At All Costs

Israel lifted its blanket ban on access by Gaza workers to manual labor jobs in Israel, but continues to treat permits for Palestinians from Gaza as bargaining chips that can be denied at whim, violating its legal obligations towards residents of the Strip and infringing on fundamental rights.

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Introduction

Since Israel's occupation of Gaza and the West Bank in 1967, it has exploited both Palestinian labor and natural resources in the territory. The Israeli economy relies on Palestinian labor and the Palestinian economy, which is subjected to Israel's interests and manipulations, relies on access to jobs in Israel.

In the early part of the year 2000, before the start of the Second Intifada, twenty-six thousand laborers from Gaza clocked about half a million exits at Erez Crossing, between Gaza and Israel, each month. In September 2000, when the Second Intifada began, Israel drastically reduced the number of permits issued to Palestinian laborers across the occupied territory in general and frequently blocked those with permits from entering its territory, including shutting down Erez Crossing numerous times and sometimes for extended stretches over the following years.

In March 2006, following Israel's implementation of the Disengagement Plan and about two months after Hamas won a majority of seats in elections for the Palestinian Legislative Council, Israel imposed a closure at Erez Crossing for the Jewish holiday of Purim. When the holiday ended, it blocked entry by laborers into its territory and did not allow them in again until late 2014. After more than eight years of a sweeping prohibition on access for Gaza workers, Israel began allowing a
limited number of laborers from Gaza to enter Israel, unofficially, under a quota for "trader permits", which it expanded slightly after the 2014 war.

In late 2021, a few months after the hostilities of May 2021, as Israel began gradually lifting the "coronavirus closure" it had enforced at Erez Crossing since March 2020, the Israeli authorities added a "financial needs" criterion to its travel procedures for Gaza residents, and began openly acknowledging the fact that most individuals in possession of these permits were exiting Gaza to work manual labor jobs in Israel. Despite these expansions, the number of exits from Gaza for work in Israel remains lower than in the past and is far below need.

Decades of occupation and severe movement restrictions, tightened by Israel in 2007 to the point of full closure, as well as repeated military attacks, have all but decimated Gaza's economy and continue to drive down living conditions in the Strip. In light of the dire economic situation, soaring unemployment rates, and an average monthly wage of just 1,464 ILS (450 USD) even among those few who are employed, Gaza's economy depends on stable access to livelihoods outside the Strip.

This policy brief provides both background on movement of workers between Gaza and Israel, and an update on and analysis of the impact of Israel's current policy on this issue. It is based, in part, on a series of in-depth interviews conducted by Gisha with workers from Gaza who make a living in Israel, as well as our ongoing monitoring of travel via Erez Crossing.

Decades of restrictions

Until the early 1990s, the Israeli economy relied on tens of thousands of Palestinian workers entering its territory from Gaza and the West Bank. Palestinians had begun entering Israel for work in the late 1960s, following Israel's occupation of Gaza and the West Bank, and their employment was formalized in a government resolution in 1970 (Resolution B/1 (Hebrew) of the Ministerial Committee for Security Affairs, October 8, 1970). In the 1970s and 1980s, about a third of all employed Palestinians worked in Israel, and their earnings accounted for about a quarter of the gross national product (GNP) in Gaza and the West Bank.

In 1991, towards the end of the First Intifada and the Gulf War, Israel revoked the "general exit permit" that had allowed Palestinians to move relatively freely until that time, and began requiring Palestinians to obtain individual permits for travel between the West Bank, the Gaza Strip, and Israel. When the Second Intifada broke out in late 2000, Israel significantly reduced the number of permits for Palestinian laborers. In 2004, the Israeli government passed the "Amended Disengagement Plan" resolution (Hebrew), which states, among other things, that "the State of Israel aims to reduce the number of Palestinian workers entering the State of Israel to the point of eradication." As noted above, in March 2006, Israel closed Erez Crossing for the Purim holiday and blocked entry of Gaza workers into its territory thereafter.
After the war on Gaza in the summer of 2014, senior Israeli officials declared that Gaza's reconstruction and economic recovery served Israel's interest for stability; at the recommendation of Israeli security officials, an arbitrary quota of “trader permits” was allocated to Gaza residents, which was eventually expanded to 5,000 permits. This measure was ostensibly intended to enable traders and businesspeople from Gaza to travel to Israel and the West Bank to conduct business and jumpstart Gaza’s economy, but it fell far short of meeting Gaza’s actual needs. In 2019, media reports emerged indicating that many, even most, trader permits were being used by their holders to access day labor in Israel, though in reality the trend had started in 2014.

