

○ ENHANCING INSTITUTIONS AND STRUCTURES OF SOCIAL DIALOGUE AND SOCIAL SECURITY

Implementing the Palestinian National Employment Strategy

○ Thematic Fiche 05

○ *Background*

While Palestinians have a strong labour union tradition, unions have been weakened over time. There were

572
PALESTINIAN
TRADE
UNIONS

in 2019,

IN 2017 UP
FROM 536

There is more union activity in health, social work, education, and public administration sectors, but less in most private sector entities.¹ Trade union federations numbered 14 in 2019. The right to collective bargaining is safeguarded (with some restrictions) in the Palestinian Labour Law No. 7 of 2000, and collective disputes are to be settled by reconciliation.

In 2018, however, only

19.5% of workers reported
being affiliated with trade unions.

Low union membership is mainly attributed to poor union governance, lack of awareness among workers, and weak worker confidence in the value of union activity.

Only public sector workers receive social security benefits. The Social Security Law of 2016, which established the Palestinian Social Security Corporation in 2018, was suspended by presidential decree on 28 January 2019, after widespread protests. Criticisms centred on the legislation's high costs for employers, lack of coverage for informal workers, and a crisis of confidence in the programme's sustainability and transparency. Other related public institutions include the Palestinian Economic and Social Council (PESC), which was established under former President Yasser Arafat and seeks to empower Palestinian civil and economic society. Its 20 founding members included employers, labour unions and representatives of civil society, however, its role has been minor. The Ministry of Labour (MoL) also has a Labour Policy Committee under its purview, while other operational tripartite committees include the National Minimum Wage Fixing Committee, the National Committee for Women's Employment and the Board of Directors of the Palestinian Employment Fund (PEF), amongst others.

○ Main gaps



The lack of a trade union law

(drafted but not approved) aligned with international conventions has created a vacuum and is one of the main reasons behind the decline, poor governance and dissolution of unions.



The resulting imbalance in social dialogue

in the Occupied Palestinian Territory, as evidenced in the unrest and dissatisfaction that resulted in 2018-19 when the government tried to institute a social security law, has made it more challenging to build public consensus and trust around sound economic and labour policies.



Employers object to the trade union law,

saying that it would impact membership in chambers of commerce and their right to form sectoral groupings there.² A reason why there is no comprehensive sectoral collective bargaining is that employers are more often organized by geographic region rather than sector.



Revitalizing labour institutions

for more robust social dialogue and consensus-building can help support the adoption of the trade union law and also institute a social security law, allowing for old-age, maternity, injury, disability and death benefits for private sector workers.

○ Geography, Gender & Social Inclusion

Affiliation to trade unions in 2019 was higher among women (28.7 percent) than men (17.8 percent). These characteristics require consideration when engaging in social dialogue; women should be well-represented on all sides and their high-level participation should be ensured. The trade union or social security law will not be enforced in Gaza as long as it is politically separate from the West Bank, however, lessons on increased union intensity in Gaza can be garnered. It was also higher among Gaza workers (37.1 percent) than West Bank employees (13.1 percent).

○ Areas for Development



The challenges in the Palestinian labour market

require mechanisms to consolidate the relationship between production parties with a view to achieving growth driven by employment and decent work.



This calls for promoting social dialogue

as a means of bargaining and building consensus among three labour parties: government, trade unions, and employers' organizations.



Relevant Palestinian experience

shows that social dialogue, supported by fundamental labour principles and rights, is capable of driving social and economic development and progress as a regulatory tool to enhance labour and a necessary means of implementing socioeconomic development, including social security for workers.



Despite inadequate institutional and legislative components,

social dialogue in the Occupied Palestinian Territory has had a positive impact on wages, improvement of labour conditions, and employment productivity. Social dialogue is a critical element in poverty reduction, promotion of gender equality and justice, and building of strong institutions.

○ *Risks & Challenges*

This programme's efforts to overcome hurdles that are well-established and already have significant opposition from different stakeholders make it more challenging, but also more vital for achieving decent work. The right of participation will be a major focus in confidence-building.

○ *Desired Outcomes*

1. The institutional structure of social dialogue and social security are consolidated. The Palestinian Authority will intensify social dialogue and build confidence between the tripartite partners.

At all levels, social dialogue will be a major tool to implement this strategy. In this context, the government will focus on using social dialogue to mobilize support and acceptance needed to revise and enforce the Social Security Law. This includes rebuilding the social security system to protect workers and serve the interests of workers and employers. The Palestinian Authority will also strengthen institutional structures of social dialogue, including by progressively addressing inadequate governance embodied in weak labour relations in different economic sectors.

Legislative aspects of the Labour Law will be strengthened to develop and enhance freedom of association. Social dialogue mechanisms will be upgraded to consolidate the right to participation. In addition to developing social relations, social dialogue mechanisms help address current labour market changes and those brought by the future of work, by bringing together economic, social and governmental parties. Through these efforts, the government will build trust among partners and raise awareness of the benefits of social dialogue and capacity building. The Economic and Social Council will be revitalized and its capacities increased. The Labour Policy Committee will be re-established and its capacity built, and various capacity building activities will be provided to trade unions and employer organizations. Regulatory arms such as the Trade Union Regulatory Law, the Social Security Law and collective bargaining mechanisms at the Ministry of Labour will be enhanced and revised through consensus between the different relevant parties and stakeholders.

Indicators

- ▶ Number of annual meetings of the Economic and Social Council.
- ▶ Number of annual meetings of the Labour Policy Committee.
- ▶ Number and nature of laws and policies adopted to promote union activity or improve labour relations.
- ▶ Number of trade unions registered or reactivated.
- ▶ Percentage increase in union density.
- ▶ Annual increase in the number of workers registered at the Social Security Corporation relative to total employees in the non-governmental sector.

○ Priority Investment Needed

\$150,000



for rejuvenation of
the Economic and Social Council.

\$150,000



for re-establishment of
the Labour Policy Committee.

\$100,000



for revision of
the Trade Union Regulatory Law.

\$750,000



for consensus
revision of
the Social Security Law.

\$2 MILLION



for re-institutionalization
of the
Palestinian Social Security Institute

and initiation of
its functions.

\$500,000



for capacity building
programme targeting
trade unions and employers' organizations

in labour relations and
collective bargaining
management.

