

Palestinian Central Bureau of Statistics (PCBS)

On the occasion of the International Workers' Day, H.E. Dr. Ola Awad, President of PCBS, presents the current status of the Palestinian labour force

The impact of Covid-19 pandemic on the Palestinian labour market

With the spread of Covid-19 pandemic worldwide, countries, including Palestine, are taking unprecedented procedures in order to limit the spread of this virus and eliminate it. Hence, the labor market is directly affected as a result of the Coronavirus outbreak. Accordingly and on the occasion of the International Workers' Day, the most important indicators of the Palestinian labor market will be addressed, focusing on the reality of workers in sectors that are expected to be affected by this pandemic

There are more than one million employed individual

The number of employed individuals reached 1,010 thousand; 616 thousand in the West Bank, 261 thousand in Gaza Strip, and 133 thousand in Israel and Israeli settlements. There are 877,100 employed individuals in the local market (employed individuals in public sector, private sector, international agencies, UNRWA and non-profit organizations) in 2019, out of whom 390,700 are employed individuals in the private sector; 275,700 in the West Bank, 115,000 in Gaza Strip; and 318,100 are males and 72,600 are females.

Employed individuals in the private sector are distributed by employment status as 60,700 employed classified as an "employer" (i.e. working in an establishment he/she completely or partially owns it and has at least one wage employee); of whom 52,300 in the West Bank and 8,400 in Gaza Strip, and 176,900 employed individuals classified as "Self-employed" (i.e. works for an institution that he/she completely or partially owns it and who does not have any wage employee); 139,700 in the West Bank and 37,200 in Gaza Strip. Also, there are about 390,700 classified as "wage employees"; 275,700 in the West Bank and 115,000 in Gaza Strip. Furthermore, there are about 39,300 employed individuals working as an unpaid family members; 33,900 in the West Bank and about 5,400 in Gaza Strip.

Consequently, restaurants, hotels and trade activity is the largest employer of employed individuals in the private sector, where 32% of employed individuals work in it; 31.1% in the West Bank and 34.8% in Gaza Strip, followed by the services activity, where 22.4% of employed individuals in the private sector work in it; 19.9% in the West Bank and 30.1% in Gaza Strip, followed by the industrial sector with 16.0%; 18.1% in the West Bank and 9.7% in Gaza Strip. The rest of the employed individuals are divided into the remaining activities.

Women in the private sector

The number of working women in the private sector was 109 thousand women (68%) in 2019, and about one thousand women work in Israel and Israeli settlements by 0.6%. About 59% (72 thousand) of women who work in the private sector are wage employees, most of whom are concentrated in the education activity by 40% and 15% in the health activity. The percentage of female business owners is only 4%, which was also concentrated in the education activity by 33% The percentage of female workers "self-employed" is 17% concentrated in the activity of trade, restaurants and hotels by 27%.

Employed individuals in the informal sector (i.e. an employer or self employed, the establishment/enterprise where he/she works doesn't have tax record nor a book accounting record)

The number of employed individuals in the informal sector reached 320 thousand; out of which 288 thousand are employed male compared to about 32 thousand employed female; where the percentage of

the employed individuals in this sector comprised about 32% of the total employed individuals in Palestine, with an average daily wage of (NIS 85).

Employed individuals as informal employment in Palestine (those employed individuals 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) reached about 57% of the total employed individuals; out of which 61% are males and 38% are females (59% in the West Bank and 51% in Gaza Strip).

There are about 487,000 people suffering from underutilization (including unemployment and time related underemployment and potential labour force); about 33% in 2019. This number includes about 344,000 unemployed and about 73,000 discouraged job seekers, and about 20 thousand of time related underemployment; meaning that they work less than 35 hours per week and seek to increase their working hours.

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

About 27% of wage employees in the private sector work as professionals or technicians in Palestine; with a percentage of 17% for males and 71% for females. In addition, 18% of wage employees in Palestine work in craft and related trade worker; 22% for males and 1% for females.

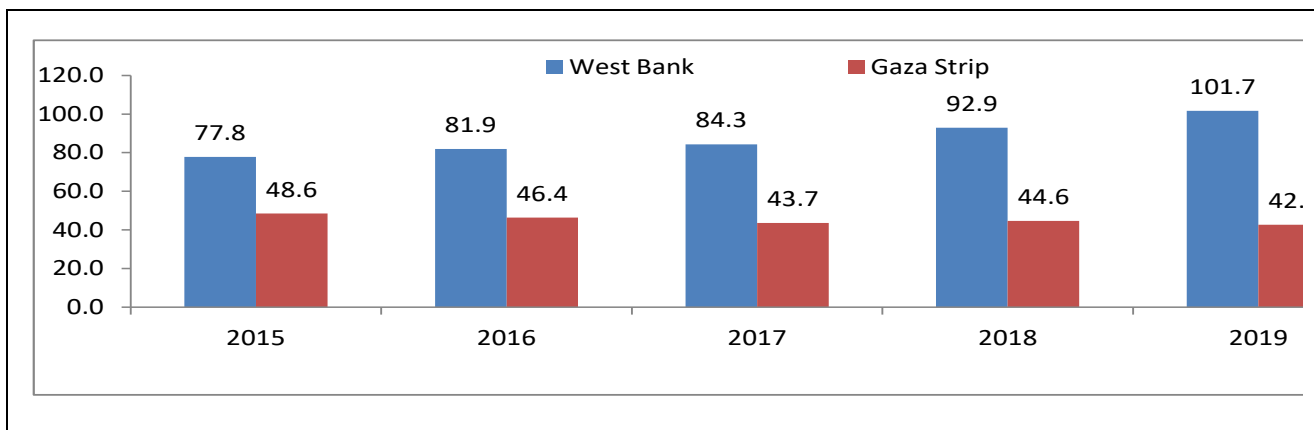
The services activity is the largest employer of wage employees in the private sector, where the percentage of employees in it reached 28.8%; 75.1% for females and 18.2% for males. Followed by the activity of restaurants, hotels and trade where percentage of employees reached 27.9%; 31.4% for males and 12.2 % for females. Followed by industry activity with 17.6%; 19.8% for males and 7.8% for females. The rest of the wage employees work in construction, agriculture, transportation and storage activities.

