



Bjørne Grimsrud

Wage and Working Conditions in the Gaza Strip



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Preface

The objective for undertaking a survey of wage and working conditions in the Gaza Strip was to provide support for institutional capacity building within the Palestine General Federation of Trade Unions (PGFTU). In order to represent the interests of members and potential members it is essential for a labour organisation to have access to accurate and relevant data. In this case it is particularly important to build expertise, thus enabling the PGFTU to enter into the task of collective bargaining.

Given the above mentioned objective the survey has concentrated on the conditions in the formal part of the labour market. The questions asked and the presentation made in this report have been formulated in order to elaborate on working conditions and standards that naturally fall within the area of collective bargaining in most countries.

This survey forms the main part of a wider institution building project in the Palestinian labour market undertaken by Fafo. Parallel to the survey, Fafo has assisted in establishing a computerised membership register for six of the industrial unions affiliated to the PGFTU in the Gaza Strip. The survey field work was carried out by Fafo and Fafo recruited interviewers during the two last months of 1996

Several Fafo colleges and others have been involved in the production of this report and the institution building project with the PGFTU. First of all I have been greatly assisted by Akram Atallah at the Fafo Jerusalem Office, Hani Dada at the Fafo Gaza Office and Research Director Jon Pedersen, in preparing and conducting the survey. Many more Fafo colleges and others have provided useful contributions, comment and advice, in particular Marie W. Arneberg, Jon Hansen Bauer, Jon S. Lahlum, John Stene, Siri Størmer, Mark Tailor and Else Ragni Yttredal. Thanks also to the data collectors, data entry personnel and supervisors who carried out a professional job on time.

The Norwegian Ministry of Foreign Affairs is the main funding agency for the institution building project and this report; in addition the Norwegian Confederation of Trade Unions and Fafo have contributed financially. There has been close co-operation with the PGFTU and its unions throughout the project, and they have always been ready to assist if needed. A special thanks to the PGFTU Deputy Secretary General, Rasem Al Bayari, and the International Secretary, Abu San. Thanks also to the Palestinian Central Bureau of Statistics for its assistance in providing the enterprise sample.

This joint effort has resulted in a report which we hope contains useful material for the introduction of new forms of industrial relations to the benefit of both Palestinian workers and the development of the Palestinian economy.

Oslo, 21 April 1997
Bjørne Grimsrud

1 Introduction and Main Findings

Together with Jerico the Gaza Strip was the first area of the Occupied Territories to be handed over to the Palestinian Authorities in June 1994. The Gaza Strip was still very much in the process of structural and institutional change in 1996, breaking down years of forced integration with Israel. New structures were in the making, and individuals and institutions were redefining their behaviour within new economic and political frameworks. This survey of wage and working conditions in the Gaza Strip focuses on a central aspect of this process: changes in the labour market and industrial relations. By gathering information from both workers and employers the survey maps the industrial relation processes and their outcome, wages and working conditions. The survey concentrates on the formal labour market and on relations and working conditions normally negotiated in collective agreements. Each section in Chapter Three in this report presents one area of negotiable standards. The other chapters present background information and the settings in which the industrial relations are embedded.

Approximately 900,000 people live in the Gaza Strip making it one of the world's most populated areas. Estimates indicate that the real GNP in the Gaza Strip has declined by 16.3 per cent between end 1992 and end 1996. Real per capita GNP declined by 35.3 per cent in the same period as a combined effect of falling aggregate incomes and a high population growth (UNSCO, 1997). The origins of this present negative trends lie partly in the pattern of past development during years of occupation which resulted in serious distortions in the economy of the Gaza Strip. Structural imbalance in the economy is manifest in its heavy dependence on outside sources of employment, a low degree of industrialisation, a trade pattern heavily dominated by trade with Israel, a large trade deficit and serious inadequacies in the provision of public infrastructure and services.

To work their way out of this situations the Palestinians need international support, however the final responsibility lies with the Palestinians themselves. This includes the trade unions and others operating in the labour market which is of fundamental importance to any economy, being the basis for both production and distribution. The purchase of labour time is also a part of a much more complex system of relationships, not only involving the payment of a wages in return for a number of hours worked, but also influencing the distribution of wealth, social patterns, consumption standards and family planning etc. This report is intended

to focus primarily on the areas where Palestinians and the Palestinian labour movement can themselves influence the trajectories of social and economic development.

1.1 The Survey

The selection of enterprises in this survey is based on the registration of establishments through the Palestine Central Bureau of Statistics' (PCBS) 1994 Establishment Census which registered enterprises in the Gaza Strip with a combined total workforce of 62,800. The census did not include the agriculture and fishery sectors which account for approximately 10,000 workers. The sample of enterprises used has been drawn by PCBS from the Establishment Census based on a sample plan provided by Fafo. Five hundred and nineteen establishments were chosen from four main strata: private establishments with 20 or more employees, private establishments with 1 to 19 employees, public establishments with 100 or more employees and public establishments with 1 to 99 employees. To map the informal labour markets as one of the alternatives to the formal employment, 158 self employed workers were included in the sample of enterprises. These were asked to answer a separate set of questions.

This sampling was chosen in order to secure representation of large private sector establishments and the few very large public sector establishments without necessarily leading to a large overall efficiency loss given the total sample size. In order to study the working conditions of salaried employees in the formal labour market a second stage selection was undertaken in the field, drawing a number of workers from each establishment with more than 5 salaried employees. This minimum enterprise size was set to ensure that the workers interviewed had some

Table 1.1 General stratification and allocation

Stratum	First stage (establishments)	Second stage (employees)
1-99 Public	Probability proportional to square root of size 54 establishments	Selection so that final probability is equal across size of establishments (except the 1-4 group where there were no interviews of employees)
≥100 Public	All establishments, i.e. 21	Proportional to size of establishment
1-19 Other	Probability proportional to square root of size 306 establishments	Selection so that final probability is equal across size of establishments (except the 1-4 group where there were no interviews of employees)
≥20 Other	All selected, 147 establishments	Proportional to size of establishment

sort of formalised relationship with their employer. The overall allocation principles are described in Table 1.1.

Non-response

The field work was undertaken from 27 November to 22 December 1996. Interviews were successfully completed in 379 out of 519 enterprises, or 73 per cent of the cases. One per cent had to be deleted due to duplication of enterprises on the lists. One per cent represented mosques and were therefore deleted. In three cases (or 0.5 per cent) the respondents refused to participate. A further 126 enterprises (or 24.5 per cent) had been either closed permanently or temporally, or were not found at all. This was due to incomplete addresses or to the fact that the enterprise had closed down since the census two years earlier. As expected, the majority of 126 enterprises closed down or not found were small private sector enterprises. In 10 cases (2 per cent) the manager answered the management questionnaire but did not allow the workers to be interviewed.

As mentioned in the introduction, the intention of the survey was to map the formal labour market throughout the Gaza Strip. Non-responses and refusals at the enterprise level probably only re-enforce this focal point of the survey, which was also the case for the workers. Refusals to allow workers to be interviewed was more likely to occur in enterprises at the lower end of the scale, as far as working conditions were concerned. The sample does not include enterprises established after December 1994. This could influence the figures as regards employment, both totally and divided by sector. In particular the construction and service sectors have grown over the ensuing two years. This sample does not give a complete picture of the informal labour market, as these enterprises were registered by PCBS two years earlier and were still operating in 1996. Many enterprises in the informal market would be expected to last for a limited time or operate in a way that would make them difficult to register in an enterprise survey in the first place.

Uncertainty of the findings

The uncertainty of the findings will differ depending on the number of respondents. As an example, 95 percent confidence interval regarding the number of workers organised (36 per cent of all workers) is 3 per cent in each direction. For the number of male workers organised (38 per cent off all male workers) it is 3.5 per cent in each direction. For the number of female worker organised (24 per cent of all female workers) the 95 percent confidence interval is up to 5.5 per cent in each direction due to the fact that relatively few women were interviewed. Since the sampling design is of the so called complex type, software specifically designed for such

samples (SUDAN) has been used in estimation of standard errors and confidence intervals

1.2 Main Findings

Wage and working conditions in the formal labour market in Gaza follow a common pattern, with significant wage differences between white-collar and blue-collar workers. More particular for the Palestinian economy are the findings that the public sector has a higher average gross wage level than the private sector. This is noteworthy even if it can be explained by the public sector having recruited a higher number of professional and senior staff than the private sector enterprises. There are significant gender differences, men take home higher wages for the same job than equally qualified women. If one looks at the total pay package including additional remuneration, insurance, leave provisions, working hours etc. the above mentioned pattern is further enforced. Public sector workers have far better conditions than private sector workers, and professionals have better conditions than blue-collar workers. However large variations exist in additional remuneration and agreed working conditions, which may result from a lack of collective bargaining in the Gaza Strip.

The public service sector, including education, health, public administration, police and international organisations and NGO's providing public services, has been the fastest growing in the Gaza Strip over the last years. At the same time working conditions are by far the best. One long-term effect could be that the most educated and innovative part of the labour force seeks employment in the public sector, leading to a reduction of innovative and growth fostering human capital in the private sector.

Some basic elements such as written employment contracts and pay slips are in short supply in Gaza. Written employment contracts are held by only 20 per cent of the workers in private sector, and pay slips are only given to 28 per cent of private sector workers. When the workers are not in possession of a written employment contract, dismissals and other disputes might be more difficult to deal with, and the negotiating power of worker representatives is weaker. The lack of such documents also creates confusion and may be the reason for the various interpretations of on the agreed working conditions. Formal collective agreements are also rare in the Gaza Strip. Nevertheless there is a local tradition of negotiations between workers representatives and the employers in somewhere between 20 to 40 per cent of the enterprises. To transform this local tradition into formal collective bargaining could be seen as one of the challenges for the trade union movement in Gaza.

A strong underlying factor in the difficulties observed in the labour market and the falling per capita income is the rapid population growth in the Gaza Strip. Between 1992 and 1996 the population growth was estimated to be 29.3 per cent, one of the highest in the world. Even if these figures were less dramatic, i.e. a 4 or 5 per cent annual population growth, the Gaza economy would still have to grow well above the world average just to maintain the present standard of living. How to achieve a reduced population growth should therefore be of prime concern for the trade union movement.

2 The Labour Market

For a population of approximately 900,000 and an economically active population of approximately 200,000 the Gaza Strip has a very small local formal labour market. The high population growth has led to a rapid increase every year in the number of persons seeking work. The male labour force in the Gaza Strip increased by 50 percent from 1981 to 1993. Data for the female labour force's participation were not collected before 1992, and hence there is little knowledge about economically active women. In the Gaza Strip, less than 2 percent of the women were included in the labour force in 1992 and 1993 according to the labour force survey undertaken by the Israeli Central Bureau of Statistics. The PCBS labour force survey (PCBS, August, 1996) estimates a 67.6 per cent participation rate in the labour market for males aged 15 years and above, and 9.3 per cent for females aged 15 years and above in the Gaza Strip spring 1996. This results in a total participation rate of 38.6 per cent in Gaza, which is an increase from the 35.4 per cent measured by PCBS in the autumn of 1995 (PCBS, April 1996). The International Labour Organisation (ILO, 1995) estimates the increase in supply of labour in the Gaza Strip at a yearly rate of 10 per cent, or twenty thousand new job seekers entering the labour market each year. This includes a general increase in the population aged 15 years and above, increased labour force participation among women and increasing numbers of child labourers.¹

Drop in per capita income

According to the Office of the United Nations Special Co-ordinator in the Occupied Territories the real GNP in the Gaza Strip declined by 16.3 per cent between end 1992 and end 1996. Measured in constant 1995 US\$, the combined West Bank and Gaza Strip real GNP declined from about US\$ 5,000 to about US\$ 4,100 million during this period. The decline is mainly attributable to the loss of employment in Israel and the decline in trade flows due to the Israeli closure policy. (UNSCO, 1997)

Real per capita GNP declined by 35.3 per cent between 1992 and 1996. With end 1992 real GNP at about US\$ 5,000 million, and the West Bank and Gaza

¹ Persons under 15 seeking employment.

Strip population estimated at 1,865,000, per capita GNP was about US\$ 2,700 in constant 1995 US\$. At the end of 1996, real GNP was about US\$ 4,100 million with a total population of about 2,383,000, yielding a per capita GNP of about US\$ 1,700. Further estimates indicate that the West Bank and Gaza Strip's real GNP and real GDP declined by about 3 per cent and 1.5 per cent respectively in 1996. Per capita GNP and GDP in the West Bank and Gaza Strip declined by an estimated 8.5 and 7.5 per cent respectively in 1996. (UNSCO, 1997)

The difference between the 35.3 per cent drop in the GNP per capita and the 16.3 per cent drop in the total value of the GNP is due to the rapid population growth in the Gaza Strip, estimated at 29.3 per cent between 1992 and 1996. This is equal to an annual growth rate of 6 per cent. These figures indicate that rapid population growth is an important factor influencing the labour market and standard of living in the Gaza Strip. Even if these figures were less dramatic, i.e. a 4 or 5 per cent annual population growth, the Gaza Strip economy would still have to grow well above world average just to maintain the present standard of living.

