

## **Palestinian Central Bureau of Statistics (PCBS)**

**On the occasion of the International Workers' Day, president of PCBS, Dr. Ola Awad, presents the current status of the Palestinian labour force in 2020**

### **The impact of COVID-19 pandemic on the Palestinian labour market**

The Covid-19<sup>th</sup> pandemic has affected the Palestinian economy significantly, especially the labor market, as its impact was greatest on the most vulnerable and vulnerable groups in the labor market in particular, and the most important of these categories are:

Women in the private sector; The number of women working in the private sector decreased from 109 thousand women in 2019 to about 98 thousand women in 2020.

Wage employees in the private sector who work without an employment contract: There are about 70 thousand wage employees in the private sector working without an employment contract.

Employed persons in the informal sector: There are 410 thousand employed persons in the private sector; out of which 373 thousand are males compared to about 37 thousand females. Hence, the percentage of the employed persons in this sector comprised about 43% of the total employed persons in Palestine, with an average daily wage of 143.0 NIS.

Employed persons in the informal employment in Palestine (those employed persons in the informal sector in addition to wage employees who don't receive any of the labour market rights whether it was retirement/end-of-service gratuity, a paid annual leave, nor paid sick leave): The percentage of employed persons in the informal employment in Palestine reached about 62% of the total employed persons; out of which 67% are males and 36% are females (66% in the West Bank and 51% in Gaza Strip).

Youth (19- 29 years) are the most group suffering from unemployment. Thus, the unemployment rate among youth reached about 39%; 24% in the West Bank and 67% in Gaza Strip. Moreover, the youth graduates of those who hold a scientific qualification of an intermediate diploma or higher are the most group suffering from unemployment, as this rate reached about 54%; (36% in the West Bank and 79% in Gaza Strip).

This led to a decrease in the number of employed persons in the local market from 877 thousand employed persons in 2019 to 830 thousand employed person in 2020, and the number of employed persons in Israel and settlements decreased from about 133 thousand in 2019 to 125 thousand employed persons in 2020.

### **14% of workers were absent from their work in 2020**

The results showed that there are 138 thousand employees who were absent from their work in 2020, and this constitutes 14% of the total employees: 105 thousand males and 33 thousand, females, compared to 69 thousand absent employees in 2019.

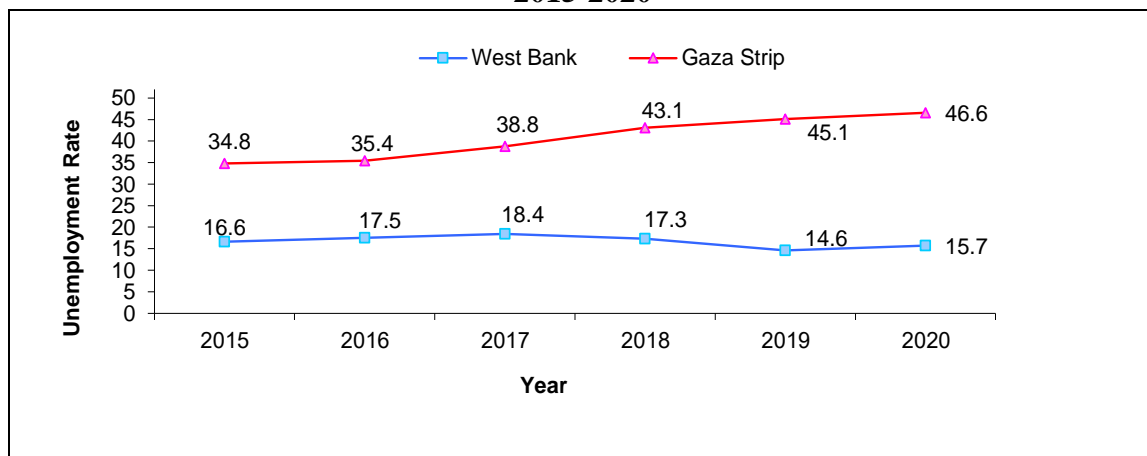
### **344 thousand unemployed persons in Palestine**

Unemployment rate in Palestine increased in 2020 to reach about 26% of the labour force participants compared with about 25% in 2019. Whereas the number of unemployed persons

decreased to 334 thousand unemployed persons in 2020 compared to 344 thousand unemployed persons in 2019. At the level of region, the unemployment rate was about 16% in the West Bank in 2020 compared with about 15% in 2019, while the unemployment rate was about 47% in Gaza Strip in 2020 compared with 45% in 2019.

