# Palestinian Central Bureau of Statistics (PCBS)

**The Impact of the Coronavirus Pandemic on the Labour Market -**

**During the Third Quarter of 2020 (July – September)**

The labour market is considered the most affected sector during the ongoing Coronavirus pandemic since the beginning of March 2020, as the Palestinian government has taken several measures in addition to an emergency plan to limit the outbreak of the pandemic. Thus, the report below reflects the most important indicators of the Palestinian labour market during the 3rd quarter of 2020 as follows:

**The number of employed persons increased by 46 thousand in the 3rd quarter of 2020**

The number of employed personsincreased from 890 thousand in the 2nd quarter of 2020 to 936 thousand in the 3rd quarter of 2020, by 5% compared to the 2nd quarter of 2020. It increased in Gaza Strip by 5% compared to the 2nd quarter 2020, also it increased by 6% in the West Bank for the same period.

The largest increase reported among employers and self-employed, as this number increased by 27 thousand employed persons, followed by the number of wage employees, which increased by about 25 thousand between the 2nd and 3rd quarters of 2020, while the number of employed persons as unpaid family members decreased from 45 thousand to 39 thousand during the same period.

**13% of employed persons were absent from their jobs during the 3rd quarter of 2020 due to the pandemic**

The results showed that the number of employed persons who were absent from their jobs decreased from 268 thousand in the 2nd quarter 2020 to 119 thousand in 3rd quarter 2020 by 56%. The reasons of this percentage is due to reducing measures of the Corona pandemic and gradually returning to work in the workplace recently.

**An increase in the number of employed persons in the local market between the 2nd and 3rd quarters of 2020**

The number of employed persons in the local market increased from 788 thousand employed persons in the 2nd quarter of 2020 to 804 thousand employed persons in the 3rd quarter of 2020, where it increased by 4% in Gaza Strip and increased by 1% in the West Bank for the same period.

The results showed that most of the activities witnessed an increase in the number of employed persons during the 3rd quarter of 2020 are those employed in restaurants, hotels, commerce and construction activities, then the services sector, but the other activities witnessed adecrease in the number of employed persons.

The average weekly working hours for wage employees in the West Bank was 43.2 hours per week compared to 34.9 hours in Gaza Strip. The average monthly working days was 22.6 working days in the West Bank compared to 22.4 working days in Gaza Strip.

**An increase in the number of employed persons in Israel and Israeli settlements by 30 thousand between the 2nd and the 3rd quarters of 2020**

The number of employed persons in Israel and settlements increased from about 102 thousand employed persons in the 2nd quarter of 2020 to 132 thousand employed persons in the 3rd quarter of 2020; this increase is due to reducing the measures taken to limit the outbreak of the Corona virus, where the highest increase was in the number of workers in constructions sector by 21 thousand employed persons followed by Commerce and industrial sectors, 7 thousand and 2 thousand employed persons respectively. The number of employed persons in Israeli settlements increased from 13 thousand in the 2nd quarter 2020 to 19 thousand in the 3rd quarter 2020.

The average daily wage for the wage employees in Israel and Israeli settlements increased between the 2nd quarter 2020 and the 3rd quarter 2020 from 249 NIS to 254 NIS respectively.

**7 out of 10 employed persons are wage employees**

70% of employed persons are wage employees, 26% of employed persons are self-employed and employers, and 4% are unpaid family members.

**About half of the wage employees in the private sector were hired without any contract.**

49% of wage employees in the private sector were hired without any contract, and 33% of wage employees receive a contribution to a pension fund/end of service compensation. Moreover, more than half of wage female employees (60%) have a paid maternity leave.

**27% of wage employees in the private sector received less than the minimum wage (1,450 NIS) in Palestine**

The percentage of wage employees in the private sector who received less than the minimum wage in the West Bank decreased from 8% in the 2nd quarter 2020 to 6% in the 3rd quarter 2020, (The number increased from 11 thousand to14 thousand), while the percentage increased slightly from 82% to about 84% in Gaza Strip (The number decreased from 65 thousand to 64 thousand) during the same period.

The monthly minimum wage in Gaza Strip was (678 NIS) compared with (1,065 NIS) in the West Bank.

**An increase in the labour force participation**

The reducing of measures imposed due to the COVID-19 pandemic led to return of individuals aged 15 years and above to the labour market, which positively affected the participation rate in the labour force, as it increased to 41% in the 3rd quarter compared to 39% in the 2nd quarter 2020. Also, data indicated that this percentage increased from 41% to 45% in the West Bank, while it remains almost at the same level 35% in Gaza Strip during the same period.

The male participation rate increased from 61% in the 2nd quarter of 2020 to 67% in the 3rd quarter 2020, and for females it remains at the same level 15% during the same period.

This explains why unemployment rates increased slightly this quarter, as the increasing in the labour force participation was about 95 thousand while the increase in the number of employed was about 46 thousand, so the remaining will be an increase in the number of unemployed, unemployment rate among labour force participants (15 years and over) in the 3rd quarter was about 29%, while the total underemployment of labour was about 38%, according to the revised International Labour Organization standards (ICLS-19th).

The number of unemployed persons reached 373 thousand in the 3rd quarter of 2020; of which 208 thousand persons in Gaza Strip and 165 thousand persons in the West Bank. Hence, the disparity remains large in the unemployment rate between the West Bank and Gaza Strip, as this rate reached 49% in Gaza Strip compared to 19% in the West Bank. As for the sex level, the unemployment rate for males in Palestine reached 25% compared to 44% for females.

Within the same context, the total underutilisation reached 565 thousand persons, as this number includes 105 thousand discouraged job seekers and 17 thousand in time-related underemployment.

Unemployment Rate (ICLS 19th) by Region, 1st Quarter of 2018 – Q3-2020