Low average of real wages in the private sector

The average daily real wage (base year= 2010) in the private sector was about (NIS 86) in Palestine; about (NIS 43) in Gaza Strip and about (NIS 102) in the West Bank (wage employee in Israel and Israeli settlements are excluded).

Construction activity in the private sector recorded the highest average daily real wage of about (NIS 112) in the West Bank and (NIS 40) in Gaza Strip, followed by the services activity with (NIS 115) in the West Bank and (NIS 73) in Gaza Strip. While the agriculture activity recorded the lowest average daily wage at (NIS 75) in the West Bank and (NIS 21) in Gaza Strip.

Average Real Wage in NIS for Wage Employees in the Private Sector by Region, 2015-2019

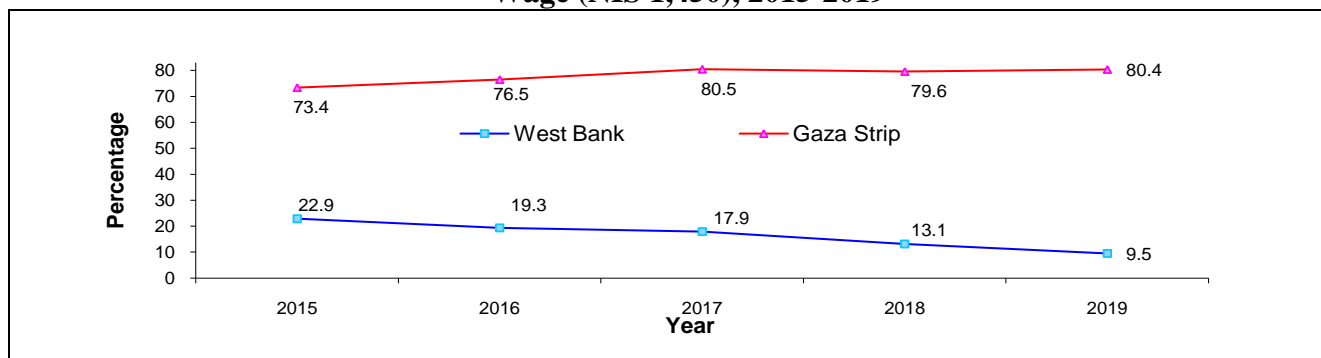


About 30% of wage employees in the private sector receive less than the monthly minimum wage of (NIS 1,450) in Palestine.

The number of wage employees in the private sector who received less than the minimum monthly wage (NIS 1,450) reached about 109 thousand; out of which 24 thousand wage employees in the West Bank (about 10% of the total number of wage employees in the private sector in the West Bank) with an average monthly wage of (NIS 1,038) compared to 84 thousand wage employees in Gaza Strip (about 80% of the total number of wage employees in the private sector in Gaza Strip) with an average monthly wage of (NIS 660).

The number of wage employees in the private sector, who received less than (NIS 2000) monthly, is about 147 thousand wage employees which is 41% of the total wage employees in the private sector (23% in the West Bank, representing about 59 thousand wage employees and 84% in Gaza Strip, representing about 88 thousand wage employees in the private sector. Thus, the percentage among males was about 39%, who were concentrated in the activity of trade, restaurants and hotels by 41% compared with 48% of females in the private sector received less than (NIS 2000) per month and concentrated in the education activity (including nurseries, kindergartens and private schools) by 34%.

Percentage of Wage Employees in the Private Sector who Received Less than Minimum Monthly Wage (NIS 1,450), 2015-2019



In the same context, the average actual weekly work hours for wage employees in Palestine was 42 hours; 40 hours for wage employees in the public sector, and 43 weekly hours for wage employees in the private sector.

Less than one third of private sector wage employees receive benefits

About 30% of the private sector wage employees receive benefits (retirement/end-of-service gratuity, paid annual leave and paid sick leave). There are about 188,000 wage employees in the private sector working without a work contract. The number of employed individuals in the private sector who have signed permanent work contracts was 67 thousand employed individuals.

136 thousand employed individual in the private sector signed temporary contracts, while about 48% of female wage employees in the private sector got a paid maternity leave.

Note: The private sector also includes employed individuals in the International agencies, UNRWA and non-profit organizations.