Also, the total labour underutilization increased from about 33% in 2019 to 36% (534 thousand persons) in 2020, including 111 thousand discouraged jobseekers and 16 thousand in time-related underemployment.

**Unemployment Rate among labour Force Participants (15 years and above) by Region, 2015-2020**



**Bethlehem Governorate in the West Bank and Dier Al-Balah in Gaza Strip both record the highest unemployment rate**

Bethlehem Governorate recorded the highest unemployment rate in 2020 with a percentage of about 25%, followed by Jenin and Salfit Governorates with a rate of about 20% each. However, Jerusalem Governorate recorded the lowest unemployment rate in the West Bank with a rate of about 7%. In Gaza Strip, Dier Al-Balah Governorate recorded the highest unemployment rate of about 53% followed by Rafah Governorate with a rate of about 52%, while North Gaza Governorate recorded the lowest rate of about 38%.

**There are about one million employed persons, and the private sector is the main employer**

The numbers of employed persons reached 955 thousand; 604 thousand in the West Bank, 226 thousand in Gaza Strip, and 125 thousand in Israel and Israeli settlements. There are about 690 thousand wage employees in Palestine (385 thousand of them in the West Bank, 187 thousand in Gaza Strip, 100 thousand in Israel and 18 thousand in the Israeli settlements).

About 54% of wage employees in Palestine are working in the private sector, 273 thousand in the West Bank and 100 thousand in Gaza Strip, compared with about 29% employed persons in the public sector, 17% of wage employees are working in Israel and Israeli Settlements. Thus, about 23% of wage employees from the West Bank are working in Israel and Israeli settlements.

The private sector was the most negatively affected by the Coronavirus pandemic, as the number of employees in this sector decreased by 38 thousand employed persons between 2019 and 2020, especially those working in the activity of trade, restaurants and hotels as the number of workers in this activity decreased by about 27 thousand employed persons during the same period. The number of workers in the activity of services and other branches decreased by about 6 thousand workers, while those working in agriculture, forestry and fishing activities were the least affected.

**One fourth of wage employees in the private sector work in technical and specialized occupations**

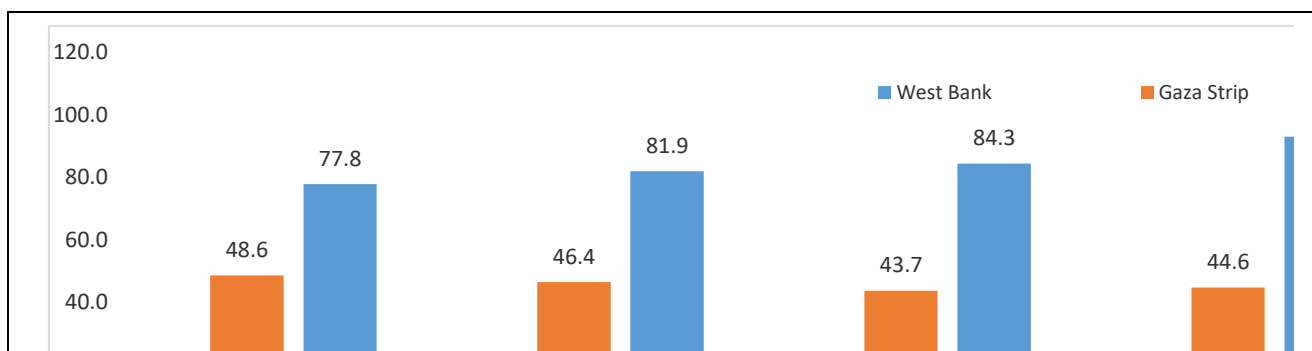
About 28% of wage employees in the private sector work as professionals or technicians in Palestine; with a percentage of 18% for males and 75% for females. In addition, 17% of wage employees in Palestine work in crafts and related trade works: 21% for males and 2% for females.

