



**Palestinian National Authority
Palestinian Central Bureau of Statistics**

On the occasion of May 1 International Workers' Day
Indicators of the Labour Force in the Palestinian Territory

The PCBS shares with the Palestinian population and particularly the labour force, on this occasion, and highlights the conditions that Palestinian workers live and future challenges.

4 out of 10 persons participate in the labour force.

Participation in the labour force is considered the main indicator for the efficiency and activity of the labour market in providing job opportunities. The labour force survey results showed an increase in the participation rate to 41.9% of total manpower (persons aged 15 years and over) in 2007. This means that 4 persons out of 10 are participating in the labour force.

The participation rate was 44.1% in the West Bank, compared with 38.0% in Gaza Strip in 2007. Female participation rate in the Palestinian Territory is considered very low compared with males, at 15.7% (18.3% in the West Bank and 11.0% in Gaza Strip), compared with 67.7% for males (69.4% in the West Bank and 64.5% in Gaza Strip).

More than 180 thousands persons were unemployed in 2007.

The number of unemployed persons reached about 183 thousands (102 thousands in the West Bank and 81 thousands in Gaza Strip). The percentage of unemployed among the persons participating in the labour force in 2007 was 21.5% (17.7% in the West Bank and 29.7% in Gaza Strip). Unemployment rate reached 19.0% among females compared with 22.1% among males.

The unemployment rate in the Palestinian Territory is considered very high compared with other countries. For instance the unemployment rate was 14.0% in Jordan and 8.4% in Israel in 2006.

**Hebron Governorate had the highest percentage of unemployment in the West Bank while
Khanyounis had the highest unemployment rate in Gaza Strip.**

In 2007, Hebron governorate had the highest unemployment rate with 22.2%, followed by Tulkarm governorate with 20.5%. The lowest percentage of unemployment in the West Bank was

in Jericho and Al Aghwar (9.8%), then Jerusalem Governorate (13.4%). In the Gaza Strip, Khanyunis governorate had the highest percentage of unemployed with 34.2% followed by North Gaza (31.5%), while the lowest percentage of unemployed was in Gaza governorate (25.1%)

666 thousand employed persons in the Palestinian Territory.

The number of employed persons is estimated at about 666 thousands (males and females) in the Palestinian Territory in 2007 (474 thousands in the West Bank and 192 thousands in Gaza Strip). The number of employed females is estimated at about 128 thousand women (100 thousands in the West Bank and 28 thousands in Gaza Strip). The number of persons employed in Israel and Israeli settlements from the West Bank reached about 37 thousands with Palestinian identity cards and 25 thousands with foreign and Israeli identity cards, compared with less than one thousand from the Gaza Strip employed in Israel. In comparison, the number of employed persons in Israel on the eve of Al Aqsa Intifada (3rd quarter 2000) was 146 thousands (116 thousands from West Bank and 30 thousands from Gaza Strip).

The percentage of wage employees reached 59.8% from total employment (57.9% in the West Bank and 64.4% in Gaza Strip), down from 67.6% at the eve of Intifada (66.2% in the West Bank and 71.0% in Gaza Strip). The percentage of self employed increased from 18.1% in the 3rd quarter 2000 to 24.2% in 2007.

The services sector (education, health, public administration, etc.) is considered the main employment sector for the Palestinian labour force; the results showed that 35.8% of employed persons work in that sector; (50.9% of which are employed in Gaza Strip, 29.8% employed in the West Bank (excluding the Palestinian workers in Israel and settlements). The construction sector is considered the main sector for those working in Israel and the Settlements, with 44.5% in that sector. The trade and restaurants sector was the second largest in the local market, employing 20.3% in the West Bank and 18.2% in Gaza Strip, followed by the agricultural sector with 17.9% in the West Bank and 13.1% in Gaza Strip.