2.1 Trends in the Demand for Labour

Since the start of border closures in 1993 there have been dramatic changes in the work pattern of employed Palestinians. The number of workers from Gaza going to Israel reached its lowest reported level of 3.6 percent of employed males, in the September/October 1995 labour force survey. This level persisted during the beginning of 1996, but increased to 9 percent during the period from July to October that year. One of the results of this is that waged labour (as opposed to self employment) has played a declining role in Palestinian households' economy. While almost two-thirds of the households in the Gaza Strip reported that they had a waged

Table 2.1 Workers in the Gaza Strip by industry

	1995		1996	
	Total	Per cent	Total	Per cent
Agriculture and fishing	11,470	10.8	9,450	10.9
Manufacturing	16,140	15.2	13,610	15.7
Construction	16,355	15.4	7,715	8.9
Commerce, Hotels and Restaurants	19,775	18.6	15,058	17.4
Transport and Communication	5,095	4.8	3,640	4.2
Private and Public Service	37,385	35.2	37,270	43.0
Total	106,200	100.0	86,680	100.1

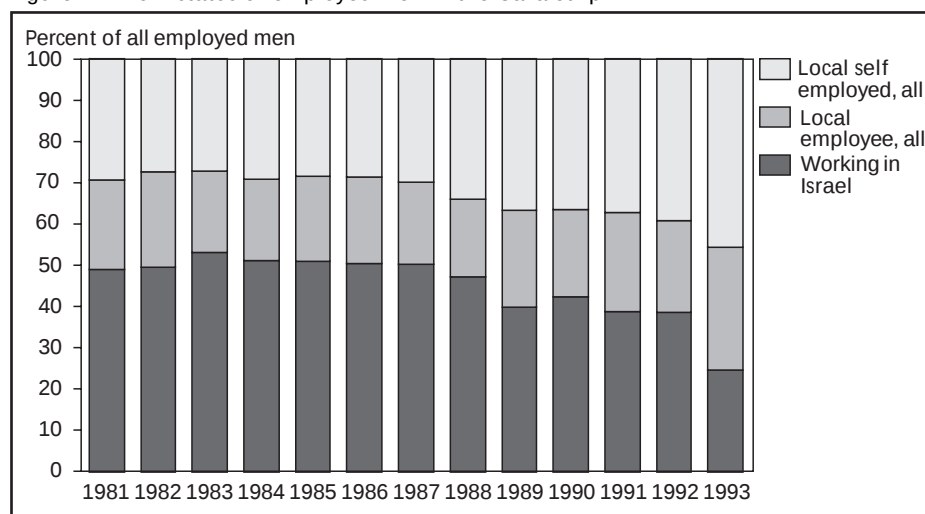
PCBS, Labour Force Study, August 1996

income in 1981, this was reduced to about half of the households in 1992/1993. While almost 50 percent of households in the Gaza Strip had a worker in Israel during the first half of the 1980s, this share was reduced to 36 percent in 1993 and 27 percent in 1992. The total number of employed persons in the Gaza Strip dropped according to PCBS from 106,200 in the autumn of 1995 to 86,680 in the spring of 1996 (PCBS August 1996). This drop in employment in the Gaza Strip reflects that the closure of the border between Israel and the Gaza Strip not only affected the numbers of Palestinian working in Israel, but also had a severe effect, as can be seen in table 2.1, on local industry in the Gaza Strip which depends upon imports of raw materials and/or the export of their products to or via Israel.

Although the number of jobs has increased substantially during the period from 1981 to 1993, it has not been sufficient to absorb the increase in the labour force. The number of employed males has increased by almost 40 percent in the Gaza Strip; accordingly, the number of non-employed labour force members has increased: While more than 95 percent of the labour force were employed in 1981, this was reduced to less than 90 percent in 1993, leading to increased unemployment rates, in particular in the number of people temporarily absent from the labour force due to Israeli border closures. The Palestine Central Bureau of Statistics (PCBS) estimated a 39.4 per cent unemployment rate among males from Gaza in 1995.

In the Gaza Strip the sector that has grown most since changes in the labour market started in 1987 is that of the self-employed in commerce. It has increased dramatically from employing around 11 percent of working males up to 1988 to

Figure 2.1 Work status of employed men in the Gaza Strip



Source: Labour force surveys in Judea Samaria and the Gaza Strip, Israel Central Bureau of Statistics.

16 percent in 1993. Considering the growth of the labour force, the sector now employs twice as many persons compared to the 1980s.

The number and share of self employed in other sectors has also increased, although at a slower rate. The number of locally employed waged employees in the Gaza Strip has been doubled from 1981 to 1993, covering 36 percent of employed men (as opposed to 31 percent in 1981). The distribution of employees between sectors remained fairly stable up until 1993.

After years of regulations for erecting new buildings, the construction market boomed in 1994 as a result of self-rule in the Gaza Strip. This created an increased demand for construction workers. Self-rule in Gaza also resulted in a growth in public sector jobs. In 1993 approximately 30,000 people were employed within public services in the West Bank and Gaza Strip, out of which approximately half was employed in the Gaza Strip, mostly by the Israeli Civil Administration. The Palestinian Authority (PA) has taken over these employees. Since the establishment of the PA, approximately another 45,000 employees have been recruited into the PA's payroll. Between October 1994 and October 1995 the public sector increased by 30 per cent according to the World Bank, the main reason for this being the establishment of the police force. Furthermore demographic changes in a rapidly growing population require more public services. By the end of 1996 the number of PA civil employees stood at 41,020 and the police at 34,027, out of which approximately half is employed in the Gaza Strip. The number of UNRWA staff in 1996 was approximately 5,000 in the Gaza Strip. It has only increased moderately in recent years.

2.2 The Industrial Structure

Enterprises in the Gaza Strip are small. Out of a total number of 20,429 establishments registered in the 1994 Establishment Census, from which the enterprises in this survey have been selected, 17,605 had less than 5 employees including management. Only 8 establishments had more than 100 employees. The 1994 PCBS Establishment Census registered a total number of 62,800 employees. However, the census did not include the agriculture and fishery sectors which account for approximately 10,000 workers. The Establishment Census describes a relatively small formal labour market. In total 20,429 establishments were registered. Out of the total workforce of 62,800, 19,355 were enterprise owners and 5,911 were unpaid family workers, leaving 37,534 salaried employees.

Private sector

Industry in general still has the structure of a sector in the early stages of development, characterised by numerous small owner-operated shops. Establishment size varies, however, across industrial sectors. In the manufacturing, electricity, water supply and construction sectors one finds a mixture of large enterprises and small workshops. The large enterprises are primarily found in the construction and food industries. Half of all the enterprises in Gaza perform traditional service sector functions, a figure similar to many other developing economies. The traditional service sectors include wholesale, retail, repairs, hotels and restaurants, and are dominated by self-employed and small family businesses. In these traditional service sectors combined there are only 4,638 salaried employees in 11,447 enterprises. The workforce is primarily made up of family workers (3,735) and owners (12,294). A majority of enterprises in this traditional service sector do not employ any persons besides family workers, and only 509 employ more than four persons. In the more modern service sectors such as transport, communications, financial services, real estate and business activities more medium sized enterprises can be found.

Public sector

In this survey public administration, social security, education, health, social work, and community and social work will be grouped together under the label Public Sector. The public sector is predominantly publicly owned (PA and local authorities), but also contains some international organisations (e.g. UNRWA) and non-profit private organisations (NGO's). The largest workplaces in the Gaza Strip are those in public service. In the Establishment Census one found 19,419 salaried employees, 219 family workers and 1,555 owners in 2,509 enterprises. In 1994 half the salaried employees were to be found in the public sector, a figure that would be even higher today given the recent growth in public employment including the recruitment of a police force numbering approximately 15,000 in the Gaza Strip alone.

2.3 The Israeli Labour Market

During the last few decades the Palestinian economy has benefited from the higher wage rates in the regional labour markets. Unskilled workers have found work in Israel, and skilled workers in the Gulf countries. The number of Palestinians working outside the Palestinian territories has, however, made the Palestinian economy more vulnerable to the unstable political climate in the region. The number of Palestinians working in the Gulf states was reduced after the Gulf War, and the number working in Israel, both in relative and absolute terms, has been reduced over the last few years. In 1987 persons working in Israel accounted for 50 per cent of employed men in the Gaza Strip. If this level had been maintained it would, due to the rapid growing labour force, have implied a considerable growth in the absolute number of Palestinians working in Israel. Instead, there have been large fluctuations following border closures and other regulations.

The number of Gazans working in Israel did, as mentioned above, grow steadily throughout the 1970's and 80's up to an estimated 45,000, or 45 per cent of the formally employed Gazans in 1987 (World Bank, 1993). Since then there have been substantial fluctuations depending on border closures and other regulations. From an annual average of 44,000 workers in 1991 the number dropped to 21,000 in 1994, rising to 26,000 in 1995 and dropping again in 1996 (Palestinian Department of Labour, 1996).

Out of approximately 26,000 Gazans working in Israel in 1995, 13,500 worked in construction, 5,000 in agriculture, 5,000 in industry, 500 in other sectors and 2,000 in the industrial zone at Erez. Work in Israel has been of great importance to the Palestinians, in particular for those in Gaza. However, it has also been of importance for Israel which for years has experienced shortages of workers

Guest workers

In the aftermath of the March 1993 border closure,² and to limit damage to the Israeli economy due to lack of workers, guest workers from countries including Romania and Thailand were accepted by Israel. Approximately 100,000 legal work permits were issued over a time period. Official data indicate that guest workers number about 73,000 or 3.7 per cent of the total number employed in 1996. This did help alleviate the immediate shortage of workers. However, as some guest workers had not left Israel after the expiry of their work permit, by the end of 1996 approximately 100,000 guest workers had remained illegally in Israel (Roni Bar-Zuri 1996), creating a new, partly illegal low-paid labour market. According to political

² After the bombs north of Tel Aviv in March 1993.

statements in Israel, forced expulsion of guest workers is intended to take place; nevertheless it is possible that these 200,000 guest workers will constitute a new and permanent part of the Israeli labour market.

The presence of guest workers has reduced the demand for Palestinian workers in the Israeli economy. With reduced economic growth for the Israeli economy in 1996 and 1997, the outlook for Palestinian workers in Israel is therefore less prosperous one with a downward pressure on wages, even if the number of permits were to increase and remain at a high level.

2.4 Workers in the Formal Labour Market.

Using this survey one can describe the typical formal market employee in Gaza Strip as a married 34 year-old man with 3 or more children, well educated and working as a skilled or professional worker. It is not very common to have more than one job. Among the workers interviewed only 8.5 per cent said they held additional jobs or had other kinds of employment than the job held in the enterprise where they were interviewed. This very low number might however be due to some under-reporting.

The labour force participation among women in the Gaza Strip is, as mentioned above, low at only 9.3 per cent of the women above 15 years of age work compared with 67.6 per cent for the male population. In this survey the sample contained 82 per cent men and 18 per cent women. This percentage is slightly higher than the average labour force participation rate for women in the Gaza Strip. Nevertheless the low number of women in the survey makes it difficult to analyse data for women as a separate group without a high level of uncertainty in the results. Never the less, for some key indicators such as salary, the gender differences are analysed.

The Gaza Strip population is a young one, as were the respondents in this survey. The average age of the workers in the survey is 34, with 25 per cent of those surveyed aged 25 years or younger. The average age in the survey is still higher than the average age of the economically active population. The reasons for this are explained below in the paragraphs on work history. Seventy-eight per cent of the workers interviewed were married. Among women, 62 per cent of workers interviewed were married. Thirty-three per cent were unmarried while the rest were either divorced or widowed.

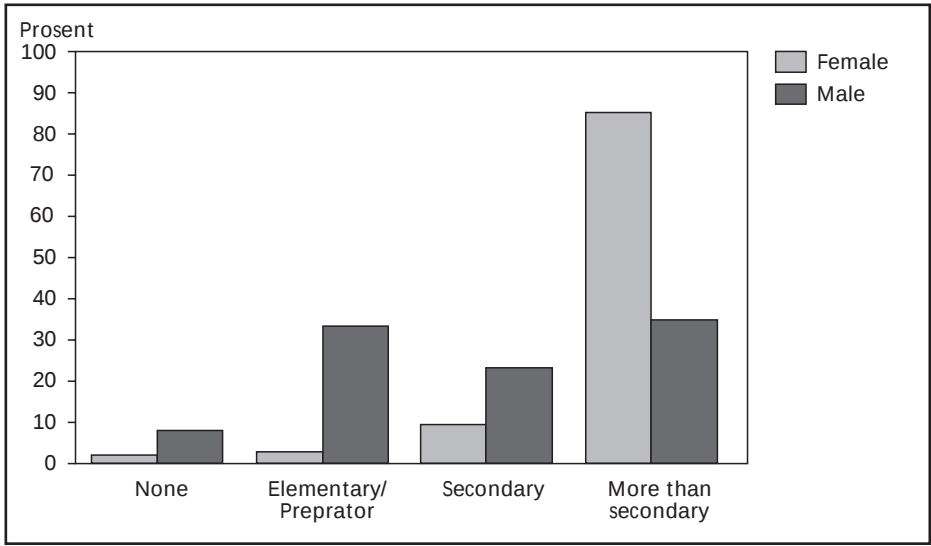
Workers in the survey had on average 3.4 children. If those without children are excluded, the average rises to 4.6 children per worker. Working women have slightly fewer children than working men, 4.0 on average. In the survey we asked

only about their immediate family responsibility, i.e. for one's own children. The survey did not cover other persons that might be dependent on the income such as parents or siblings; the number of children can, however, be seen as an indication of total family responsibilities. In relation to wage it seems that the number of children is an important variable as will be elaborated later.

Education level

In general the Palestinians are well educated. Among the workers surveyed only 7 per cent had no education. Nearly half the workforce surveyed, or 44 per cent, has completed educational requirements beyond secondary school. Twenty-eight per cent have completed elementary or preparatory school and an additional 21 per cent have completed secondary school. Figure 2.2 shows clearly that the women working in the formal labour market are highly educated with as many as 85 per cent having been educated beyond secondary school level. In addition to formal education, approximately half of the respondents, both men and women, had undertaken some form of vocational training or apprenticeship. Despite this high level of education among Palestinians there is concern that the human resources base does not keep pace with the changing markets. As discussed in Chapter 4.1, there are signs of a scarcity of skilled technical personnel despite relatively high levels of unemployment.

Figure 2.2 Highest type of education completed by gender. (Number of workers, NW = 470. Number of workers non-weighted, NNW = 515)



3 Wage and Working Conditions

In this chapter the main findings relevant to collective bargaining will be presented. These findings should be seen against the background of a difficult past faced by the trade union movement in forging an effective role for themselves when the political context of occupation, the economic context of restrictions and an excess supply of workers have been taken into consideration. This has resulted in, among other things, a lack of collective bargaining. By the end of 1996 the situation with regards to labour legislation in the Gaza Strip still remained unclear, even though today the trade unions there enjoy the opportunity of organising themselves in all but the Government sector. For some time the new Palestinian Legislative Council has been working on a proposal for a new labour code for the whole of Palestine, including the right to organise, the establishment of a national minimum wage, pension rights and a minimum age admission for work. This legislation had still not been passed by January 1997, and there were no expectations that it would become law before the end of 1997. In the meantime the labour market remains regulated by several laws. The most important is the Egyptian Gaza Act No 16, but also British and Ottoman regulations are used as legal sources in court. No separate labour courts exist in the Gaza Strip, so labour disputes have to be processed through the civil courts. The fact that the Egyptian labour legislation remains the basis in the Gaza Strip, as does Jordanian legislation in the West Bank, results in different legal practices in the different regions of the Palestinian self-rule area. A Department of Labour and Vocational Training has been established by the PA with the assistance of the International Labour Organisation (ILO).

3.1 Private Sector Employment Relationship

The average private sector worker surveyed had been employed in his/her current enterprise for approximately 5 years compared to around 9 years for the average public sector worker. In the private sector, 17 per cent of the workers hold executive or professional positions or are so called white-collar workers. Sixty per cent are skilled workers and 23 per cent unskilled. A large majority of the white collar workers (91 per cent) are permanently employed. Among the skilled workers 86 per

cent are permanently employed and among unskilled the level of the permanently employed is 80 per cent.

