



European complicity with Israel's occupation: Undermining Palestinians' Right to Decent Work

Report summary

For over 52-years, Israel has subjugated the people and economy of the Occupied Palestinian Territory (oPt) to a violently repressive military occupation, and is responsible for exploitative policies, including the crime of apartheid, in the benefit of its geopolitical and economic interest.

This has had a devastating impact on Palestinian life, collective aspirations and economic development. Today, Palestinians in the oPt suffer from chronic unemployment “at a level rarely seen since the Great Depression,”¹ and their economy is structurally subordinate and dependent on Israel for day-to-day-survival and employment.

This report sheds light on Israel's multifaceted system of repression and exploitation preventing Palestinian workers from claiming their right to work and employment. It situates their struggle within the context of Israel's settler-colonial regime, while highlighting how the European Union (EU) and European corporate complicity perpetuate this reality.

Today Palestinians in the Occupied Territory (Gaza and the West Bank) endure a brutal military regime and face an extremely dire economic reality and mass unemployment. In 2018, Gaza had the highest level of unemployment in the world at 40.8 percent. In the West Bank, some 17.6 percent of the total labour force, and 28.2 percent of women were unemployed. In Gaza, the data shows an even more violent reality with almost every second worker unemployed and two-third of all women workers jobless. Economic growth levels are abysmal with the Palestinian Authority being chronically dependent on foreign transfers.

This has a devastating and tangible impact on people's lives. According to the last available data from 2017, some 29.2 Palestinians in the Palestinian territory lived below the poverty line, while 53 percent of Gazans live in poverty. Those who are fortunate enough to have a job are mainly employed in the commerce and service sectors. The mass majority of those employed, over 62.6 percent, are working in the private sector. As in other parts of the world private sector employment can be very exploitative. Around 30 percent of those employed in the private sector receive less than the minimum wage of €359 a month, in itself way below the official Palestinian poverty line of €611 a month for a household of five people.

Both the private and public sector are characterized by lack of basic workers' rights and a very low union density of 19.3 percent.

¹ UN Conference on Trade and Development, '[UNCTAD Assistance to the Palestinian People: Developments in the Economy of the Occupied Palestinian Territory](#),' 12 September 2017:1.

Structuring the economic captivity of an occupied population

The lack of job opportunities within the Palestinian economy pushes Palestinians to seek employment in the Israeli market; both the illegal settlements and within Israel.

There are over 100,000 Palestinian workers (13 percent of the Palestinian labour force) employed in the Israeli market in precarious and exploitative conditions. This reality, is the flip side and direct result of **Israeli policies implemented to serve the Palestinian artificial dependency**. These policies have been cemented through the Oslo Accords of 1993, and their economic annex, the Paris protocol, the main document regulating economic relations between Israel and the Palestinian Authority (PA). Oslo divided the Palestinian territory into the fragmented and isolated Areas A and B, controlled by the PA, and gave Israel control over the larger, continuous Area C, which is imperative for any prospect of Palestinian economic development. Area C contains the major aquifers as well as the most fertile agricultural land in the West Bank. Area C is effectively annexed by Israel, but the recently announced 'peace plan' by President Trump proposes that this is formalized and agreed to by the PA.

Area C also includes more than half of the 2,000 hectares of quarries in the occupied West Bank. Palestinian's inability to access and utilise these has cost the Palestinian economy an average of €806 million a year. **While Palestinians are denied access, Israeli administered** quarries in the West Bank produce about 12 million tons of stone, gravel and dolomite. Almost all of extracted material is used for the Israeli construction industry, settlements, and Israeli infrastructure in the West Bank.

In violation of international law, **European companies are also involved in this pillage**. For example, the German based company HeidelbergCement, operates a stone quarry in the West Bank.

A similar situation takes place in the Jordan Valley, once called Jordan's food basket for producing 60 percent of Jordan's fruit and vegetables. Now the Jordan Valley is almost exclusively exploited for the benefit of settler agricultural-businesses, and 66 percent of produce is exported.

Accompanying these direct policies of exploitation and pillage, the Palestinian territory's economy is further undermined by:

1. Infrastructure, including water, electricity and telecommunication is controlled by the Israeli authorities and companies, resulting in further economic dependency on Israel. These sectors could be potential large employers and their inadequate supply has a negative knock on effect on other productive and job creating industries, as well as, public services and quality of life.