**Average of real wages in the private sector**

The real average daily wage (base year= 2010) in the private sector was about 88 NIS in Palestine; about 43 NIS in Gaza Strip and about 104 NIS in the West Bank (wage employees in Israel and settlements are excluded).

The services activity in the private sector recorded the highest average of real daily wage of 116 NIS in the West Bank and 84 NIS in Gaza Strip, followed by construction activity with about 114 NIS in the West Bank and 38 NIS in Gaza Strip. While the agriculture activity recorded the lowest average daily wage at 89 NIS in the West Bank and 20 NIS in Gaza Strip.

**Average of Real Wage in NIS for Wage Employees in the Private Sector by Region, 2015-2020**



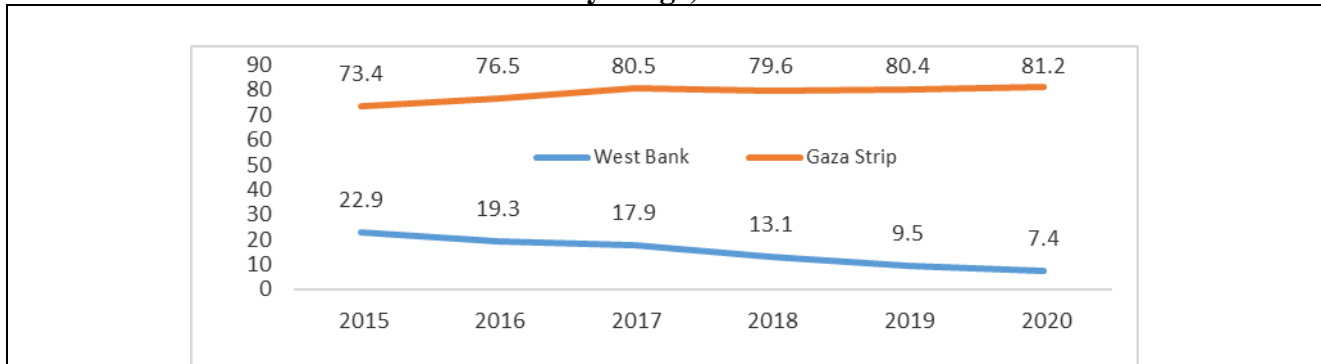
**About 28% of wage employees in the private sector receive less than the minimum monthly wage of (1,450 NIS) in Palestine.**

The number of wage employees in the private sector who received less than the minimum monthly wage (NIS 1,450) reached about 87 thousand; out of which 17 thousand wage employees in the West Bank (about 7% of the total number of wage employees in the private sector in the West Bank) with a monthly average wage of NIS 1,078 compared to 70 thousand wage employees in Gaza Strip (about 81% of the total number of wage employees in the private sector in Gaza Strip) with a monthly average wage of NIS 662.

The number of wage employees in the private sector, who received less than 2000 NIS monthly, is about 121 thousand wage employees representing 39% of the total wage

employees in the private sector (21% in the West Bank; representing about 48 thousand wage employees, and 84% in Gaza Strip, representing about 73 thousand wage employees in the private sector).

**Percentage of Wage Employees in the Private Sector Who Received Less than the Minimum Monthly Wage, 2015-2020**



In the same context, the average actual weekly work hours for wage employees in Palestine was 41 hours; 39 hours for wage employees in the public sector, and 41 weekly work hours for wage employees in the private sector.

**Less than one third of the private sector’s wage employees receive benefits**

About 35% of the private sector's wage employees receive benefits (retirement/end-of-service gratuity, paid annual leave and paid sick leave). Thus, the number of employed persons in the private sector who had written unlimited contract was 60 thousand employed persons, 132 thousand employed persons in the private sector with temporally contract, and about 180 thousand employed persons with no contract. However, about 60% of wage female employees working in the private sector got a paid maternity leave.

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