Lack of written contracts

A key element in the employee-employer relationship is the existence of individual written employment contracts. A written contract can consist of several pages or simply a letter of appointment spelling out the fact that a person is employed from a specific date and under certain conditions. It should be signed jointly by both parties. Both the employers and employees were asked about such written employment contracts. From a worker's perspective figure 3.1 shows some poor results. Only 20 per cent of the workers in the private sector have written work contracts. For blue-collar workers the figure is less with only 13 per cent having written contracts. Among professional workers 48 per cent have written employment contracts, whilst private sector employers reported that only 10 per cent of their workers had been given such a contract.

How does the employer exercise discipline at the workplace?

Eighty per cent of the enterprises in the private sector in Gaza had a set of written work place regulations. Work place regulations consist of a set of rules drawn up

Figure 3.1 Existence of a written employment contract by position in the company, among private sector workers (NW = 205, NNW = 221)



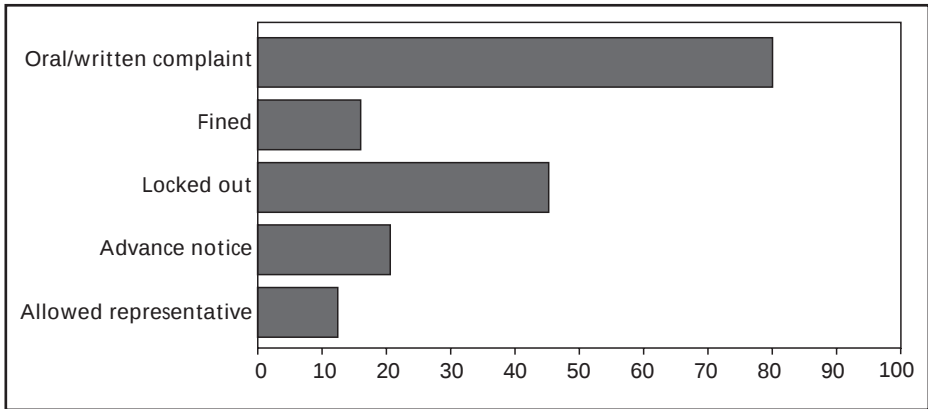
by the management unilaterally, covering all employees and normally including regulations for normal operating hours, security, health and safety.

How to tackle disciplinary questions and dismissals is regulated in many places by agreements between the workers and the employers. One example could be the code of conduct between farm workers and farmers in Zimbabwe, which gives a worker the right to be assisted by a workers' committee representative in his/her defence before a written warning is given. The code further identifies three types of warnings: A "verbal" warning should be given for poor time-keeping, absence from work, minor losses, damage or misuse of employer's property through neglect. "Severe" warning can be given for "disorderly behaviour" or "unsatisfactory productivity" A "final" warning for misdemeanours such as "sleeping on duty" or "drunkenness", must be in writing. Dismissal of a worker should also be in writing. Disciplinary action is taken after the appointment of a disciplinary committee, equally represented by management and workers. Employers keep disciplinary records. (Amanor-Wilks, 1995)

The contrast to the Gaza Strip shop floor is striking. In the Gaza Strip 70 per cent of the enterprises in the private sector had at least one disciplinary action in 1996, and as many as 26 per cent had dismissed at least one worker during the last year. Managers were asked to describe the procedure for the most recent disciplinary actions. Figure 3.2 gives the responses to the question put in a closed form, namely; Please describe the procedure for the last disciplinary action by answering yes or no:

- 1 The employee was admonished by way of an oral and/or written warning.
- 2 The employee was punished with a fine or reduction in wages.

Figure 3.2 Description of most recent disciplinary actions. Per cent of management agreeing with the given statement



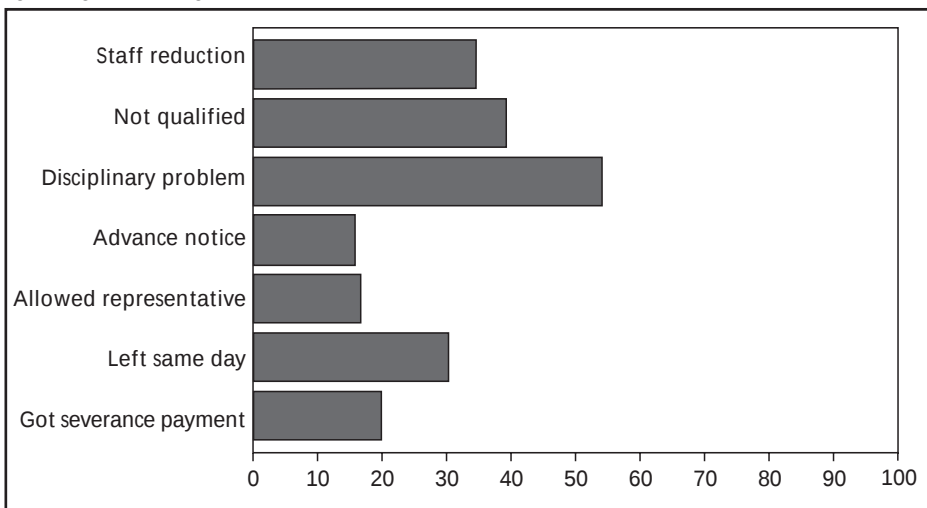
- 3 The employee was locked out of the workplace for some time.
- 4 Did the employee get notice in advance?
- 5 Was he/she allowed a representative to defend his/her case?

As can be seen from figure 3.3, only 13 per cent of those disciplined was allowed a representative to defend his/her case. In only 21 per cent of the cases had the worker been given an advance notice of the possibility of disciplinary action. The most common type of disciplinary action is an oral or written warning.

As seen above, disciplinary actions against an employee may take several forms, from a correction through an oral and/or written warning to the harshest: dismissal. Managers were asked to describe the procedure for the most recent dismissal. Figure 3.3 gives the response to the following closed form question; Please describe the procedure for most recent dismissal by answering yes or no to the following statements:

- 1 The employee had to leave because of general staff reduction.
- 2 The employee had to leave because he/she was not qualified for the job.
- 3 The employee had to leave because of disciplinary problems.
- 4 Did the employee receive notice in advance?
- 5 Was he/she allowed a representative to defend his/her case?

Figure 3.3 Description of most recent dismissal. Percentage of private sector management agreeing with the given statement



- 6 Did the employee have to leave the same day?
- 7 Did the employee get any severance payment?

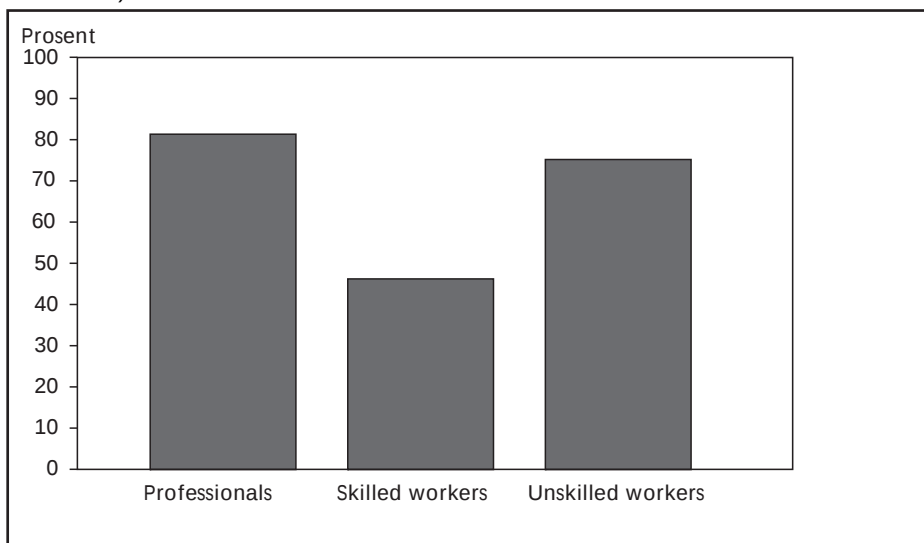
As can be seen from figure 3.3, half the dismissals result from disciplinary problems. Only 16 per cent of the dismissed workers received an advance warning, whilst only 17 per cent were allowed to have a representative to defend him or her self. Thirty-one per cent had to leave the same day as they received their dismissal. Only 20 per cent of the dismissed received severance payment.

3.2 Public Sector Employment Relationship

The average worker in the public sector has been working in their current enterprise for an average of 9 years, which as mentioned above is far longer than in the private sector. While half of the private employees are blue-collar skilled workers, close to 3/4 of the public sector employees are white-collar professionals. Of the remainder 10 per cent are skilled workers and 17 per cent unskilled. Virtually all public employees (93 per cent) are permanently employed.

Figure 3.4 indicates that written individual work contracts are much more common in the public sector than in private sector. A total of 77 per cent of the workers have a written contract of employment. Again the professionals are the better

Figure 3.4 Existence of written employment contract by position in the company. (NW = 262, NNW = 290)



off with 81 per cent having a written contract, followed by 75 per cent of the unskilled and 46 per cent of the skilled workers.

Eighty-two per cent of enterprises in the public sector in Gaza had a set of written work place regulations. Only one dismissal was reported, and 11 per cent had taken any disciplinary action against their employees.

3.3 Wages and Remuneration

The wage calculation system in Gaza is, as elsewhere, dependent upon the type of employment. Wages of white-collar workers -including managers, executives, professionals, technical and clerical staff- are mainly calculated on a monthly basis. The wages of blue-collar workers -including supervisors, skilled and unskilled workers- are mainly calculated on a daily basis. However there are large variations within the white and blue collar worker groups, perhaps a result of the low numbers covered by collective agreements.

Piece rate, or payment per produced or sold item is not very common in the Gaza Strip and is only used by 2.1 per cent of the enterprises surveyed. These workers are not included in the calculation of the wage levels below. Even among the self employed, only a few, 4 per cent, work on a commission or subcontract basis for another company. However this number will probably be higher in parts of the labour market not covered by this survey, for example subcontracting in the textile sector.

Wage level¹

Both employers and employees were asked about wage levels. The employer was asked to indicate minimum wage level in the company by giving the basic wage in different categories. The employee was asked about his/her basic salary. Figure 3.5 indicates the average wage level for men and women by sector as given by the workers. In the private sector the average monthly wage earned by male workers was 1075 NIS and for female 761 NIS. In the public sector the wage level is higher, 1414 NIS on average for the male public sector workers surveyed and 1138 for the female public sector workers. It should be noted that the differences between the

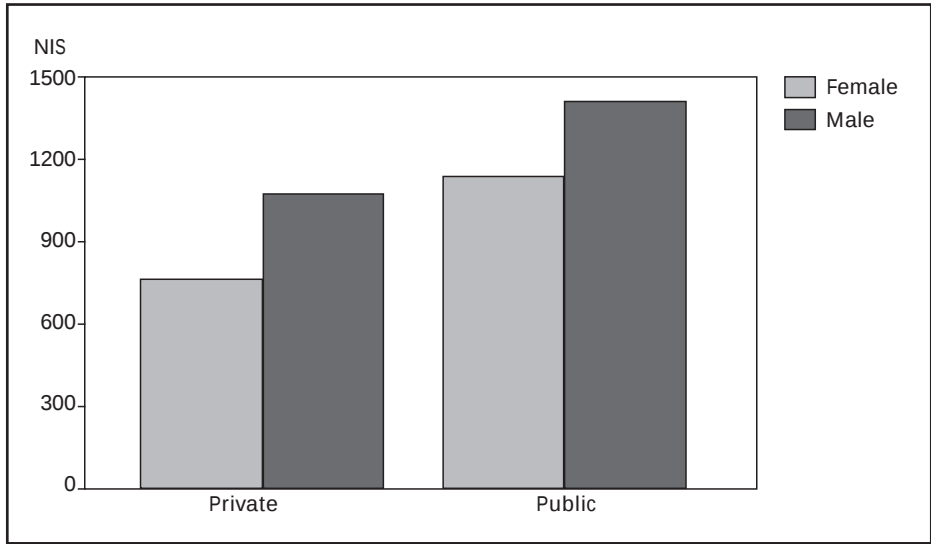
¹ The wage level is determined by a 95 per cent confidence-interval of approximately 50 NIS in each direction for all workers. For public sector workers it is approximately 75 NIS in each direction. For public sector male workers it is approximately 100 NIS and for private sector female approximately 150 NIS in each direction. Estimates by SUDAN.

male workers in the private sector and female workers in public sector are marginal and fall within the area of statistical uncertainty. The 95 per cent confidence interval for male workers in the private sector is between 1031 NIS to 1119 NIS, and the 95 per cent confidence interval for female workers in the public sector is between 1084 NIS to 1119 NIS.

The wage level given by the workers corresponds to the average wage levels given by the employers in the private sector, 1008 NIS a month for male and 898 NIS a month for female workers. In the public sector, employers indicated an average minimum of 1153 NIS a month for male workers and 887 NIS a month for female workers. The difference between the figures given by the public sector workers and employers can be explained by the different ways of asking the question. The public sector workers have, as mentioned above, been employed for 9 years on average. One should therefore expect their salary to be significantly higher than the minimum basic wage as given by the employer.