2. The Paris Protocol that governs trade and financial **relations between Israel and Palestine further undermines the Palestinian economy:**

- the absence of an independent Palestinian currency means that Israel financially benefits from money destined to the oPt, including international aid, through the conversion of foreign currencies to the Israeli Shekel.
- an imposed customs union and control over borders means that any import and export to the Palestinian territory must go through Israel. Israel collects taxes on imports and exports.
- custom duties and clearance charges meant to be transferred to the Palestinian Authority on a monthly basis after a 3 percent deduction are often withheld by the Israeli authorities as a form of political pressure.

These are not small amounts. In 2018, clearance revenues amounted to 65 percent of the PA's total revenue or 15 percent of Gross Domestic Product (GDP).

The Paris Protocol in effect gave Israel control over a major source of income for the PA and thus over its very survival.

These conditions also significantly increase costs for Palestinian businesses. Shipments destined to the oPt are handled by Israeli cargo management, storage and transportation companies. Palestinian companies must also pay Israeli companies for security clearance, required by Israel for each shipment. **The transfer of goods through Israel adds an additional 5-10 percent to the cost of a shipment.**

The customs union significantly increases the cost of imports and exports and undermines the competitiveness of oPt goods on the international market, leaving Israel as the pre-eminent consumer. UNCTAD calculated that between 1972-2017, Israel absorbed 79 percent of the oPt's total exports, while Israeli imports to the oPt amounted to 81 percent. **Essentially the Paris protocol structures the economic captivity of an occupied population.**

The de-development and captivity of the Palestinian economy and economic dependence on Israel has contributed to high levels of unemployment and underemployment in the oPt. As a result many Palestinian workers are **forced and not drawn to seek work for Israeli employers in the illegal settlements and Israel.**

The majority of West Bank (WB) workers employed in illegal settlements and in Israel, are employed in the Construction sector (66.4 percent), notorious for its poor health and safety record for Palestinian and migrant workers. The dependency of workers from the WB on these jobs compounded with Israel's control of their access to work through a repressive permit system and occupation infrastructure, leaves them extremely vulnerable to exploitation and precarious working conditions.

European corporate and government complicity also contributes to this **multilayered system of oppression and exploitation, by contributing to** a culture of impunity, whilst further strengthening the Israeli economy at the expense of the Palestinian people. This directly impedes on the creation of decent jobs and directly contributes to the denial of workers' rights.

The opening of the EU's market to Israeli settlement produce, facilitated through the lack of safeguards in the EU-Israel Association Agreement, for example, directly bolsters the settlement enterprise, the exploitation of Palestinian workers working on those farms and in general financially enriches a system that is premised on Palestinian dispossession and de-development.

Similarly, the access of Israeli military companies to EU funding as part of research programmes (e.g Horizon 2020), directly empowers Israel's deadly military industrial complex. The recent UN report² on Israel's attacks on peaceful demonstrators during Gaza's Great March of return shows how the Israeli military deliberately targeted medical and media workers while they were on the job.

The report makes clear that EU financing of Israeli arms companies and those active in illegal settlements involves a direct complicity with Israeli violations of Palestinian rights, including the right to life, to economic prosperity and development and to decent work.

We call on the European trade union movement to:

² http://www.eccpalestine.org/wp-content/uploads/2019/03/A_HRC_40_74.CONFadvcopyPalestine.pdf

1. Pass motions and support campaigns towards a two-way military embargo on Israel.
2. Put pressure on companies involved in Israel's violation of international and Palestinian rights by:
 - Building effective campaigns to end your union's commercial agreements with complicit companies;
 - Supporting workers to call on their employers to end their complicity with the occupation;
 - Working with pension funds to end their investment in companies involved in Israel's violation of Palestinian rights;
3. Take action within your trade union and workplace to raise awareness of Palestinian workers' working conditions and their denied access to decent work, and support unions and other organisations in Palestine and Israel, working to improve Palestinian workers' rights.

We call on the European Union to:

1. Suspend the EU-Israel Association Agreement until Israel meets its obligations under international law and ends violation of Palestinians rights.
2. Exclude Israeli companies and institutions involved in Israel's military industrial complex from any EU research and funded projects.
3. End all EU contractual agreements with companies complicit with Israel's violation of Palestinians rights and international law.
4. Ban the sale of Israeli settlement products in European markets.
5. Stop European companies from doing business with Israel's settlement enterprise.

The report has been commissioned by the European Trade Union Network for Justice in Palestine ([ETUN](#)).

Read the full report [here](#)