

FLASH REPORT

**EXPLOITED AND ESSENTIAL:
PALESTINIAN LABOUR UNDER COVID-19**

JUNE 2020

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As businesses take measures to abate their financial losses and big tech and military corporations set out to profit massively from the Covid-19 crisis,¹ reports indicate that marginalized, repressed and impoverished social groups have been impacted the most – in terms of both negative health outcomes² and adverse economic consequences. The International Labour Organization (ILO) estimates that the current crisis will lead to the loss of over 195 million jobs globally and that 1.6 billion workers in the informal sector have “suffered massive damages to their ability to earn a living” and thus, to sustain a life.³

In the occupied Palestinian territory (oPt), the impact of Covid-19 on an economy already in a state of deep crisis has been swift and keenly felt. By April 2020, over 453,000 Palestinian workers had lost their jobs⁴ and over 115,000 families were pushed into poverty.⁵

In this flash report, Who Profits examines the unique impact of Covid-19 and associated Israeli policies on Palestinian workers employed within the Green Line and the illegal

settlements. The report outlines how these policies relied upon and were enabled by pre-existing structures of population control and economic strangulation. Specifically, it shows how surveillance and exploitation interlock to secure the profits of the occupying economy and entrench the subjugation of the occupied population. Furthermore, this report highlights how the integration of Palestinian workers into the Israeli economy deepens the oPt’s economic dependency on it and binds the two economies.

Coordinating Surveillance: The AI Munasseq App

With the offices of the Israeli Civil Administration (ICA) – the administrative arm of the Israeli military in the oPt – across the oPt under closure as part of the strategy to curb the spread of Covid-19, Palestinians wishing to apply for permits or check their validity, as well as to check their ‘security status’⁶ and apply for the removal of an imposed security travel ban, were instructed to do so through the ICA’s AI Munasseq mobile application (“The Coordinator” in Arabic).

Developed by the Israeli Ministry of Defence and launched by the ICA in February 2019,⁷ the App gives the Israeli military access to a

1 Naomi Klein, [“Naomi Klein: How Big Tech Plans to Profit from the Pandemic,”](#) The Guardian, 13 May 2020. | Who Profits, [“For Medical Purposes: The Israeli Military Sector and the Coronavirus Crisis,”](#) May 2020.

2 Robert Booth and Gelainn Barr, [“Black People Four Times More Likely to Die From Covid-19, ONS Finds,”](#) The Guardian, 7 May 2020.

3 The International Labour Organization, [“ILO: As Job Losses Escalates, Nearly half of the Global Workforce At Risk of Losing Livelihood,”](#) 29 April 2020.

4 Bawabat Al Hadaf Al Akhbariya, [“Statistics: The Number of Impacted Workers Due to Corona Crisis Exceeds 450 Thousand Workers,”](#) Bawabat Al Hadaf Al Akhbariya (Arabic), 13 April 2020.

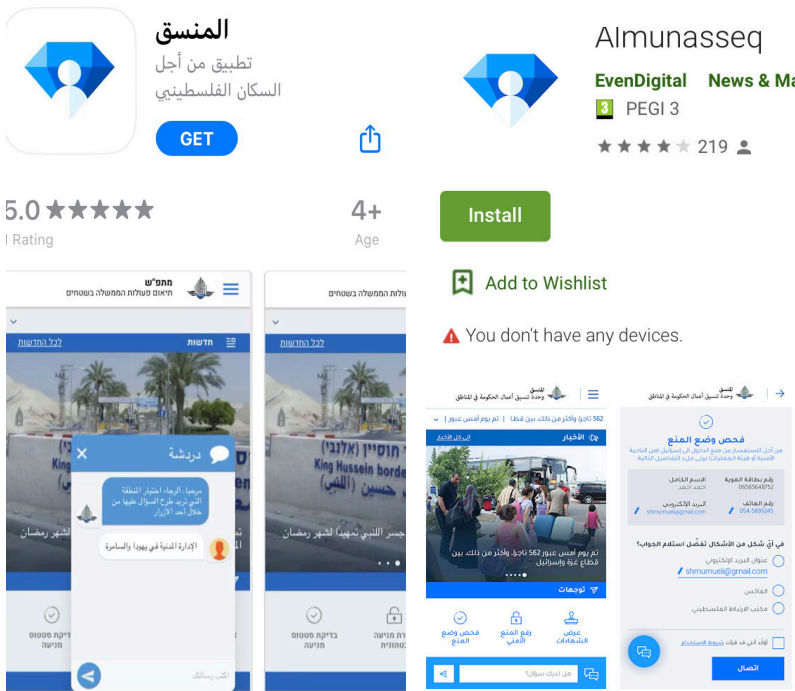
5 Sama News Agency, [“Corona Crisis Doubles the Number of Impoverished Palestinian Families,”](#) Sama News Agency, 15 April 2020.