In late 2021, Israeli authorities introduced “financial needs” permits to Israel’s criteria for exit from Gaza. In March 2022, the Israeli government passed a resolution 1328 (Hebrew) to expand the “financial needs” permit quota to 20,050; 12,000 permits for the construction sector, 8,000 for agriculture and an additional 50 permits for individuals working at the crossings between Gaza and Israel. As of publication, the quota remains unfilled. The number of valid “financial needs” permits as of August 28, 2022, was 11,501. In July 2022, 35,319 exits from Gaza for work purposes were recorded at Erez Crossing. This figure includes actual traders as well as laborers and is the highest number of exits recorded since the closure was imposed, yet still represents only 7% of the monthly number of laborers’ exits in 2000, before the Second Intifada.

Dire need for permits

To submit an application for a “financial needs” permit, a resident of the Strip must first register with the Ministry of Labor (MoL) in Gaza, according to the following criteria: the individual must be married, aged 26-60, unemployed or without a stable source of income, and have not been employed as a civil servant in the government in Gaza or by the Palestinian Authority. The Ministry of Labor forwards the applications to the Palestinian Civil Affairs Committee (PCAC) in Gaza, a Palestinian Authority-affiliated body that channels permit applications by Gaza residents to the Israeli authorities.

By the end of July 2022, more than 100,000 Palestinians in Gaza had registered with the MoL for “financial needs” permits, indicating soaring need for access to livelihoods. Yet even those lucky few whose permit applications have already been transferred to the Israeli authorities face an uncertain future. Israeli authorities sometimes cancel people’s permits at Erez Crossing even after their applications were approved, and frequently impose arbitrary “security blocks” on applicants. PCAC figures show that between September 2021 and August 2022, Israel imposed approximately 17,700 “security bans” and “crossing bans” on Gaza residents who had applied for permits to exit the Strip for work in Israel. It is apparent, based on cases handled by Gisha, that Israeli authorities see no issue with revoking permits or denying permit applications based on broad considerations that do not necessarily relate directly to the applicant.
On July 15, 2022, the Coordinator of Government Activities in the Territories (COGAT) announced (Arabic) that starting August 1, 2022, Gaza residents will be able to receive work permits (rather than “financial needs” permits, which are not official work permits), and benefits, including employer contributions to health insurance and pension. According to COGAT’s announcement, “financial needs” permits would not be renewed once they expire, and in order to continue working in Israel with a work permit, workers must find employers in Israel to submit a permit request on their behalf to Israel’s Population and Immigration Authority. Workers who are unable to find an employer to request a work permit on their behalf will no longer be able to exit and work in Israel.

In practice, as of time of publication, Israel is still renewing “financial needs” permits for Gaza workers, yet this announcement (also noted in the March 2022 government resolution (Hebrew)), changes the application process, bypassing the Palestinian intra-agency mechanism described above. Gisha is aware of instances in August 2022 where local authorities in Gaza blocked several residents who had received work permits from Israel (but had not held “financial needs” permits previously) from exiting the Strip. It appears that talks are underway to resolve the issue.

Exposed to exploitation

From Israel’s perspective, Gaza residents have no vested right to enter Israel or work in its territory. Nonetheless, Israel’s Wage Protection Law and collective agreements stipulate that all individuals working in Israel, whether they are citizens, foreign nationals or Palestinians, with or without status and regardless of whether they have a valid work permit, should have access to the same protections enshrined in labor law and receive pay (with deductions for income tax and national insurance payments).

Yet, given a lack of consistent enforcement against labor violations, Israeli employers interpret and carry out the terms of employment as they see fit. This is true for Palestinian workers from Gaza as well as from the West Bank (with or without a work permit). By failing to enforce labor laws, the state leaves Palestinians working in Israel exposed to violations of their labor rights and with little recourse if their employers withhold their wage, refuse payment in case of a work accident, and so on.

The new policy, as announced by COGAT, as well as the mechanism currently in place for “financial needs” permits, give rise to several crucial issues which the state of Israel must address without delay, including the following:

1. **Lack of labor law enforcement**: As is the case with regard to Palestinian laborers from the West Bank working in Israel with work permits, lack of consistent enforcement against labor violations by Israeli employers exposes Palestinians working in Israel to exploitation.
2. **Brokers and subcontractors:** At present, there is no official mechanism that allows Gaza residents to search for Israeli employers. Middle-men and intermediary agencies are already taking advantage of this situation and charging “broker” fees to connect workers to employers, which is especially concerning now that workers will need to identify employers to obtain permits. This phenomenon has already been well-documented in relation to West Bank workers, particularly in the construction industry.

3. **Dependence on employers:** Under Israel’s new policy, receiving a work permit depends on a contractual relationship with a registered employer. This arrangement means that workers are less likely to leave abusive employers and switch workplaces, even in cases of exploitation, for fear that they will be unable to find another employer and may lose their permits (only workers in the construction sector are given up to 60 days to find new employers).

4. **Payment:** Israeli banks do not allow transfers to Gaza banks. Israeli employers pay laborers from Gaza in cash. Lack of official documentation of transfers can increase the risk of employers withholding wages or only paying partial salaries and makes it harder for workers to substantiate such abuses.

