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

**Press Release on the Results of the Labour Force Survey Second Quarter**

**(April – June, 2020)  Round**

**The Impact of the Coronavirus Pandemic on the Labour Market**

The labour market is considered the most affected sector during the ongoing Coronavirus pandemic since the beginning of March 2020, as the Palestinian government has taken several measures in addition to an emergency plan to limit the outbreak of the pandemic. Thus, the report below reflects the most important indicators of the Palestinian labour market during the 2nd quarter of 2020, where the impact on the labour market appeared clearly as follows:.

**The number of employed persons decreased by 121 thousand in the 2nd quarter of 2020**

The number of employed personsdecreased from 1,009,900 in the 1st quarter of 2020 to 888,700 in the 2nd quarter of 2020, by 12% compared to the 1st quarter of 2020. It decreased in Gaza Strip by 17% compared to the 1st quarter 2020, while it decreased by 10% in the West Bank for the same period.

The largest decline reported among employers and self employed, as this number declined by 101 thousand employed persons, followed by the number of wage employees, which decreased by about 115,300 between the 1st and 2nd quarters of 2020, while the number of employed persons as unpaid family members increased sharply from 39 thousand to 133 thousand during the same period.

**30% of employed persons were absent from their jobs during the 2nd quarter of 2020 due to the pandemic**

The results showed that there are about 264,100 employed persons who were absent from their jobs in the 2nd quarter of 2020, which constitutes 29.7% of the total number of employees. The reasons for such absence are mainly related to the COVID-19 pandemic, the most important of which is the home quarantine that was declared in the period from 23/03/2020 to 24/05/2020, compared to 88,600 employed persons in the 1st quarter of 2020

Education and services activities reported the highest absenteeism rates at 27.9% and 22%, respectively, while the lowest absenteeism rates were 0.6% in the agricultural activity.

**A decrease in the number of employed persons in the local market between the 1st and 2nd quarters of 2020**

The number of employed persons in the local market decreased from 888 thousand employed persons in the 1st quarter of 2020 to 793 thousand employed persons in the 2nd quarter of 2020, where it decreased by 17% in Gaza Strip and it decreased by 8% in the West Bank for the same period.

The results showed that most of the activities witnessed a decrease in the number of employed persons during the 2nd quarter of 2020. Accordingly, the most affected employed persons are those employed in restaurants, hotels, commerce and construction activities during the Coronavirus pandemic outbreak period**.**

The average weekly working hours for wage employees in the West Bank was 40.7 hours per week compared to 35.4 hours in Gaza Strip. The average monthly working days was 21.7 working days in the West Bank compared to 22.1 working days in Gaza Strip.

**A decrease in the number of employed persons in Israel and Israeli settlements by 26 thousand between the 1st and the 2nd quarters of 2020**

The number of employed persons in Israel and settlements decreased from about 120 thousand employed persons in the 1st quarter of 2020 to 94 thousand employed persons in the 2nd quarter of 2020; this decrease is due to the measures taken to limit the outbreak of the Coronavirus, as the number of employed persons has decreased significantly among employed persons aged 50 years and above, where the highest decrease was in the number of workers in instruction sector by 20,600 employed persons followed by industrial and agricultural sectors, 2,700 and 2,000 employed persons respectively. The number of employed persons in Israeli settlements decreased from 21,000 in the 1st quarter 2020 to 13,000 in the 2nd quarter 2020.

The average daily wage for the wage employees in Israel and Israeli settlements decreased between the 1st quarter 2020 and the 2nd quarter 2020 from 265 NIS to 255 NIS respectively.

**7 out of 10 employed persons are wage employees**

71% of employed persons are wage employees, 14% of employed persons are self-employed and employers, and 15% are unpaid family members.

**About half of the wage employees in the private sector were hired without any contract.**

46% of wage employees in the private sector were hired without any contract, and 37% of wage employees receive a contribution to a pension fund/end of service compensation. Moreover, more than half of wage female employees (57%) have a paid maternity leave.

**34% of wage employees in the private sector received less than the minimum wage (1,450 NIS) in Palestine**

The percentage of wage employees in the private sector who received less than the minimum wage in the West Bank decreased from 9% in the 1st quarter 2020 to 8% in the 2nd quarter 2020, while the percentage increased slightly from 81% to 82% in Gaza Strip during the same period.

The monthly minimum wage in Gaza Strip was (647 NIS) compared with (1,146 NIS) in the West Bank.

**A decrease in the labour force participation**

The home quarantine imposed due to the COVID-19 pandemic led to the reluctance of individuals aged 15 years and above to enter the labour market, which negatively affected the participation rate in the labour force, as it decreased to 39% in the 2nd quarter 2020 compared to 43% in the 1st quarter 2020. Also, data indicated that this percentage decreased from 46% to 41% in the West Bank and decreased from 39% to 35% in Gaza Strip during the same period.

The male participation rate decreased from 68% in the 1st quarter of 2020 to 61% in the 2nd quarter 2020, and for females it decreased from 17% to 15% during the same period.

This explains why unemployment rates didn’t increase significantly during the pandemic period, as the unemployment rate among labour force participants (15 years and over) in the 2nd quarter was about 27%, while the total underemployment of labour was about 39%, according to the revised International Labour Organization standards (ICLS-19th).

The number of unemployed persons reached 321,400 in the 2nd quarter of 2020; of which 203,200 persons in Gaza Strip and 118,200 persons in the West Bank. Hence, the disparity remains large in the unemployment rate between the West Bank and Gaza Strip, as this rate reached 49% in Gaza Strip compared to 15% in the West Bank. As for the sex level, the unemployment rate for males in Palestine reached 23% compared to 41% for females.

 Within the same context, the total underutilisation reached 549,400 persons, as this number includes 124,200 discouraged job seekers and 12,200 in time-related underemployment.

Revised ILO Standards (ICLS 19th) Unemployment

 Rate[[1]](#footnote-1) by Region, 1st Quarter of 2018 – Q2-2020

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1. [↑](#footnote-ref-1)