6 Palestinians seeking an entry permit into the Green Line and to travel to Jordan, can only do so under the approval of Israel’s security apparatus. Israel often places a ‘security ban’ on individuals, citing security reasons, meaning that they cannot travel out of the occupied West Bank or East Jerusalem for any reason. This is a mechanism by Israel to put pressure on Palestinian human rights activists and advocates. See [here](#) for more information.

7 Hagar Shezaf, [“The State: We Will Not Require Access to Data on Cellphones of Palestinians Entering into Israel”](#) Haaretz News, 14 May 2020.

cellphone’s location and all the data stored and transmitted through it, in addition to the device’s microphone and camera. To complete the App’s installation process, users must actively authorize the Israeli military to use collected data “for any purpose, including for military purposes” and for it to be stored “in our [military] database based on our considerations.”⁸ In addition, the App also op-

programmed into the software of Israel’s pervasive permit regime. Though use of the App is not mandatory, it effectively became so during the Covid-19 lockdown, as the App became the only mechanism through which Palestinians from the West Bank could arrange for their movement. During the lockdown, the Israeli Ministry of Agriculture instructed Israeli employers to force Palestinian workers to submit health checks (upon which employment is conditioned) through the App. According to media reports, over 50,000 Palestinians have been forced to download the App since its launch.¹⁰



The Al Munasseq App | May 2020 | Screenshot by Who Profits

erates as a platform for the transmission of ICA-generated Arabic content and provides direct messaging services between Palestinians, an occupied population, and ICA military generals.⁹

The Covid-19 public health crisis presented Israeli authorities with the opportunity to activate the surveillance features already

Following a legal challenge by Israeli human rights and labour groups on the use of the Al Munasseq App for its explicit violation of the privacy rights of Palestinians, the ICA announced it would amend some of the terms of use to minimize the App’s levels of surveillance. However, to our knowledge, no such changes have yet been undertaken.¹¹ The legal challenge came as part of a broader one launched by

Physicians for Human Rights, the Association for Civil Rights in Israel and Kav LaOved protesting the violation of Palestinian workers’ rights during Covid-19.¹²

Permits: A Mechanism to Discipline and Regulate

Al Munasseq comes as an added layer to Is-

8 Nir Hasson, “Amid Coronavirus Crisis, Israel Tells Palestinians to Download App That Tracks Phones”, *Haaretz News*, 8 April 2020.

9 The Coordinator, “The Full Picture: The Coordinator Talk About the Al Monasiq App”, *YouTube*, 4 November 2019.

10 Hagar Shezaf, “The State: We Will Not Require Access to Data on Cellphones of Palestinians Entering into Israel” *Haaretz News*, 14 May 2020.

11 Ibid.

12 The Association For Civil Rights in Israel, “The Rights of Palestinian Workers During Corona”, 12 May 2020.

rael's extensive and highly securitized permit regime, further controlling Palestinian movement and broadening Israel's surveillance capabilities, in violation of Palestinians' basic rights to privacy and free movement.

Palestinians seeking to cross into the Green Line for any purpose, including healthcare, family unification or work, must obtain a permit. Permits are issued by the ICA and are conditioned on the approval of the Israeli security apparatus. Since 2005, to apply for a permit, Palestinians must also have a biometric ID card. For workers, in addition to the general conditions, only those over 22 years of age and married are considered.¹³

Only Palestinian workers with a valid work permit can be 'legally' employed by Israeli companies, within the Green Line and in the illegal settlements. In 2019, Israel issued a record high number of work permits, with 72% of the 141,000 Palestinian workers in the Israeli economy holding a permit.¹⁴