There are significant wage differences between professional, skilled and unskilled workers. Figure 3.6 shows the figures given by male workers. Professionals are the best paid with professional male workers in the public sector getting on average 1655 NIS a month, while their colleagues in private sector get on average 1182. NIS a month. The latter are not, however, significantly different from skilled workers. Male skilled workers in the private sector get on average 1153 NIS per month and male public sector skilled worker 1193 NIS per month. The lack of significant differences between private sector professionals and skilled workers can be explained

Figure 3.5 Workers wage level by gender and sector in Gaza. Average NIS per month. (NW = 479, NNW = 521)



by the fact that the first group includes a high number of professionals employed in small enterprises. Unskilled workers are paid a significantly lower wage than skilled workers both in the private and public sectors. A male private sector unskilled workers is paid 800 NIS a month on average, while his public sector colleague re-

Figure 3.6 Male workers' wage level by sector and category in Gaza. Average NISs per month. (Nw = 479, NNW = 521)

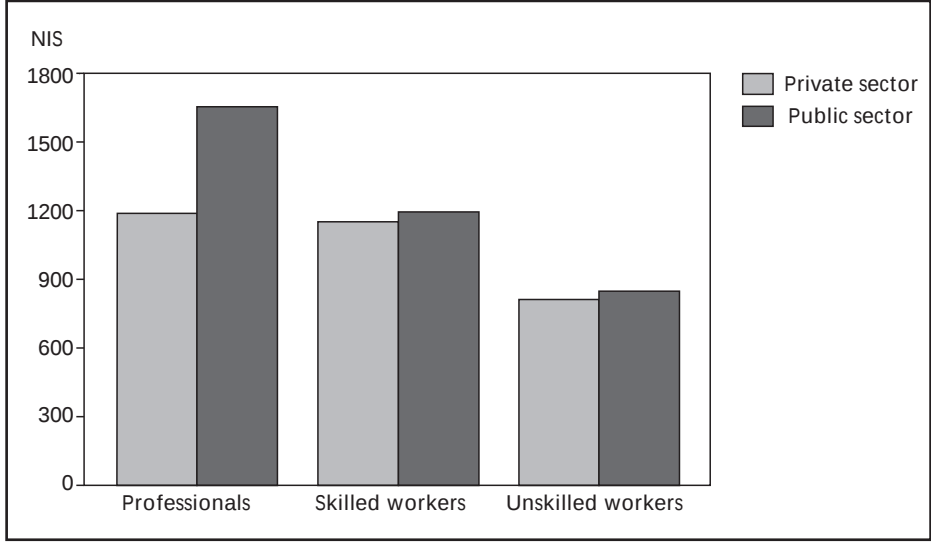
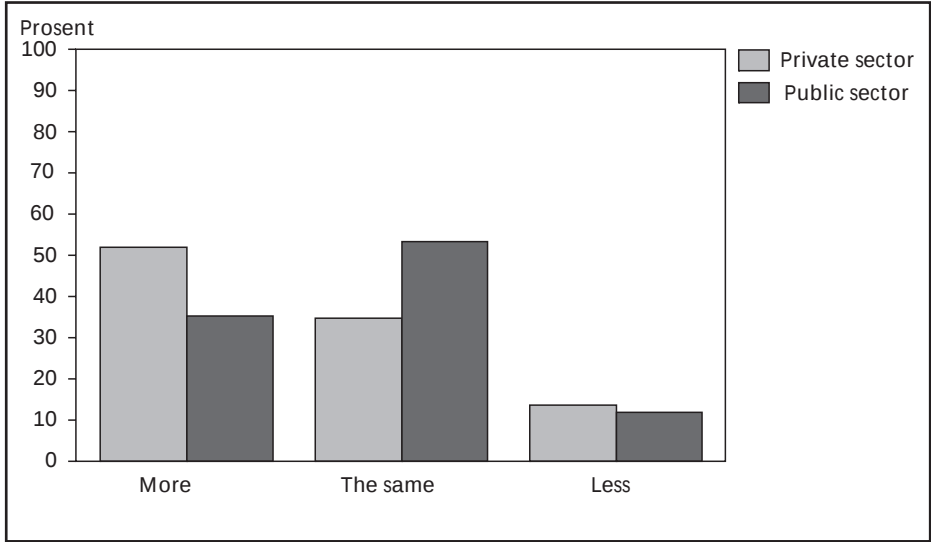


Figure 3.7 Change of income in 1996.(NW = 449, NNW = :)



ceives 861 NIS a month. The wage level observed among the self-employed was 979 NIS per month.

In previous wage studies undertaken in the Gaza Strip a certain underestimation of income has been anticipated, due to the population's traditional hesitation in revealing accurate income levels. The relative correlation between wage level given by managers and workers in this survey can be taken as an indication of a high degree of validity for these results. It is necessary to repeat that the survey was designed in such a way that these figures cannot be taken as the general wage level in the Gaza Strip. What it tell us is something about the wage pattern in the most formal part of the labour market in Gaza.

If comparing the findings in Figures 3.5 and 3.6 with other surveys, the PCBS Labour Force Survey from April 1996 estimates the average daily wage for the Gaza Strip at 40.8 NIS, and 49.7 NIS in services including public service (PCBS August 1996). If multiplied by the PCBS estimate of average working days per month (22.6) these daily wage rates indicate an average monthly wage rate of 922 NIS if all workers in the Gaza Strip are included, and 1,123 NIS for the service sector only. For Palestinians working in Israel the PCBS estimated the wage level to be 75 NIS per day and the monthly working days to be 17.8 which indicates a monthly wage of 1335 NIS.

Despite the level of uncertainty associated with the estimates in this survey, they still help draw a picture of the wage level in the different segments of the labour market in Gaza. In order to obtain an impression of recent changes in wage level, employees were asked to indicate if they were paid more or less at the end of 1996 as compared with one year earlier. Figure 3.7 shows that fewer than half of the workers experienced any nominal wage increase in 1996. The same table indicates that private sector workers did a little bit better in 1996 than public sector workers. According to PCBS the inflation rate in Gaza in 1996 was about 8 per cent, indicating that even some of the workers who got a nominal wage increase still experienced a drop in their real wage level.

Determination of wage level

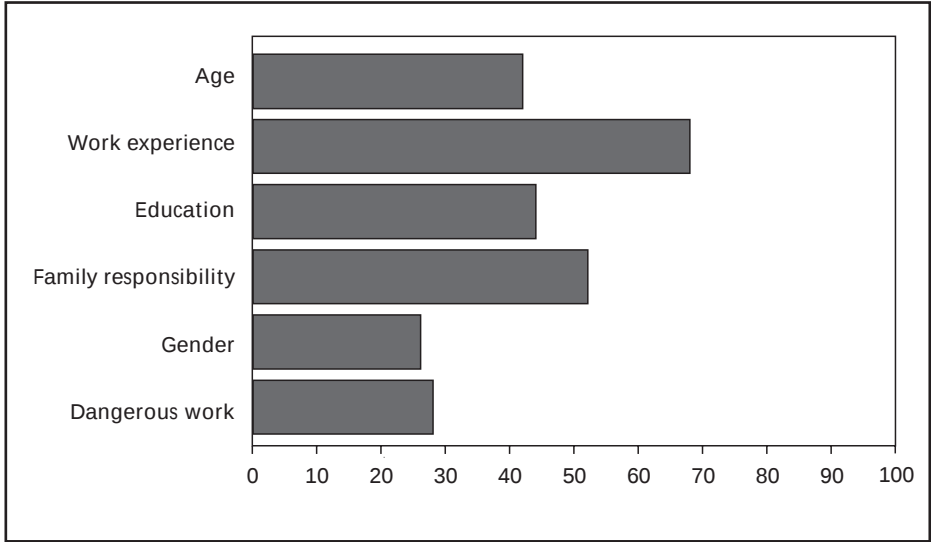
Different elements are taken into account when determine the wage level. One example can be found in the collective agreement between St. Joseph's Hospital in Jerusalem and the local PGFTU affiliated union. Here in Article II wage levels are determined based on education and position. The following categories are specified: Doctor, BSc degree holder, Diploma holder, Nursing assistant, Laboratory assistant, X-ray technician, Pharmacy staff, Cleaners and Maintenance staff. The agreement also states that all workers shall be classified by mutual agreement between the employer and the union.

To find out how the wage level for the individual is determined in the Gaza Strip the employer was first asked to describe the different elements taken into account when setting the wage level for an employee. The results as shown in figure 3.8 do not give any decisive indication about how the wage levels are determined in each enterprise. However, they do indicate that some sort of formal evaluation of the workers' different qualifications is taking place. If one looks at the first five elements listed in figure 3.8 only 13 per cent of the enterprises do not take any of these elements into consideration. Thirty per cent take all first five elements into consideration when determining the wage level of an employee.

Employers were further asked if their enterprises operated some type of wage scale or increment agreement for the employees. A wage scale or increment agreement is an arrangement under which the employee regularly and automatically receives a wage increase without prior negotiation. An example of such a wage scale can be found in the collective agreement between Al Bayan Co. Gaza and the PGFTU affiliated Metal Workers Union, where it states that: "The minimum wage for a new unskilled worker is 450 NIS per month. Thereafter the worker shall have a fixed quarterly increase of 50 NIS until he reaches 800 NIS per month". Among the enterprises surveyed 1/3 reported that they operated some sort of a wage scale.

What are the characteristics of those earning high wages? The information given by the workers made it possible to check the profile of persons given different wage levels and compare it with the above findings using a linear multiple regression

Figure 3.8 Elements taken into account when the wage level is determined .(NW =85, NNW = :)



analysis. Eleven explanatory independent variables were selected for the following equation:

$$\begin{aligned} \text{Wage} = & a + b1(\text{Age}) + b2(\text{Number of children}) + b3(\text{Level of education}) \\ & + b4(\text{Number of years in current job}) + b5(\text{Involved in dangerous work}) \\ & + b6(\text{Size of the enterprise}) + b7(\text{Position in the enterprise}) \\ & + b8(\text{Public or private sector}) + b9(\text{Gender}) + \\ & + b10(\text{Having undergone vocational training or taken an apprenticeship}) \\ & + b11(\text{Being covered by a collective agreement}) \end{aligned}$$

The 11 variables combined explained 26 per cent of the wage variations in the material. Four-hundred-and-eighteen workers were included in the regression analysis. The data from the multiple regression analysis can be found in Appendix 2. Some additional variables such as: "Having a written employment contract", "Working outside normal working hours" and "Being a non-permanent worker" were also tested but were not significant in explaining wage differences. This may be a result of the fact that such differences possibly do not exist in the population, or that -as in the case of collective agreements and non permanent workers- the sample includes only a small number, making any analysis of their contribution difficult.

The results of the regression analysis indicate that the single most important variable in determining wage levels is the position held in the enterprise. A white-collar worker can expect to earn 702 NIS a month more than an unskilled worker. A skilled worker can expect to earn 375 NIS more a month than an unskilled worker. The gender difference is also significant. For example, on average a male worker can expect to earn 337 NIS a month more than a female worker in the same job and with equal qualifications. In addition the number of children has a significant influence on wage level, on average 43 NIS per month per child. This latter result indicates that the wage level is not only determined by the nature of the work but also by the burden on the individual as a breadwinner.

Several of the elements mentioned by the managers seem to have a limited influence on wage determination. Being exposed to an inferior working environment or other health risks, the number of years working in the enterprise or age do not appear to have any significant influence on the wage level.

Surprisingly education does not significantly influence the wage level, an unexpected result which is difficult to explain. The result remains the same if only male workers are included. A reason for this might be that the number of well educated Gazans exceeds the number of jobs where higher education is needed and therefore highly educated people take all kinds of jobs.

The gross influence of working in the public sector is significant: public sector workers make an estimated 258 NIS a month more than private sector workers. But when controlled for other variables, it appears that the reason for this

is that in the public sector there are relatively more higher paid white collar professionals and elderly workers than in the private sector. On the other hand the difference is reduced because the public sector has relatively more female workers. In this sample of workplaces with more than five salary employees, small enterprises (between five to nineteen salaried employees) do not pay significantly different wages compared with those few large enterprises (with more than twenty salaried employees).

The way the wages are fixed, or in other words wage determination, differs between the public and private sectors. In the public sector, being covered by some sort local collective bargain plays a more important role than in the private sector. Having a dangerous job provides a small but significant extra pay increase of 85 NIS per month in the public sector. In the private sector age counts significantly while the number of children counts for less. Employment in a company with some sort of local collective bargain does not have a significant influence on the wage level, nor are you paid more for having a dangerous job.

In summary, one can say that the basic element in the present wage determination system in the Gaza Strip is the category of work. If you are employed as a skilled worker, your age, background, experience and education are of subordinate importance. You will be paid more or less the same as other skilled workers with different backgrounds. The only other major elements taken into consideration are gender and family responsibilities. You are paid considerably less if you are a female, even if you have the same education and experience as your male colleagues. Male or female, you get more pay for the more children you have.

Additional remuneration

In addition to the basic wage, an employee might receive other types of payment or allowance. One example of this can be found in the collective agreement between the Arab Association of Hotel Owners (in Jerusalem) and the PGFTU affiliate Hotel and Restaurant workers. Here the workers are granted work clothes, meals during the paid meal break, 120 NIS per month in transport allowances and holiday allowances ranging from 500 NIS to 900 NIS depending on the number of years service.

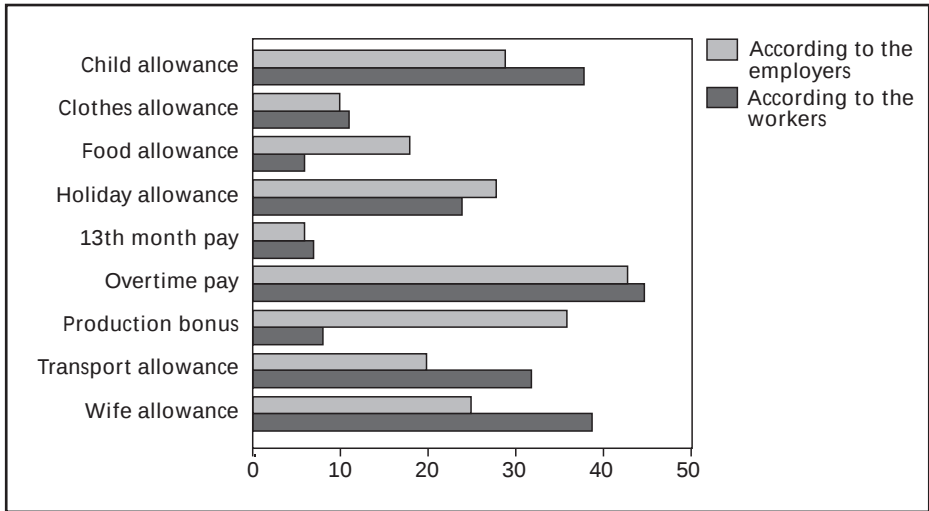
Figure 3.9 shows the extra payment listed by the employers and the employees in the Gaza Strip. It should be noted that it is not always possible to draw a distinction between the basic wage and an additional payment. A wage increase because of an extra child can be seen both as a type of allowance and as an increase in the basic wage.

As can be seen from figure 3.9 overtime payments and child allowances are the two most common allowances according to both the employers and the workers.

Production bonuses are the only additional payments of which the employers indicate a much higher use than was believed by the workers. This could be one example of the lack of information and of the misunderstanding experienced by workers in the Gaza Strip about how their remuneration is calculated and the different elements included; further examples are given later. For some of the additional payments there are several significant differences between private and public sector workers and between different professions. Holiday allowances are given to 32 per cent of workers in the public sector and 15 per cent in the private sector. Transport allowances are twice as common in the public sector as in the private sector, 40 per cent versus 22 per cent. Marriage allowance is only common in the public sector, 60 per cent versus 13 per cent in the private sector. Overtime payments are most commonly found among skilled and unskilled workers with 61 and 56 per cent in the public and private sectors respectively. Production bonuses are most common among skilled workers in the private sector where they are enjoyed by 17 per cent.