5. **Employment sectors:** According to a recent survey (Hebrew) by the Institute for National Security Studies, more than 25% of Gaza residents currently working in Israel are employed in the industry, commerce, and services sectors. The government resolution only allocated permit quotas for the agriculture and construction sectors. If no permits are allocated for additional sectors, about a quarter of Gaza residents current working in Israel will have to find jobs in the permitted sectors or register for work permits under fictitious employers who demand broker fees.

The Al Munaseq mobile app

In 2021, COGAT launched the Al Munaseq mobile application (app), ostensibly intended to enable Palestinians from Gaza and the West Bank to file permit applications. In discussions (Hebrew) held by the Knesset Foreign Workers’ Committee in 2021 and 2022, COGAT noted that it plans to use the app as a platform for connecting Israeli employers to Palestinian employees, with the aim of reducing the “black market” trade in permits through brokers. As of today, Gaza residents can use the app to check the status of their permit applications but cannot submit applications through it and the platform for identifying employers is also not functional. The app’s terms of use severely violate users’ rights to privacy and dignity, in breach of both Israeli and international law, and create conditions that force Palestinians to provide information that may be used by the occupying power, putting themselves and those close to them at risk. These arguments were presented in a petition filed by HaMoked: Center for the Defence of the Individual, which was rejected by Israel’s High Court in May 2020.

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1 In February 2022, the Bank of Israel released (Hebrew) a draft protocol on “Payment of Wages to Palestinians via Bank Transfers,” stating it is designed to “end cash payments to Palestinian laborers.” The protocol, approved (Arabic) in April 2022, only applies to West Bank workers. Given the restrictions on bank transfers to Gaza under the Counter Terrorism Law (Hebrew), Gaza laborers are currently excluded from the protocol.
Conclusions and recommendations

- For decades, Gaza’s economy and workforce have been subjugated to Israeli interests, restrictions, and control. To this day, Israel continues to limit movement of people and goods to and from the Strip, suffocating Gaza’s economy, impairing living conditions and severely violating Palestinians’ human rights.

- Despite relying on the Palestinian workforce and contrary to its rhetoric about economic stability in Gaza as an Israeli interest, Israel continues to treat permits for Gaza residents as bargaining chips that can be canceled or denied at whim.

- Israel abuses its control over movement to and from Gaza, wrongfully using it to exert pressure and engage in “economic warfare,” including by closing Erez or limiting travel through the crossing.

- Slight changes to the criteria and quota expansions, often presented by Israel as “gestures,” cannot make up for the harm caused by Israel’s ongoing occupation, nor will they suffice as long as the occupation is in place.

- The closure of Gaza constitutes collective punishment, which is prohibited under international law, and must be removed. As long as the occupation continues, Israel is obligated, as the occupying power, to facilitate economic activity in the Strip, enforce the law against Israeli employers violating workers’ rights, and ensure proper working conditions within its territory. Israel must also refrain from imposing punitive measures that restrict Gaza residents’ access to livelihoods, particularly measures designed to harm Gaza’s economy.

1970: Israeli government passes a resolution regulating Palestinian employment in Israel.

1973: The number of Palestinians employed in Israel from Gaza and the West Bank climbs to about 61,500 compared to about 5,000 in 1968.

1987: Just before the First Intifada, a record 46,000 laborers from Gaza work in Israel.

1990: Following the First Intifada, Israel intensifies movement restrictions on Palestinian residents of the occupied territory. Many workers are no longer able to access work in Israel. Israel fills the gap by bringing in migrant workers from abroad.

2000: On the eve of the Second Intifada in September, an average of 500,000 entries by Gaza laborers into Israel are recorded each month. In 2001, only 2,000 Gaza residents were employed in Israel, compared to 26,000 in September 2000.

2006: In March, Israel imposes a closure at Erez Crossing for the Jewish holiday of Purim and blocks entry of workers from Gaza thereafter.

2014: After the 2014 war, Israel starts expanding the quota of "trader permits" for Gaza residents, which eventually reached 5,000 in 2015.

2017: Israel tightens movement restrictions, revokes a large number of "trader permits," and the number of exits from Gaza to Israel, including for work purposes, plummets. As of December, only 551 Gaza residents hold valid trader permits, an 85 percent drop compared to late 2015.

2020: In March, Israel imposes what became known as the "coronavirus closure" at Erez, prohibiting access for traders even after it alleviates internal travel restrictions and permits entry by West Bank workers.

2021: In November, Israel adds a criterion for travel via Erez for "financial needs," limited to a quota of 10,000 permits.

2022: Government Resolution 1328 is released in March, announcing a gradual increase in the "financial needs" permit quota up to 20,050 and a review regarding the regulation of employment of Gaza laborers in Israel.

July 2022: COGAT announces that starting August 1, 2022, work permits will be issued for Gaza residents and other aspects of their work will be regularized. At the time of publication, this decision has yet to be implemented in full.