In addition, work permits regulate the integration of Palestinian workers into the Israeli economy. Permits tie workers to a particular employer, and are issued only in industries where Palestinians pose no competition to Israeli workers. According to the United Nations Conference on Trade and Development (UNCTAD), the number of issued permits fluctuates according to Israeli "political objectives and economic needs."¹⁵ For example, with the outbreak of the Second Intifada in

the year 2000, Israel reduced the number of issued work permits as a punitive measure. Between the years 2000-2011, the percentage of issued work permits dropped by 70%, from 100,000 in the year 2000 to 30,000 in 2011. The number of issued permits has been steadily increasing since 2012.¹⁶

The dependency of Palestinian workers on permits (which can be withdrawn at any time) to access jobs is used by employers as a disciplining mechanism against them unionizing, demanding rights, or partaking in any form of political activity. This system also renders workers particularly vulnerable to political extortion by Israel's security services.¹⁷

A Choice of No Choice: Pushed to Work for Israeli Employers

Israeli military expansionist and economic policies have led to the systematic de-development of the Palestinian economy and the decimation of the oPt's industrial and productive sectors, resulting in an economy with little capacity to generate jobs. In 2019, the oPt had record high levels of unemployment averaging at 25%.¹⁸

Sectors with high job generation potential are systematically weakened through land confiscation and pillage of natural resources, as well as through restrictions on movement and trade codified in the Oslo Accords and their econom-

13 Coordination of government Activities in the Territories, "[How Do I Obtain a Work Permit in Israel](#)", *Cogat.mod.gov.il*

14 The Palestinian Central Bureau of Statistics, [Labour Force Survey \(July-September, 2019\) Round \(Q3/2019\)](#).

15 UN Conference on Trade and Development, "[UNCTAD Assistance to the Palestinian People: Developments in the Economy of the Occupied Palestinian Territory](#)", September 2017:16.

16 Gilad Natan, [OECD Expert Group on Migration SOPEMI Annual Report International Migration – Israel 2016-2017](#), Ruppin Academic Center, 2017.

17 Salea Alenat, "[Palestinian Workers in the West Bank Settlements](#)," *Kav La Oved*, 13 March 2010

18 The Palestinian Central Bureau of Statistics, [Labour Force Survey \(July-September, 2019\) Round \(Q3/2019\)](#).



East Jerusalem settlement construction | 19 January 2010 | Photo: Activestills

ic Annex, the Paris Protocol.¹⁹ For example, while in 1970 some 40% of the oPt's labour force was employed in the agricultural sector,²⁰ by 2019 the sector absorbed only 6.1% of the oPt's labour force. In a similar pattern, the added value of the manufacturing and quarrying sectors to the Palestinian Authority's (PA) GDP shrank by 21.3% between 2014 and 2016 alone,²¹ and by 2019, only 12.2% of the oPt's workers were employed in the sector.²²

19 Who Profits, "[Captive Economy: The Pharmaceutical Industry and the Israeli Occupation](#)", July 2012.

20 Adam Hanieh, *Lineages of Revolt, Issues of Contemporary Capitalism in the Middle East*. Chicago: Haymarket Books, 2013.

21 UN Conference on Trade and Development, "[Report on UNCTAD assistance to the Palestinian people: Developments in the economy of the Occupied Palestinian Territory](#)", September 2017.

22 The Palestinian Central Bureau of Statistics, [Labour Force Survey \(July-September, 2019\) Round \(Q3/2019\)](#).

The systematic crippling of the oPt's economy concentrated its labour force in the service sector (employing over 35% of workers in 2019), and structured the dependency of its population on Israel for goods, services and employment. In 2019, some 141,000 Palestinians from the occupied West Bank and East Jerusalem worked for Israeli employers; 118,600 within the Green Line and 22,200 in illegal settlements, including 20 Industrial Zones. The overwhelming majority (65%) were employed in the construction sector.²³

Profitable Exploitation

For Israeli employers, the hiring of Palestinian workers is a profitable business. Employers cut costs and accumulate profit by paying lower wages and failing to provide safe working conditions. On average, Palestinian workers

23 *ibid.*

are paid 2.3% to 2.6% less than Israeli workers in the same sector.²⁴ Palestinian workers also represent the majority of fatal casualties in the construction sector. In 2018, out of 38 construction workers who lost their lives while on the job, 31 were Palestinian; 16 from the occupied West Bank and 15 Palestinian citizens of Israel.²⁵

Employers also avoid contractual agreements, a practice through which they can circumvent their legal responsibility towards workers, including the provision of a safe working environment and healthcare when injured on the job, and arbitrarily reduce or withhold wages.²⁶

Furthermore, Israel's repressive permit system adds another layer of beneficiaries at the expense of Palestinian workers. According to the Bank of Israel (BoI), 30% of all work permits issued in 2019 were sold to Palestinian workers on the black market at exorbitant prices, averaging around 20% of their gross monthly income. BoI calculates that Palestinian middlemen, Israeli contractors and companies have pocketed some \$34 million (120 million NIS) annually through black market permit trading.²⁷

24 The Center for Political Economics, "[The Working Conditions of Palestinian Wage Earners in Israel](#)," February 2017.