Some people also receive benefits in kind as part of their wages, such as free housing, clothes or meals. Payments in kind may not always be thought of as payment. Eighteen per cent of the employers report that they give their workers some payments in kind. When those 18 per cent were asked to specify, sixty-nine per cent indicated clothes or uniforms, 71 per cent free meals, 21 per cent free housing and 19 per cent other types of such payments. Only 8 per cent of the workers stated that they received payment in kind, and of these few 79 per cent listed clothes or uniforms, 28 per cent free meals, zero per cent free housing and 5 per cent other types of payment in kind.

Figure 3.9 Percentage entitled to additional payments or allowances. (NW workers = 470, NW employers = 85)

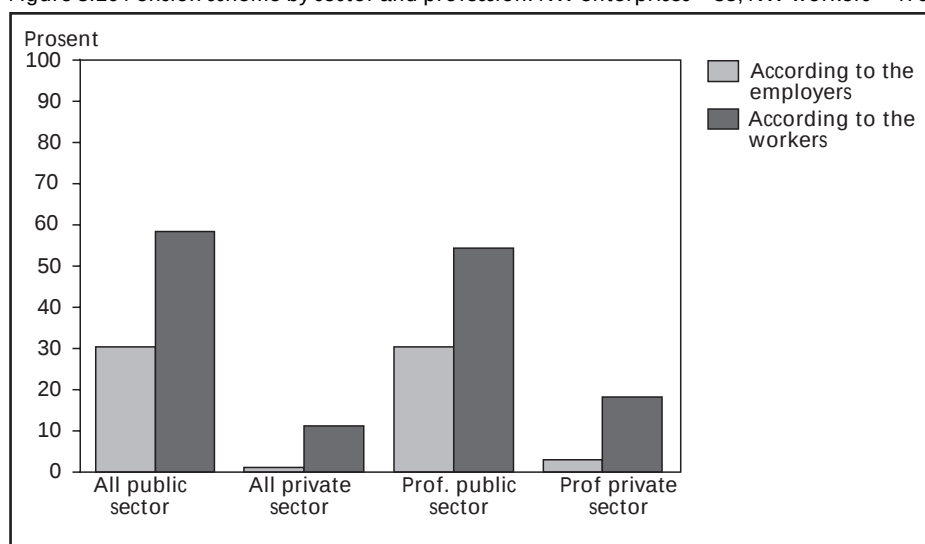


Pension schemes and severance benefit

Both employers and workers were asked about pension schemes. The results are presented in figure 3.10. As can be seen, there is a discrepancy between the workers reporting that they have a pension scheme and the number of employers reporting that they offer such a scheme. More workers claim to have pension scheme rights through their work than employers claiming to offer such schemes. One reason for this might be that the questions asked were not totally identical: employers were asked if a scheme covered everyone or only a group of the employees, the workers were asked if they were covered. But also in this case the discrepancy might be an other example of the lack of information and of the misunderstanding on the part of the workers about how their remuneration is calculated and the different elements included. Pension schemes are most common in the public sector and are equally distributed among the different groups in this sector. In the private sector pension schemes are not so common, and if they do occur, this is most common among professional workers.

A severance payment is a bonus paid to the employee when leaving the company, either for a new job or on retirement. The amount paid is normally dependent on the number of years worked. Figure 3.11 shows the large differences in who actually receives severance payments. Under the Egyptian Gaza Act No. 16, § 48 and § 50 it is obligatory for an employer in the Gaza Strip to make severance payments. The employer is required to pay the equivalent of half a month's salary for each year served up to five years and one month's salary for each additional year. Even if exceptions exist to these obligations, it must be regarded as surprising that

Figure 3.10 Pension scheme by sector and profession. NW enterprises = 85, NW workers = 470)



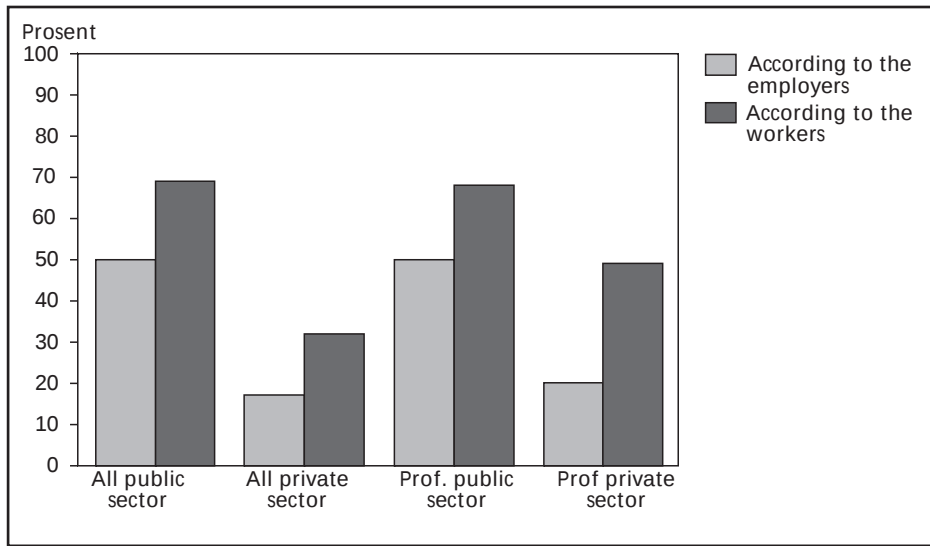
only 17 per cent of private sector employers state that they award their workers severance payments. Even the result showing that 50 per cent of public employers make severance payments, must be considered a very low score given that this is obligatory by law, yet again the workers believe they get more than what the employers really offer. The results shown in figure 3.11 indicate that trade unions may have a role to play in helping the workers exercise their legal rights. This will be discussed further in Chapter 5.

Methods of payment

Wages in the Gaza Strip are paid in cash. Ninety-four per cent of the enterprises pay their workers in cash, whilst only 6 per cent use a bank. One would expect this figure to increase in parallel to the development of the banking sector in the Gaza Strip. However, bank use is likely to remain low, and for this reason will limit the possibilities for automatic deduction and transfer systems of union fees through the banks.

Having your wage calculated on a daily or weekly basis does not imply that you get your salary at the end of each day or week. Workers were asked how often they were paid according to a normal pattern and whether they had experienced any delays in the payment of their salary since January 1996. Most workers in the Gaza Strip receive their wages once a month. In the public sector this is valid for all of those surveyed. In the private sector 80 per cent receive their wages on a

Figure 3.11 Severance payment by sector and profession (NW enterprises = 85, NW employees = 470)



monthly basis, and the remainder are paid either weekly or fortnightly. As many as two-thirds of the day-workers in the private sector receive their wages on a monthly basis. Forty-five per cent of the skilled workers in the private sector had experienced delayed payments in 1996. On average 38 per cent of the workers in private sector and 11 per cent of workers in the public sector had experienced late payment of their salary in 1996.

Figure 3.12 Deduction from pay packets. Per cent yes (NW workers = 470, NW employers = 85)

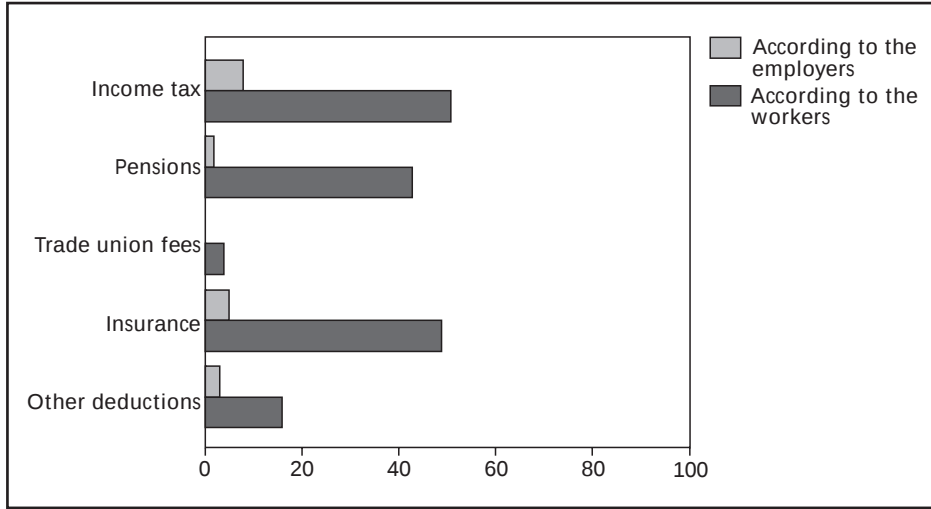
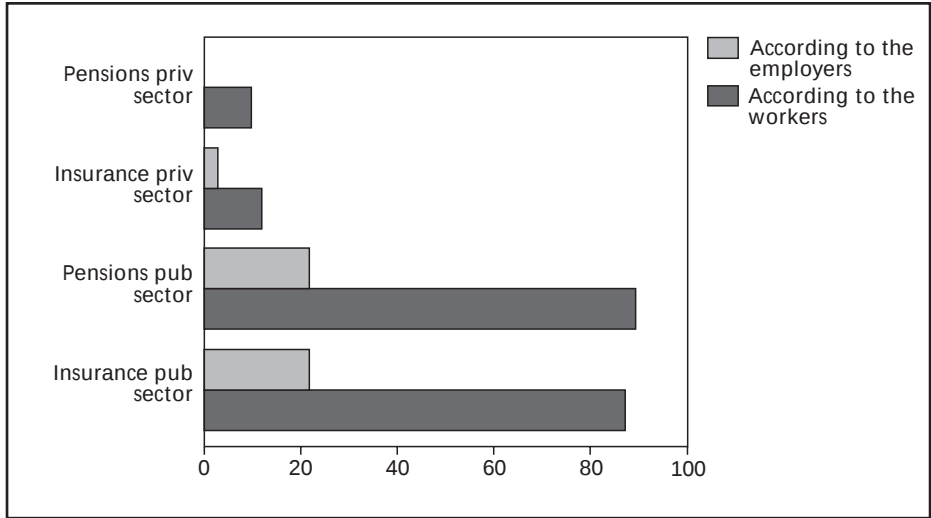


Table 3.13 Deduction from pay packets by sector. Per cent yes. (NW workers = 470, NW employers = 85)



One of the telling results from the survey is the very low number receiving a pay slip: twenty-eight per cent of workers in private sector and only 11 per cent of the unskilled private sector workers. In the public sector 85 per cent receive a pay slip. This is significant because without a pay slip it is difficult for workers to know their exact wage level, the allowances included and the number of hours and days paid for; it makes it difficult to know if one has been paid correctly for overtime, for national and religious holidays, or what type of deductions have been made from the salary by the employer. Several results, mentioned both above and below, indicate that there is a lack of information among the workers regarding their remuneration, information normally found on the pay slip.

Deductions

Both employers and workers were asked about what normally was deducted from the pay packet. Figure 3.12 shows the response. Here one can really note a discrepancy between the answers from the employers and the workers. While only a handful of employers in fact deduct something from salaries, half the workers believe that income tax, pensions and insurance are deducted from their salary. It would appear that some workers might get an unpleasant surprise when they discover that the pension or insurance deductions they believed they had paid actually do not exist. These misconceptions could also be one result of the lack of written employment contracts and payslips.

According to the data both given by workers and employers, there is a significant difference between public and private sector in what is deducted from the pay-packet. This is illustrated in figure 3.13. This reflects further that more public sector workers have pension schemes and different types of insurance. The differences in the perceptions of employers and workers exists however in both sectors.

3.4 Hours of Work

Normal working hours

Table 3.1 shows the private sector workers in the Gaza Strip work on average 48.8 hours per week, public sector averages 36.3 hours per week, and the self-employed 55.0 hours per week. The PCBS have estimated in their Labour Force Survey the average weekly working hour as 43.3 and the average monthly working days as 22.6.(PCBS, August 1996). The wide difference between public and private sector workers regarding working hours might be somewhat surprising, as public sector

workers in the Gaza Strip seem to work less hours per week than the average European public sector worker (Olsen, 1996).

Table 3.1 Average normal working hours given by enterprises and self employed. Actual average working hours last week given by the workers

	According to employers			According to workers	
	Private sector	Self employed	Public sector	Private sector	Public sector
Days a week	5.9	6.1	5.9	5.6*	5.8
Daily working hours	8.2	8.9	6.1	:	:
Hours a week	48.8	55.0	36.3	48.9	35.1

* Permanently employed workers: 5.7

Lunch break

Only half of the surveyed workers enjoy a lunch break. It is particularly those workers in the public sector (2/3) who do not have a lunch break. This might be explained by their short average daily working hours as can be seen above. In the private sector, twenty-four per cent do not have a lunch break. However this group works as many hours as the rest of the workers in the private sector. Both in public and private sector, a majority of those having lunch breaks have this included in their working hours. The average duration of a lunch break is 45 minutes in the private sector and 30 minutes in the public sector.

Shifts and work at weekends

The survey did not find it common to work at the weekend (Friday). Half of the enterprises never continued production on a Friday, yet twenty-seven per cent of the enterprises did operate on the Friday in the week before the survey. Another 7 per cent had continued production on at least one Friday in 1996, and an additional 10 per cent had done so before 1996.

Both managers and workers were asked to describe their work schedule. Normal day shifts from 6 a.m. and 6 p.m. are by far the most common. Ninety-one per cent of the employers and 86 per cent of the workers indicated that this was the work schedule which best described the situation in the company or for the worker interviewed. Night work was only common in the public sector where 14 per cent of workers worked some sort of rotating shift including night work.

Are shift workers with regular night work, such as nurses at a hospital, paid more than normal workers? The answer generally is no. Eighty-eight per cent of the managers say that night shift work is not paid more than for regular hours.

Travelling time

On average, the workers in the sample took 41 minutes for their normal daily two-way journey between home and their main place of work. There is no statistical evidence in the material that workers with longer journeys are more likely to receive transport allowances from their employers.