The public sector plays the main role in hiring unemployed persons; about 43 thousand persons are enrolled in the public sector, where the total employed persons are 159 thousands (84 thousands in West Bank and 75 thousands in Gaza Strip). In 2007, the public sector employed 23.3% of all employed persons in the Palestinian Territory, compared to 17.4% in the 3rd quarter 2000 (eve of Intifada).

Wages

The median daily wage in 2007 reached 70 NIS in the West Bank and 58 NIS for wage employees in Gaza Strip. The median wage for those working in agriculture in the West Bank reached 50.0 NIS, 30.0 NIS in Gaza Strip and about 70.0 NIS in Israel and Israeli settlements. The highest wage of employees working in the West Bank is for those working in services and other branches and working in transportation, storage and communication 77 NIS, the highest wages for employees working in Gaza Strip is for those working in services and other branches, at NIS 69.

Also, the results showed that the average work week in hours for employed persons in the West Bank was 42 hours compared with 40 hours in Gaza Strip and 44 hours for those working in Israel and Settlements.

Unemployment among Youth

Results revealed that the unemployment rate among the youth increased. The unemployment is concentrated among the youth aged 20-24 years (36.0%), of which 29.1% in the West Bank and 48.3% in Gaza Strip), followed by 15-19 age group (33.7%), of which 27.5% in the West Bank and 49.7% in Gaza Strip), and followed by 25-29 age group (33.7%), of which 23.8% in the West Bank and 28.5% in Gaza Strip

Unemployment among Graduates

The results showed that the highest unemployment rate registered among the graduates holding a bachelor degree (23.5%). of which 20% in the West Bank and 28.9% in Gaza Strip, followed by graduates who hold associated diploma (19.8%), of which 15.6% in the West Bank and 28.7% in Gaza Strip. The lowest unemployment rate registered among graduates holding Higher diploma and above (4.9%), of which 4.5% in the West Bank and 6.0% in Gaza Strip.

Woman and Labour Market

The results revealed that the female participation rate is very low in the Palestinian Territory, and also that their contributions in the production process decreased especially in Gaza Strip. The female participation rate reached 15.7% in 2007, of which 18.3% in the West Bank and 11.0% in Gaza Strip, compared with 67.7% for males, of which 69.4% in the West Bank and 64.5% in Gaza Strip. The low participation rate for women may be related to several reasons, primarily economic reasons concerned with the Palestinian labour market's absorbing the labour supply of women, and also exclusion factors especially the average low wages, females joining the labor market in **secondary** jobs, and social reasons related to women entering the labour market at an older age compared with men. In addition, there are socio-cultural reasons represented by the limited occupations over which women compete, and socio-cultural and economic reasons, due to the limited economic activities over which women compete.

While all labour force indicators show that women who are outside the labour force at the international level are concentrated among the older and less educated women, we find that the women who are outside labour force in the Palestinian situation are young and highly educated women. This indicates that the main problem is in providing job opportunities in the local labour market which means that the problem is not in the supply side but in the demand side for women. There is a percentage of women who join in the labour market and suffer from unemployment, especially among educated women which also explains the low female participation rate. There is a conviction among women who seek work that it is not useful from an economic point of view, especially for women who have children, which is the main reason for women to drop them out of labour market.

Unemployment and Poverty

The dependency ratio in the Palestinian Territory increased sharply from 4.8 in the 3rd quarter 2000 to 5.6 in 2007 (an increased percentage of 14.6%); it increased from 4.3 to 4.9 in the West Bank (14.0 % increase) and from 5.9 to 7.3 in Gaza Strip (23.7% increase).

The Palestinian Household Expenditure and Consumption Survey 2007 indicated that the percentage of Palestinian households whose monthly income is less than the national poverty line was 57.2% in 2007, (of which 45.7% in the West Bank and 79.4% in Gaza Strip). In addition, the results indicated that the poverty among households who have no person participating in the labour market stood at 70.1% compared to 54.7% among those who have at least one employed person.