25 Kav La Oved, "[Work Accidents Construction sector - Latest Updates](#)," [kavlaoved.org.il](#)

26 The Center for Political Economics, "[The Working Conditions of Palestinian Wage Earners in Israel](#)," February 2017. | Ali Sawafta, "[For Many Palestinians, Israeli Settlement Work the Only Option](#)," *Reuters*, 22 February 2016.

27 The Bank of Israel, "[Illegal Trade In Permits for Palestinian Workers in Israel](#)", 29 September 2019.

Lack of Protection

The exploitation of Palestinian workers employed in precarious conditions is exacerbated by the lack of access to legal protection or trade union representation.

In 2007, Israel's High Court ruled that relations between Palestinian workers and Israeli em-



ployers should be governed by Israeli labour laws and that Palestinian workers were entitled to the same rights as Israeli workers.²⁸ However, workers in the settlements continue to be employed under the 1967 Jordanian labour law, which includes minimal protection for workers. Furthermore, according to the ILO, the application of the 2007 High Court ruling "remains limited, as only certain aspects, such as the minimum wage, have been extended through military orders."²⁹

In addition, under the Oslo Accords, Palestinian trade unions cannot unionize Palestinian workers employed within the Green Line or

28 Kav La Oved – Workers Hotline, "[Palestinian Workers in the West Bank Settlements](#)," 7 July 2017.

29 International Labour Organization, "[The Situation of Arab Workers in the Occupied Territory](#)," 2018.

the settlements. Instead, the Histadrut, the General Organization of Workers in Israel, deducts trade unions dues directly from the wages of every Palestinian worker with a permit employed within the Green Line. Out of the collected fee, 50% are to be transferred to the Palestinian General Federation of Trade Unions, which would be held responsible for delivering services to workers. However, despite the compulsory wage cut, the Histadrut offers Palestinian workers no help other than a “parity committee” for employment disputes, and does not engage in collective bargaining on behalf of Palestinian workers.³⁰ The Histadrut was resoundingly silent as the exploitation of Palestinian workers accelerated under Covid-19.

Workers Under COVID-19

The dependency of Palestinian workers on employment by Israeli companies renders them particularly vulnerable to exploitation, amplified and exacerbated during the Covid-19 crisis.

In early March, when seven workers in the tourism sector in Bethlehem contracted the virus, Israel swiftly imposed a security lockdown on the city and shortly after extended it to the whole of the occupied West Bank, stopping all non-essential movement from and into the geographical enclave. The PA followed by declaring a state of emergency across the West Bank, limiting movement within it. In parallel, a strategy of minimizing activity in all non-essential economic sectors was adopted.

While these policies led to immediate job loss for thousands of Palestinian workers, special arrangements were made to secure the continued entry of 55,000 Palestinian workers

30 Kav La Oved – Workers Hotline, [“The Occupation of Labour: Employment of Palestinians in Israel”](#), 2018.

in sectors considered essential – agriculture, health and construction.³¹

The biggest share of entry permits was given to construction workers. The Israeli construction sector is dependent on cheap Palestinian labour. In 2019, over 65,000 Palestinians were employed in the industry and generated 66% of its annual contribution of approximately \$23 billion to Israel’s GDP. Israel’s Builders Association warned that the absence of Palestinian labour could lead to a monthly loss of around \$1.3 billion and disrupt the employment of over 125,000 Israelis.³²

The deal was limited to workers with permits, and under the condition that they do not return to the occupied West Bank and East Jerusalem for at least one month. The movement of workers was to be monitored and regulated through the withholding of worker ID cards by employers.³³ Prior to Covid-19, the number of Palestinian workers permitted by Israeli authorities to stay overnight within the Green Line was limited to 15,000, citing security considerations.³⁴

While Palestinian workers were urged to continue working, no clear arrangements were made to guarantee their safety and adequate accommodation. Contractors were tasked with providing accommodation and imple-

31 Lee Yaron and Hagar Shezaf, [“For Palestinian Construction Workers in Israel, the Coronavirus is Just One More Danger.”](#) *Haaretz News*, 20 March 2020.