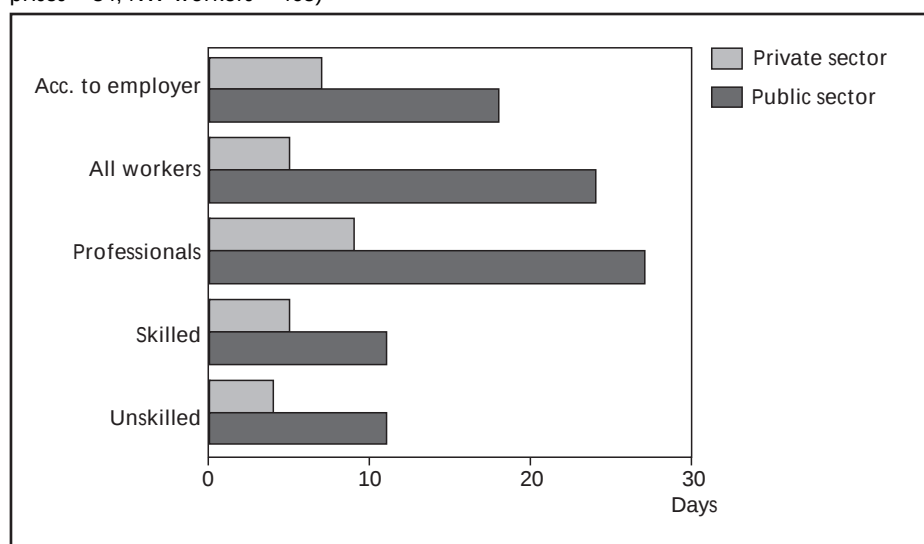
3.5 Leave Provisions

Holidays

Leave provisions are normally regulated by collective agreements. In the agreement between the Arab Association of Hotel Owners (in Jerusalem) and the PGFTU affiliate Hotel and Restaurant Workers Union annual leave for workers with between one and three years' service is fourteen days per year, twenty days for workers with between four and six years' service and twenty one days a year for workers with more than six years' service. In addition all workers are entitled to seven days of paid religious leave, one day for Independence Day and one day for 1st May or Women's Day.

To obtain an estimate of the number of paid annual holidays in the Gaza Strip, employers were asked how many days paid holiday their workers were given annually. Workers were also asked how many days paid annual holiday he or she received in 1996. The results, given in figures 3.14 and 3.15, shows large differences

Figure 3.14 Average days of paid annual holiday leave by sector and profession. (NW enterprises = 84, NW workers = 465)



between the public and private sectors and between the white and blue-collar workers. However the average number of days does not give the full picture. In order to identify proposals that could be included in collective agreements one should look at the most common arrangements. Sixty-four per cent of the private sector workers

Table 3.15 Average number of paid religious holidays by sector and profession. (NW enterprises = 84, NW workers = 465)

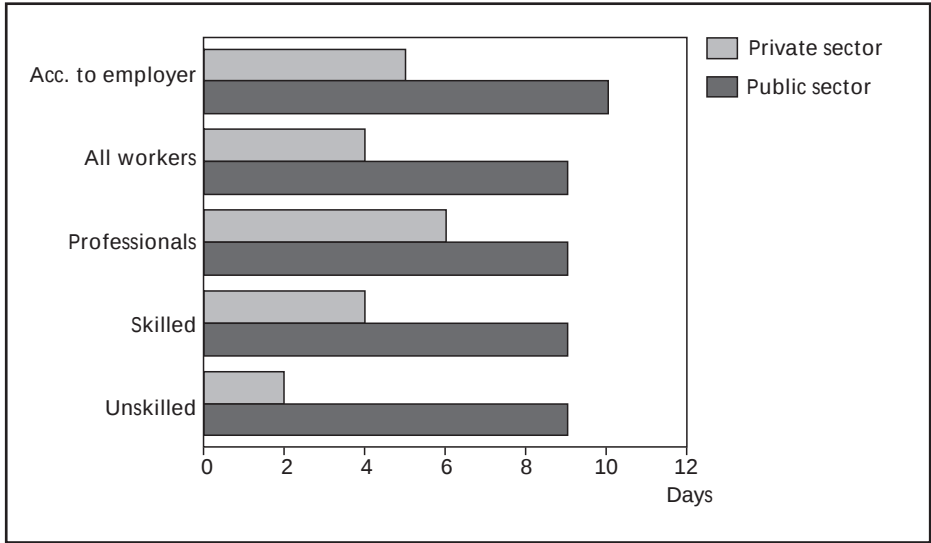
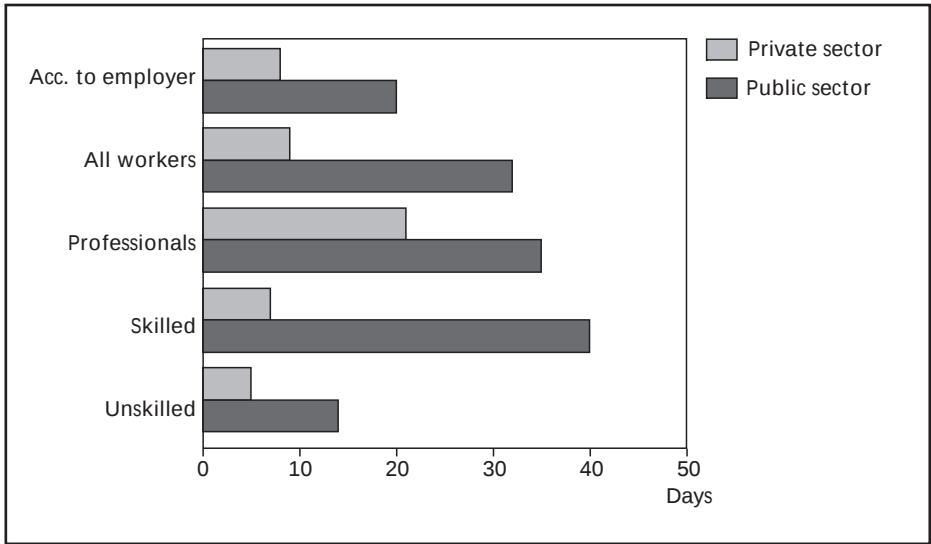


Figure 3.16 Average days of maximum paid sick leave by sector and profession. (NW enterprises = 84, NW workers = 465)



and 18 per cent of the public sector workers have no days paid leave. In the private sector 6 per cent have 2 days and 4 per cent have 15 days paid leave per year. In the public sector the most common paid holiday period is 21 days (15% of all public sector workers) and 30 days (13%).

Paid religious holidays are more common. Only 38 per cent in the private sector and 3 per cent in the public sector have no paid religious holidays. In the private sector 13 per cent have 6 days and 12 per cent have 10 days per year. In the public sector 23 per cent have 12 days and 22 per cent have 10 days. Paid national holiday(s) are not common in the private sector where 70 per cent do not have any and 25 per cent have one day per year. In the public sector 83 per cent have one national holiday paid each year. Four per cent have 4 days of national holidays paid.

Sick leave

From figure 3.16 large differences can be detected between sectors and professions regarding sick leave. The estimates for the average number of days do not provide the complete picture: among private workers 58 per cent did not have paid sick leave at all. Nine per cent had the possibility of taking 3 days, and 5 per cent were entitled to 15 days of paid sick leave per year. The situation among the public workers was quite different. Here only 17 per cent were without paid sick leave provisions. 20 per cent had a 90 day annual provision.

Education leave

Education leave exists to some extent in Gaza. Fourteen per cent of the enterprises say that their workers have the possibility of paid education leave, and an additional 18 per cent say that their workers have the possibility of unpaid leave for education or training. The remaining 68 per cent have no provision. The most common number of leave-days provided, paid or unpaid, was 30 per year. In 1996, seven per cent of the workers interviewed had paid education leave and another 8 per cent had unpaid education leave. The provision for education leave is not significantly different between the private and public sectors. The number taking leave is neither very different, but the public sector workers taking leave in 1996 were more likely to be paid.

To complete the picture on education, employers were asked about education provided by the enterprise. Half the enterprises in both sectors had some sort of introductory training for new workers. Half the enterprises, but not necessarily the same ones, had some sort of in-house training and upgrading for their workers. So far as external courses were concerned, eight per cent of private sector

enterprises and 40 per cent of public sector enterprises sent workers to courses outside the workplace.

Other leave provisions

Workers were asked about other types of paid or unpaid leave provided by the company. Paid maternity leave exists in the public sector. Forty per cent of the employers in the public sector said they have paid maternity leave and 15 per cent of the female respondents (NW = 83) had taken paid maternity leave during 1996. The most common number of leave days provided, paid or unpaid, was 60 days. Nine per cent of the employers in the private sector said that paid maternity leave exists in their company, but the survey found no female worker having had paid maternity leave in 1996 in the private sector. An additional 6 per cent of the employers said that unpaid maternity leave exists in their company, but the survey found no female worker having had unpaid maternity leave during 1996 either.

Of the other types of leave provision, emergency leave or leave because of the death of a close family member is the most common: sixty-two per cent of all enterprises give paid emergency leave and an additional 20 per cent give it unpaid. The most common number of leave days provided, paid or unpaid, was 3 per year. Forty-three per cent of the workers had been absent with pay for the death of a close family member in 1996 and another 16 per cent had merely been absent without pay. Half of the enterprises said that their workers were entitled to pilgrim leave to Mecca, 1/4 paid and 1/4 unpaid. Three per cent of the workers had been absent with pay and 5 per cent without pay because of pilgrimage in 1996. The most common number of pilgrim-leave-days provided, paid or unpaid, was 30 days.

3.6 Health and Safety

Injuries and health risks

Sixteen per cent of the enterprises reported injuries during working hours with a resultant loss of working time in 1996. Seventy-nine per cent of the enterprises reported keeping a first aid kit at the workplace. Only 8 per cent had appointed an employee with special responsibility for health and safety.

Workers were asked if they believed their present work endangered their health in any way. Twenty-three per cent responded “yes absolutely”, fourteen per cent “yes to some extent”, ten per cent believed not and 53 per cent absolutely not. Somewhat surprisingly, there is no significant difference in the responses between public and private sector workers or between the different professions. When

compared with the results below it would appear that private sector workers, and in particular unskilled workers, are less aware of their own health and safety situation at work.

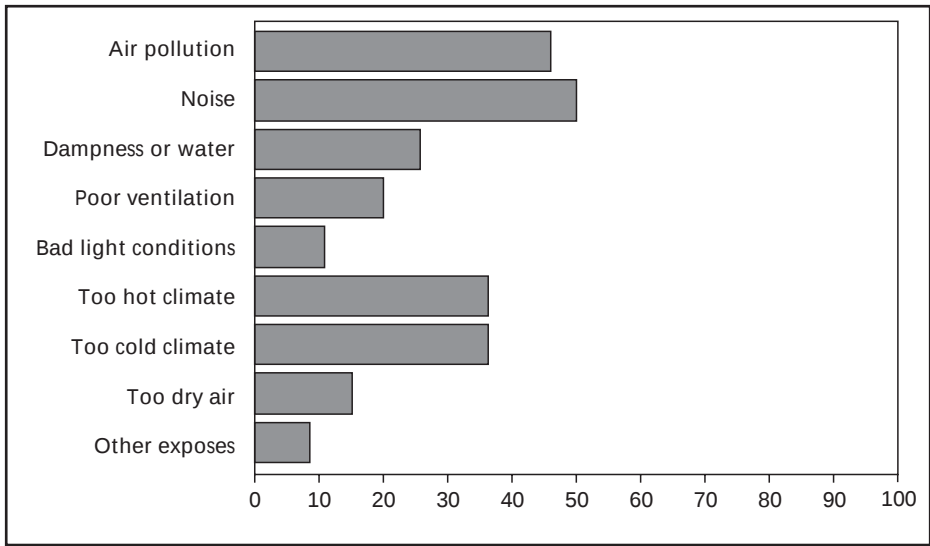
Six per cent of the workers reported having been injured at work in 1996. There were no significant differences between the private and public sectors but the differences between professions were significant. Two per cent of professionals, 9 per cent of skilled and 12 per cent of the unskilled workers reported having been injured in 1996. Unskilled workers also reported the most severe injuries.

Working environment

The workers were asked to respond to a battery of questions regarding their work environment. Here the respondents described their perception of the situation regarding selected health risks at work. The results can be seen in figure 3.17.

Several statistically significant differences appear between different professions and sectors. Air pollution does not differ by sector, but unskilled workers report the problem twice as often as professionals. Problems with too much noise are most common among unskilled workers in the private sector (60 per cent). Poor ventilation and an overly hot climate are reported at nearly twice the average (38 per cent and 65 per cent accordingly) by skilled workers in the public sector. Sixty per cent of the skilled workers in the public sector also feel themselves exposed to overly cold climates, and 40 per cent to a climate which is too dry. In general blue collar workers

Figure 3.17 Per cent exposed to an inferior working environment. (NW = 471)



seem to be more exposed to an inferior working environment than white collar workers.

Injury insurance

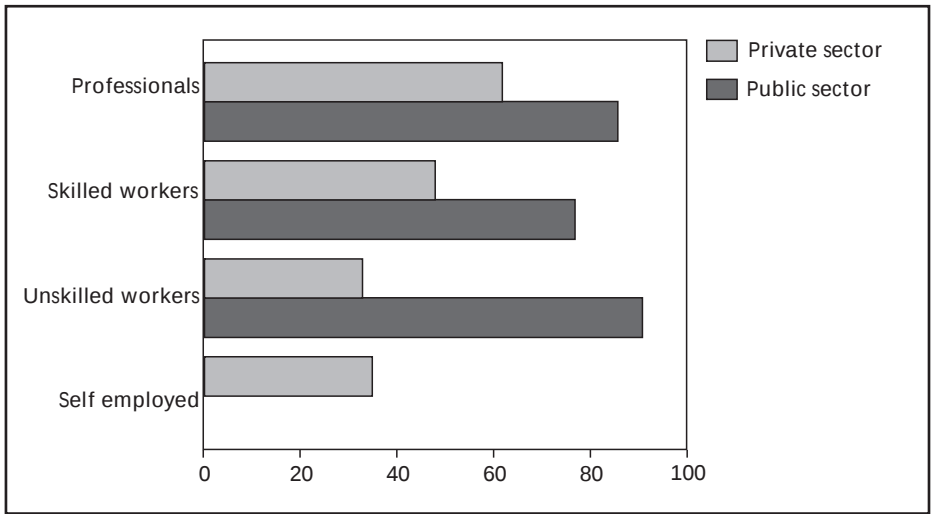
With 16 per cent of enterprises having one or more employees injured in 1996 it is of interest to know whether the workers are insured. Two-third are not. Only 19 per cent of the enterprises have taken out injury insurance in the name of the individual worker. Another 15 per cent have taken out injury insurance for an unspecified number of employees. This is in line with reports from the legal office of PGFTU describing cases in which workers injured have not been able to claim compensation, because only a fraction of the workforce was insured. There appears to be no correlation between those enterprises insured and those reporting injuries.

Six per cent of workers reported having been injured in 1996, of whom 74 per cent reported that they had not been paid any form of compensation by their company.

