
Palestinian economy will not grow if restrictions on it remain, ILO says

The ILO's annual report on the situation of workers of the occupied Arab territories calls for the lifting of restrictions on movement, employment and economic activity, in order to increase opportunities for decent work.

GENEVA (ILO News) – As the momentum for growth has come to a halt, the fiscal crisis in Palestine is turning into an economic and social one, the [annual report of the International Labour Organization](#) (ILO) says.

According to the report, the crisis is due to a number of factors, including the continued failure of donors to meet their commitments, the decision of Israel to suspend, at least temporarily, the payment of clearance revenues, as well as the pace of settlement growth.

"This situation calls for measures by Israel not only to relax the application of restrictions on people and businesses but to lift them altogether, thus enabling the Palestinian economy to grow and generate decent jobs," ILO Director-General, Guy Ryder, says in his preface to the report.

"The continuing occupation and expanding settlement activity are blocking the Palestinian economy, particularly its private sector, from significant progress," he adds. The current situation will remain unsustainable until it is based on social justice.

"At the very least, nothing should be done to make the situation worse. Denying rightful resources to the Palestinian Authority, stepping up the already unprecedented pace of settlement growth and constraining the Palestinian economy through restrictions and the weight of the settlements, will inevitably destroy any belief in the promise of two states for two peoples," Ryder says.

Call for action

Instead, the report calls for "action to revive the flagging peace process and restore economic growth".

The report stresses that the situation is untenable and that a status quo does not exist. It concludes that "any effort to maintain a perceived status quo, in effect, promotes or at least permits a further dangerous deterioration of the situation."

The Palestinian economy is grappling with stagnating growth, higher unemployment and poverty and food dependency. The number of unemployed Palestinians rose by 15.3 per cent between 2011 and 2012, with the unemployment rate reaching 23 per cent. The situation is particularly acute in Gaza, where unemployment has reached 31 per cent and is almost 50 per cent amongst women.

18.4 per cent of young Palestinians were neither in the labour force nor in education, including 31.4 per cent of young women. These bleak indicators point to a clear need to develop large-scale programmes to support the school-to-work transition, such as a youth employment guarantee scheme.

Excessive restrictions, which are economically and socially unproductive, are harming both Palestinian and Israeli business activities and any prospects for growth led by the private sector.

"Restrictions on movement, employment and economic activity should be relaxed in a transparent and permanent manner in order to increase opportunities for decent employment in conditions of equality," the report says.

In addition, work in settlements remains largely unregulated and is open to abuse. The State Comptroller and Ombudsman of Israel had recently criticized the Israeli authorities for slow action in ensuring the inspection of wages, occupational safety and health, and social insurance for all settlement workers, including Palestinians.

The ILO's role

"The ILO can help strengthen the institutions of governance through social dialogue between government, employers and workers; assist with the recognition and realization of the rights of all parties in the labour market; and help develop laws, policies and programmes to promote full, productive and freely chosen employment," reads the report.

It also singles out social security and the establishment of a social protection floor as emerging priorities for Palestine.

Finally, it calls for efforts to find a solution to the continued hardship faced by Syrian citizens in the occupied Syrian Golan in a manner that respects fundamental principles and rights at work. The divisions that underlie the conflict in Syria are also felt by Syrian citizens living under occupation, while their prospects and livelihoods have not improved.

The findings of the report are based on a mission that involved in-depth discussions and a number of field visits in the occupied Arab territories and Israel in March this year. Since 1980, the Director-General has been mandated to present an annual report to the International Labour Conference on the situation of workers of the occupied Arab territories, including the occupied Syrian Golan.