scores in science	454	500
3. PISA scores in reading	439	492
4. PISA scores in mathematics	442	498
5. Number of students per class - elementary school (2005 data)	26.2	21.7
6. Number of students per class - junior high-school (2005 data)	31.7	23.8
7. Teachers' annual wage (with 15 years seniority)	\$25,131	\$45,666

ANNEX 2

EXTRACT FROM C(2007)102/FINAL

APPENDIX B. III

Employment, Labour and Social Affairs Committee

Major developments and policy issues in the employment and social fields in candidate countries need to be reviewed in order to assess whether the institutional labour market, training and social protection frameworks are conducive to promoting economic prosperity for all and facilitating economic adjustment. The Employment, Labour and Social Affairs Committee will therefore compare the candidate countries and OECD performances through an in-depth review, covering in particular the following areas:

- a) labour market and training policies and institutions as well as industrial relations systems, and the extent to which country the candidate countries' policies and institutions are in line with the Restated OECD Jobs Strategy;
- b) policies to promote the transition from informal to formal employment;
- c) the financial and social sustainability of policies intended to promote social integration and cohesion, including retirement income policies, support for families with children, and measures designed to assist people without jobs.

ANNEX 3

Itinerary of TUAC Delegation to Israel and the West Bank

30 September - 1 October 2009

Monday, 28.9.09

23:10 Arrival at Ben Gurion Airport
Tel Aviv

Tuesday, 29.9.09

06:00 Drive to Nablus

09:30 Arrival at the PGTU Headquarters

Meeting Mr. Shaher Sae'd, General
Secretary and PGFTU Officials

11:00 Visiting Nablus Governate,
meeting the Deputy Governor

12:15 Visiting Anjah University

13:00 Drive to Qalqelia to monitor
the wall there and meet with local
PGFTU officials

17:00 Visiting Balata refugee
camp, Nablus

20:00 Dinner meeting with the
PGFTU

Wednesday, 30.9.09

07:00 Drive to Tel Aviv from the
hotel in Nablus

10:30 Meeting with Ms. Avital
Shapira-Shabirow, Director of Inter-
national Department and drive to the
Histadrut Headquarters. Tel-Aviv

11:00 Meeting with Histadrut
leadership and the Manufacture
Association and the Coordinating
Office of Economic Bodies (the
representative of the employers) and
senior officers from the Histadrut
and the Coordinating Office of
Economic Bodies

12:30 Drive to Jerusalem

14:00 Meeting with Jerusalem
Municipality Employees Committee

15:00 Drive to the Industry, Trade
and Labour Ministry Headquarters

16:30 Meeting with Mr. Benjamin
Ben-Eliezer, Minister of Industry,
Commerce and Labour

18:30 Drive to Tel-Aviv

Thursday, 1.10.09

08:30 Drive to Jerusalem

09:30 Visit at the Yad Vashem
Holocaust museum

11:45 Drive to Neta Lifshitz
Company

12:15 Meeting with construc-
tion employees of Neta Lifshitz
Company

13:30 Lunch with the participa-
tion of Mr. Ithak Moyal, Chairman
of the Building and Wood Workers
Union and Mr. Isaac Gurvich, Vice-
Director-General and CFO of the
Association of Constructions &
Builders in Israel

16:00 Drive to the meeting with
the Welfare Ministry Headquarters

16:30 Meeting with the Mr
Yitzchak Hertzog, Welfare Minister

17:30 Drive to Tel-Aviv

Friday, 2.10.09

07:15 Flight to Paris