Health insurance

General health care schemes are provided in Gaza by the Palestinian Authority (PA) and by UNRWA for refugees. For non-refugees the monthly membership fee was 74 NIS in 1996 for the PA insurance scheme or 25 NIS for members of a PGFTU affiliated union. Figure 3.18 shows the level of membership in health insurance scheme by different category of worker as reported by the workers themselves.

Figure 3.18 Membership of a health insurance scheme according to sector and profession



The results indicate that there may be some confusion among the workers over their status regarding health insurance and in how the question has been understood. All refugees are de facto insured by UNRWA. This might explain the high number of insured unskilled public sector workers. The pattern seems however quite clear. Public sector workers are better off than private sector workers and, in the private sector, professionals are better off than skilled workers who again are better off than the unskilled. Self employed workers also score low. The PGFTU discounts health insurance therefore being well-suited to attract private sector blue-collar workers and the self-employed in the non-formal labour market to the trade unions.

When asked through which channels the health insurance was paid, only 5 per cent (12 per cent of private blue-collar) said through a trade union. Since the discount given by PGFTU in 1996 was larger per month than the cost of one year's membership one might have expected this figure to be higher. Most (45 per cent) said that the insurance was paid through the company. This corresponds to the 49 per cent who said that health insurance was deducted from their salary, but not with the 2 per cent of private employers who say they deduct health insurance from the wages paid. Thirty-eight per cent pay their health insurance directly to the Palestinian Authorities.

4 Private Enterprise

It is necessary to focus on the conditions under which the private sector operates in order to understand some of the dynamics in the industrial relations in the Gaza Strip. Most companies in Gaza are owned by one person or one family; in this survey they account for 94 per cent of the private sector enterprises. In table 4.2 in Chapter 4.2 one can see that the managers pinpoint “Lack of capital” as the major obstacle to growth. This predominance of sole proprietor ownership over other forms of private ownership, such as limited companies, may be one of the reasons for this. The average size for private sector enterprises surveyed -by total number of employees in the enterprises including managers, owners and unpaid family workers- was 4.5. This figure had not significantly changed compared to the previous year according to the employers. Half of the enterprises surveyed had been started after 1990 (but before December 1994 when the PCBS Establishment Census data were collected).

Among the private sector enterprise surveyed, the average sold 94.6 per cent of its goods and services in Gaza, 4.3 per cent to Israel, 0.9 per cent in the West Bank, 0.1 per cent to other countries and none to Israeli settlements in Gaza. The picture is quite different for large private sector enterprises, with more than 20 employees: Gaza makes up only 55.9 per cent of their markets, Israel 32.4 per cent, West Bank 8.2 per cent and other countries 2.9 per cent.

Interruptions in production

There are practical problems associated with operating in Gaza. The difficult political and economic situation has a direct impact on enterprises. Private sector employers were asked whether operations in their enterprise had been interrupted since January 1996 for any of a given numbers of reasons. Figure 4.1 shows how difficult 1996 was for many enterprises with long border closures both in the spring and autumn. Since most of the private producer companies in Gaza are dependent on importing raw materials from or via Israel, border closure is associated with an immediate halt in the delivery of raw materials. In 1996, the Israeli electricity company servicing the Gaza Strip began a campaign to collect payment by cutting the power supply. Both customers who had paid and those who had not paid were hit by these measures.

4.1 Recruitment and Redundancies

Despite the high level of education among Palestinians there is concern that the human resource base can not pace with the changing markets. Of the enterprises surveyed, sixty-eight per cent found it easy to recruit competent employees, 20 per cent found it generally difficult and 11 per cent difficult for some types of employees.

Figure 4.1 Work stoppage in 1996 in private sector enterprises (NW = 75)

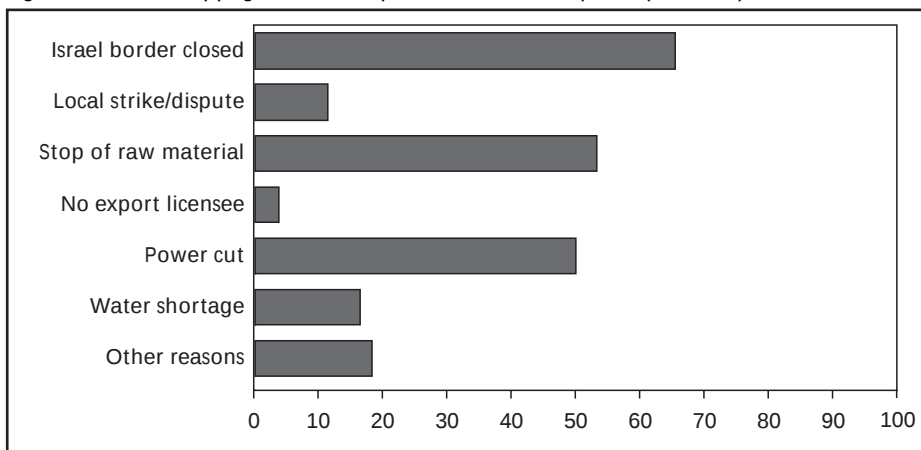
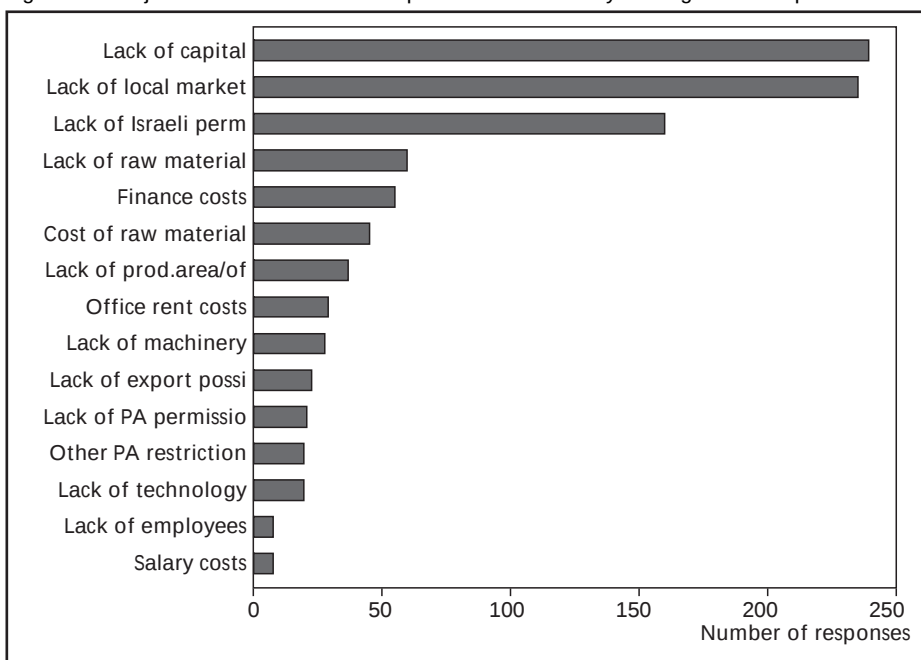


Figure 4.2 Major obstacles to further expansion indicated by managers in the private sector



Those finding it difficult to recruit competent employees singled out technical workers as the most difficult to find. Seventy per cent did not experience problems as a result of key personnel leaving the company.

The workers were asked if they were worried about losing their present job as a result of their place of work closing or of a reduction in employment or for any other reason that might arise in the near future. In general 1/3 were afraid that they would loose their job; half the skilled workers both in the private and public sectors and half the unskilled workers in the private sector were also afraid of loosing their job. Unskilled workers in the public sector were not so afraid of redundancy. The most worried were the private sector workers unionised in a trade union affiliated to the PGFTU. Two-thirds of them were afraid of losing their present job.

4.2 Obstacles to Expansion

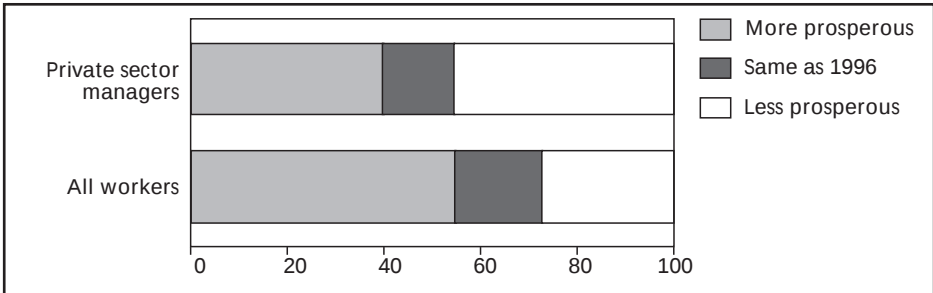
Ranking of obstacles

Managers were asked to indicate the three most important obstacles to further expansion of their company. It must be considered a real encouragement for the trade unions that salary costs were at the very bottom of the list. The managers seem to be quite optimistic, if only about obtaining the finances and permission to run the business.

Expectations for the future

Both the managers and the workers were asked about their expectations concerning prosperity. Both were asked: “Looking ahead, do you believe that 1997 will be more or less prosperous for your company than 1996?” Figure 4.3 presents the results.

Figure 4.3 Looking ahead, do you believe that 1997 will be more or less prosperous for you and your family than 1996? Private sector managers and all workers (NW managers = 298, NW workers = 436)



The private sector worker was slightly less optimistic than the public sector worker. Thirty per cent of private sector workers thought that 1997 would be less prosperous. Unskilled workers were the most optimistic: sixty-two per cent expected a more prosperous 1997.

Double squeeze

Private sector enterprises in Gaza operate under very difficult circumstances. As mentioned in the introduction, the Gazan economy has been hit by several shocks in recent years. The outlook is also quite unpredictable; this is true in particular for border closures, but also for the provision of a basic infrastructure and services such as power and water supply.

In addition, as one of the findings in this survey indicates, the private sector in Gaza faces a growing public sector offering better wages and working conditions than the present private sector level. One possible long-term effect might be a reduction in innovative, growth-fostering human resources of capital in the private sector as the most educated and innovative section of the labour force seeks employment in the public sector.

5 Collective Bargaining

Trade union history in the Gaza Strip has been characterised by restrictions and lack of resources. Prior to 1967 there were several unions operating, but only on limited basis. These were closed down by the Israeli authorities from the 1967 Occupation to 1979 when they were allowed to reopen under strict regulations. From 1988 union activities took place within the framework of the Intifada, and a political based union movement was created. In 1994 the confederations in the Gaza Strip and the West Bank merged and formed the Palestine General Federation of Trade Unions (PGFTU).

It has been difficult for the trade union movement to forge an effective role for themselves, considering the political context of occupation and the economic context of restrictions and the excess supply of workers. The result has been a severe lack of collective bargaining, lack of experience and few financial resources obtained through membership fees. Wage negotiations, however, can take several forms and do not depend on the presence of a trade union. To find out if any form of wage negotiations took place in the enterprises, workers were asked if there was a workers' representative who negotiated with the management on behalf of the employees. Forty-eight per cent of the public workers and 30 per cent of the private sector workers said there were workers' representatives negotiating with management in their enterprise.

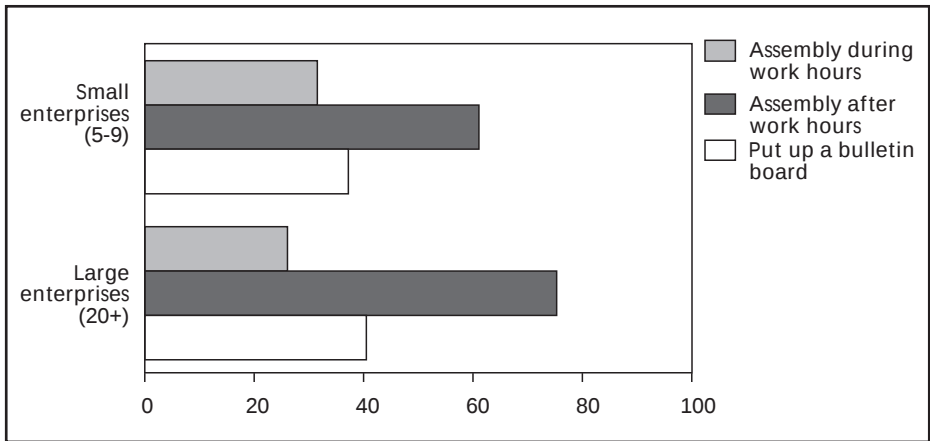
Managers were asked if they negotiated with employees' representatives in one way or another. Twenty per cent in the private and 40 per cent in the public sector said that they did negotiate with the employees. In the private sector, 8 per cent negotiated with a representative elected by the workers and 12 per cent with a senior employee. In the public sector, 20 per cent negotiated with a representative elected by the workers and 20 per cent with a senior employee. This result is both interesting and, from a trade union perspective encouraging. It indicates that in several enterprises collective bargaining already exists in some form or another, a possible important base upon which to build a trade union movement.

A collective agreement is one concerning wages and working conditions negotiated by a trade union on behalf of a group of, or all of the employees. Only trade unions can sign a collective agreement with the employer. So far as these more formal types of negotiations and the setting up of collective agreements are concerned, only 3 per cent of private companies had any type of collective agreement

on wages and working conditions negotiated by a trade union on behalf of a group of, or all of the employees. None of the enterprises in the public sector had done so. Only one mentioned an agreement between the enterprise, represented by a lawyer, and PGFTU. Six per cent of the workers said they were covered by a collective agreement, with no significant differences in the response between the two sectors.

Managers in the private sector were asked some general questions about possible trade union work at enterprise level, including whether the workers were allowed to assemble or put up a bulletin board at the workplace. The answers, as presented in figure 5.1, indicate that there is space for trade union activity at the enterprise level. A follow-up question indicates that an additional 10 per cent of managers would allow workers both to assemble and put up a bulletin board if asked for permission by their employees.

Figure 5.1 Permission for trade union activities at the workplace in private sector. (NW = 75)



Membership of trade unions

Several trade unions exist in the Gaza Strip. The following industrial unions were affiliated to PGFTU in Gaza at the end of 1996: The Drivers Union, The Metal Workers Union, The Agricultural Union, The Service and Commercial Workers Union, The Construction and Woodworkers Union, The Sewing and Weaving Workers Union, The Municipal Workers Union and The Post and Telephone Workers Union. A number of craft unions and associations as well as in-house unions exists besides PGFTU affiliated unions. The most important are The Nurses Union, The Teachers Association, The Medical Association and the UNRWA in-house union. The main economic basis for PGFTU by the end of 1996 was an agreement between the Palestine Authorities(PA) and PGFTU enabling the PGFTU

to offer a discount on the public health insurance. In 1996 members in unions affiliated to the PGFTU paid a monthly rate of 25 NIS to the PA for this insurance compared to 74 NIS at the normal rate. For 1997 the union rate rose to 40 NIS. Unionised workers have to pay an annual membership fee of approximately 20 NIS.