32 Amitay Gazit, [“Contractors: The Ban of Palestinian Workers’ Entry Due to Corona Will Delay the Delivery of 70 Thousand Flats.”](#) *Calcalist*, 16 March 2020.

33 The Association For Civil Rights in Israel, [“The Rights of Palestinian Workers During Corona”](#), 12 May 2020.

34 Amitay Gazit and Sholomit Tzor, [“Not only Corona Patients: Palestinian Construction Workers Will be Housed in Empty Hotels.”](#) *Ynet News*, 15 May 2020.

menting onsite health guidelines. Reports documented that for the majority of workers, no such conditions were provided.³⁵ Workers were sleeping in large groups, in construction sites or warehouses on factory grounds, with no adequate facilities for the maintenance of basic hygiene. Deliberate negligence put Palestinian workers' lives in danger as Israeli factories and construction sites became focal points of contagion. This was the case at the Glatt Chicken factory in Atarot Industrial Zone, a settlement industrial zone near Jerusalem; 41 workers were infected by Israeli colleagues who had the liberty to leave their workplace at the end of the working day.³⁶ According to the Palestinian Ministry of Health, 74% of Covid-19 cases in the oPt were of Palestinian workers employed in the Israeli economy and those in their immediate surroundings.³⁷

Employers did not arrange testing for workers and no healthcare services were provided for those who caught the virus while at work. Infected workers were sent back for treatment in the West Bank; in some cases, workers displaying Covid-19 symptoms were left by the Israeli police at checkpoints, with no prior coordination with the PA's healthcare institutions. The crisis demonstrates that for Israeli contractors and companies, Palestinian workers form an essential component of profit accumulation, but one that can also be disposed of when the balance tips.

35 Hagar Shezaf, [“Israel Doesn't Oversee Workers' Health Amid Coronavirus,”](#) *Haaretz News*, 20 April 2020.

36 Hagar Shezaf, [“From Their Entry Unit Their Exit, The State Does Not Inspect the Health of Palestinian Workers,”](#) *Haaretz News*, 20 April 2020.

37 Al Quds International News Agency, [“Ministry of Health Clarifies the Latest Coronavirus Developments in Palestine,”](#) Al Quds International News Agency, 27 April 2020.

Dual Economic Need

On 28 April 2020, the Israeli government, in coordination with the PA, approved the entry of 48,000 Palestinian workers: 36,000 in construction, 9,300 in agriculture and 3,000 in industry. Workers were to enter on 3 May and not return home until the end of the holy month of Ramadan.³⁸

The deal was intended to mitigate financial losses endured by Israeli sectors dependent on Palestinian manual labour and curb the PA's complete financial collapse. According to Israel's Builders Association, in April 2020, a minimal number of some 12,000 Palestinian construction workers remained on site, leading to the significant reduction or the complete stoppage of work on 9,000 out of some 22,000 active construction sites in Israel and the settlements.³⁹ In addition to their vital role in the Israeli economy, this section of the oPt's work force is a substantial part of the oPt's labour force, with significant contributions to the PA's GDP and financial circulation within the oPt's economy. In 2019, such workers represented 19% of the West Bank's labour force (13% of the oPt's) and generated some 14% of the PA's annual GDP.⁴⁰ The economic role of Palestinian workers in the Israeli economy will be of particular importance in light of the PA's dependency on (shrinking) international cash flows and a looming financial collapse. According to the World Bank, in 2019, the PA faced its largest financing gap in years, of around \$0.8 billion.⁴¹

38 Amitay Gazit, [The State Approved the Entry of 48 Thousand Palestinian Workers From Next Sunday,](#) *Calcalist*, 28 April 2020.

39 Amitay Gazit, [“Because of Ramadan: only 20% Palestinian Construction Workers Remained on Sites,”](#) *Calcalist*, 16 April 2020.

40 Ismat Quzmar, [“Palestinian Workers in Israel Under Corona,”](#) The Institute for Palestinian Studies, 16 April 2020.

41 The World Bank, [“Palestinian Territo-](#)