A total of 36 per cent (29 per cent of the private sector workers and 41 per cent of public sector workers) say they are card holders of a trade union. Forty per cent of private sector workers and 61 per cent in the public sector say they know of at least one colleague who is a member of a trade union. Forty-nine per cent, or approximately half of the organised workers, were members of a PGFTU affiliated union. In the private sector, 83 per cent were members of such a union, whilst in the public sector membership of a PGFTU affiliated union was 29 per cent. The largest private sector union was the Drivers Union, probably due to the closed shop system within the transport sector under which you need to be a cardholder of the Drivers Union to obtain a taxi driver's permit. In public sector, the largest unions would appear to be the Nursing Union, the Municipal Workers Union, the Medical Association and the Teachers Union.

Twenty-one per cent of the self-employed said they were members of a trade union or craft association. As expected, the self-employed are found both in trade unions and in employers' associations. Half of the organised self-employed were members of a union affiliated to PGFTU. Eighty-two per cent of the self-employed who were not members of any union or association would consider joining if one were established for them. With 14,539 salaried workers in the enterprises from which the sample in this survey was taken, these findings give an estimated 5090 trade union members¹ in enterprises with more than 5 employees in the Gaza Strip. Half of these, or an estimated 2545 salaried workers, should equate to the number of members in unions affiliated to the PGFTU. In addition, one will find trade union members in small enterprises, among the self-employed and those working in Israel. There is a level of uncertainty associated with these estimates.

Seventy per cent of the union members pay their union fees by visiting the trade union office. Twenty-six per cent pay them to trade union representatives who visit their workplace. Only 2 per cent pay by deduction from salary or by so called check off. Two PGFTU affiliated unions, the Municipal Workers Union and the Post and Telephone Workers Union, are the only ones to collect their dues primarily by visiting the workplace.

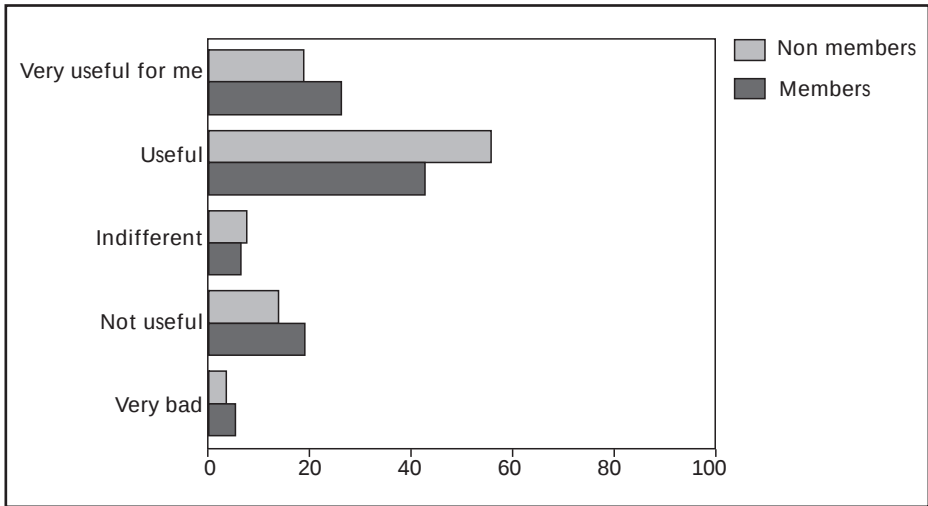
¹ The 95 per cent confidence-interval is 4359 to 5821

Attitude towards unions

The workers were asked if they thought that trade unions are of use to them. The results as presented in figure 5.2 show that trade union members are both enthusiastic and critical. The background data show that the members in the PGFTU affiliated unions are the most enthusiastic supporters: thirty-four per cent think that the trade union is of great use to them. However, 23 per cent of the PGFTU members believe that the trade unions are not very useful, and 9 per cent believe they are bad.

The employers' attitude towards organised labour is also of interest. To find out more about this managers were asked whether there were any organised employees in the enterprise. Seventeen per cent of the managers in the private sector said that one or more of their workers were organised. Then the managers were asked whether they thought that trade unions did a useful job. The expression "a useful job" was explained to the manager as having a positive impact on the development of society in general, and not just carrying out a useful job for the members of the union or for the manager. Thirty per cent answered "yes, very useful", 23 per cent "partly yes", and 17 per cent were indifferent. Eleven per cent said "partly no" and 19 per cent believed that trade unions did not do a useful job at all. A 53 per cent positive response can be seen as a generally encouraging result for the trade union movement. However, upon closer inspection the result may not be as positive as first thought: while 3 in 5 of those managers without any organised workers at their workplace are positive towards trade unions, nevertheless 3 in 5 of those who do have organised workers at their workplace are negative towards trade unions.

Figure 5.2 Attitude of members and non members towards trade unions. (NW = 426)



Employers' associations

With the aim of establishing collective agreements covering more than one enterprise, the trade unions need to look for employers' associations that can negotiate on behalf of the employers in the relevant sector. For its part, the trade union would need to be recognised as a representative of the workers in the sector. About half of the private enterprises are members of a sector or employers' association, and among large enterprises with more than 20 employees 75 per cent of firms are members. The largest association of employers is the Chamber of Commerce. Other associations are the Sewing Industry Owners Association, the Garage Owners Association, the Constructors Association and the Palestine Banking Association.

5.1 The Regional Setting

The role of organised labour in society

Organisations in the labour market play a special role in any society through their potential to exercise a direct impact on the economy through industrial actions and collective bargaining. The labour market one where individuals historically have identified themselves with group interests across family boundaries and independent of the state. Based on this worker-employer relationship, trade unions can build themselves into powerful, independent institutions in society. However, there is no given process as it depends on the structure of the trade union movement itself. To act independently as an alternative power structure and as a counter-weight to both capital and the state, a trade union needs to acquire its own firm foundations based on an organisation that is both financially and politically built on the workers' collective at individual enterprises.

Today trade unions in the Gaza Strip are enjoying the opportunity to organise in all but the Governmental sector, thus creating a space for building a strong trade union movement. Whether this is to be the case in the Gaza Strip depends, among other things, on which organisational models are chosen for the further development of the trade union movement.

Influence of the Histadrut

The present development of the trade union movement in Gaza cannot be viewed independently from the influence of Histadrut. A considerable number of trade union officers have experience of trade union work inside Israel which has two sides to it. On the one hand there are the positive effects of having a number of officers trained in trade union activities through previous experience in Histadrut.

On the other hand there is the exposure to the very particular type of trade unionism that Histadrut traditionally has represented. Based on particular historical experiences Histadrut has developed as a mixture of a social security system and a trade union. A member of Histadrut used to pay on average 5.52 per cent of their wages in affiliation fees including health insurance (approximately 4 per cent of the wage). For non-unionised Israelis and all Palestinians working in Israeli workplaces with a collective agreement, an obligatory 1 per cent organisational fee used to be deducted from wages as a tax for being covered by the collective agreement. (Barkan-Benkler, Raffel 1992)

This system of “collective agreement tax”, or organisation fee collected by the trade unions, can be regarded as a solution to the free-rider problem. It does, however, imply some serious drawbacks. The system creates a form of obligatory membership and therefore undermines the need for continuous recruitment activities locally. This in turn weakens trade union activities at the local level. In addition, the income of the union movement depends upon political support; at any given time the political authorities can threaten to abandon the system if the union movement does not fall into line. The resultant erosion at local level and the unhealthy dependency on political goodwill are two of the main reasons why only a few trade union movements have gone down this road. Furthermore “collective agreement tax” was abolished by Histadrut in 1995.

The introduction of a similar system in Palestine with “collective agreement tax” could be quite counter productive to the building up of a strong independent trade union movement. It is difficult to see how a culture of trade unionism could be fostered under such a regime, which could end up creating a trade union movement with limited room for manoeuvre due to the need for political goodwill.

5.2 Room for Further Development of the Trade Union Movement

Missing connections

This survey shows that there may exist a potential in the Gaza Strip for creating a trade union movement based on strong basic units at enterprise level. Thirty-six per cent of the workers in Gaza are members of trade unions and in the private sector the PGFTU affiliated unions have a dominant position. However, in somewhere between 20 and 40 per cent of enterprises local negotiations take place with no union involvement. Unions need to make connections with these local level activities in order to fill the gap. In 1996 the PGFTU in the Gaza Strip and its affiliated unions

did start involving themselves in trade union activities such as collective bargaining and assisting members in labour disputes. Both the Metal Workers Union and the Construction Workers Union should be mentioned as organisations which have established collective agreements at enterprise level in 1996.

The survey also identifies the need for the protection of workers' rights at enterprise level, including the need to enforce legislative rights. Violations of workers' rights are today a particular problem for the blue-collar private sector workers i.e. the category of workers who are members and potential members of unions affiliated to PGFTU. Even in the public sector this survey unveils violations of workers' rights, thus indicating the need for trade unions to operate actively also in this sector.

Enterprise level negotiations

As in many other areas and countries, the economic situation and industry structure in Gaza imply that collective bargaining will take place primarily at enterprise level with probably some exceptions such as the public service and the transport sectors where negotiations can take place at the industry level. In the West Bank enterprise level negotiations were already well established by 1996 with more than 100 collective agreements signed.

The survey suggests some areas for action and negotiation; for example private sector workers have less benefits than public sector workers, and blue-collar workers less benefits than white-collar workers. A first step could be to campaign for written work contracts and pay slips in the private sector. Experience from other countries show that written employment contracts and pay slips are essential for the workers in exercising some influence over their wage and working conditions. When, as in the private sector today, the workers are not in possession of a written employment contract, dismissals and other disputes might be more difficult to tackle, and the negotiating power of worker representatives is weakened. The lack of such documents also creates confusion and may be the reason for the differences between the workers' and the employers' understanding of the remuneration agreed (see Chapter Three). Another proposal might be to make it obligatory for the employer to provide workers with a written contract of employment and pay slips, by including in the new labour code as was done recently in Norway.

In addition, this survey points to the need for trade unions to campaign at the workplace for rights already enshrined in the labour code, such as the right to severance payment. They should also have the task of helping workers in individual enterprises to know what type of insurance and/or pension he or she is entitled to. The present gap of understanding between the employers and workers should be addressed. Similarly, through collective agreements, the trade unions could

negotiate holiday arrangements for the 68 per cent of private sector workers who today do not enjoy any paid holidays.

Health and safety measures are further examples of types of issues which could be brought up at local level. Today blue-collar workers seem less aware of health and safety problems while being more exposed to injuries than other workers.

Wage claims may be difficult to perceive as a central issue in the present insecure economic climate in the Gaza Strip. In a recession a wise strategy might be to target other things than wage claims, for example job security. The survey indicates that of all the salaried workers in the Gaza Strip, PGFTU members are actually the most fearful of losing their jobs. The credibility of a trade union movement in a situation of economic recession may very much depend on its capacity to protect workers at enterprise level.

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Appendix 1 Multiple Regression on Wage-level

Listwise Deletion of Missing Data

Dependent Variable.. Wage-level

Method: Enter

Variable(s) Entered on Step Number

1..	SEXDUM	Gender, 0 = female, 1 = male
2..	AGE22	Square root of age
3..	TRAINING	Vocational training if yes or no
4..	ENDANGER	Do you believe that your work endangers you
5..	COLDUM	Covered by a local collective agreement
6..	EDU5	Education: Completed secondary
7..	POS4	Position: Traditional crafts
8..	EDU4	Education: Completed secondary without public exam
9..	NARBEID	Total number of employees in the enterprise
10..	EDU3	Education: Completed preparatory
11..	POS1	Position: Manager
12..	EDU2	Education: Completed Elementary
13..	YPRESEWO	Year in present work
14..	POS3	Position: Skilled worker
15..	CHILDREN	Total number of children
16..	SECTOR	Private = 0, Public = 1
17..	POS2	Position: Professional
18..	EDU6	Education: More than secondary
19..	AGE2	Age

MultipleR	0.54443
RSquare	0.29640
AdjustedRSquare	0.26286
StandardError	621.55139

Analysis of Variance

	DF	Sum of Squares	Mean Square
Regression	19	64864068.52385	3413898.34
Residual	399	153972885.68396	386326.13

F= 8.83683 Signif F = .0000

Variable	Variables in the Equation					Sig T
	B	SE B	Beta	T		
AGE2	-2.170567	22.524434	-.032085	-.096		.9233
AGE22	.098402	.287645	.106217	.342		.7325
CHILDREN	42.931885	13.754184	.183752	3.121		.0019
COLDUM	300.147586	143.530543	.090176	2.091		.0371
EDU2	-97.242478	153.295153	-.042474	-.634		.5262
EDU3	58.123433	140.118338	.031144	.415		.6785
EDU4	45.143263	165.580455	.017030	.273		.7853
EDU5	-164.055656	155.677395	-.076026	-1.054		.2926
EDU6	63.133227	161.549836	.043140	.391		.6962
ENDANGER	38.408215	24.536087	.068121	1.565		.1183
NARBEID	.026756	.129235	.011535	.207		.8361
POS1	428.526485	136.881716	.203728	3.131		.0019
POS2	702.958014	134.039628	.452299	5.244		.0000
POS3	375.988950	96.375646	.241583	3.901		.0001
POS4	407.210520	201.627292	.093075	2.020		.0441
SECTORD	66.260854	96.954674	.045713	.683		.4947
TRAINING	147.675789	64.769589	.102000	2.280		.0231
YPRESEWO	6.787474	4.811598	.073288	1.411		.1591
SEXDUM	337.233094	99.147883	.162107	3.401		.0007
(Constant)	-104.916795	428.331695		-.245		.8066

Wage and Working Conditions in the Gaza Strip

Together with Jerico, the Gaza Strip was the first area of the Occupied Territories to be handed over to the Palestinian Authorities in June 1994. In 1996 the Gaza Strip was still very much in the process of structural and institutional change. New structures were in the making, and individuals and institutions were redefining their behaviour within new economic and political frameworks. The Fafo-survey of wage and working conditions in the Gaza Strip, presented in this report, focuses on a central aspect of this process: changes in the labour market and industrial relations. The survey, undertaken in December 1996, concentrates on the formal labour market and on relations and working conditions normally negotiated in collective agreements.



Fafo

Institute for Applied Social Science
P.O.Box 2947 Tøyen
N-0608 Oslo Norway
[HTTP://www.fafo.no](http://www.fafo.no)

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