

April 4, 2016

Position Paper on The Government Decision to Promote Economic Cooperation by Granting Work Permits to Palestinians (Decision 1236, March 8 2016)

Kav LaOved welcomes the recent government decision to increase the number of work permits granted to Palestinians and to establish a joint inter-disciplinary team in order to regulate policy regarding the employment of Palestinians in Israel.

Regulation of Palestinians laborers in Israel has been based on a government decision from 1970, which was later cemented as part of the Law Implementing the Agreement on the Gaza Strip and the Jericho Area, dated 1994. Unfortunately, the law is not fully implemented. The government enforces the employers' duty to pay taxes and deposit social welfare payments on behalf of workers, but does not enforce the transfer of collected funds to its intended recipients.

Beyond the payments issue, we see the latest government decision as an opportunity to advance various other aspects associated with the employment agreements, to secure labor conditions in a safe and humane environment, so that workers can return home safely.

- Crowded Crossings

Palestinians who hold work permits undergo rigorous daily security checks at

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overcrowded border crossings, often having to wait for hours until they can cross. We believe that in the age of automation, workers with permits should be equipped with identity tags to speed up the crossing.

- Dependency on Employer for Work Permits

Work permits are issued under the employer's name, which leads to employees that are at the grace of their specific employer to work in Israel. This dependency is exploited by employers and employment agencies to charge commissions and fees from employees. These commissions generally range from NIS 1500-2500 monthly, which leaves very little of an already basic salary to employees.

We believe the only way to end the exploitative practice is to release workers from the dependency on their employers. Many employers who issue permits dock mediation fees from the salaries of worker who don't even work for them, and they simply act as mediators. The original intention of the government in tying an employee to a specific employer was to ensure that the employee is monitored for national security reasons. But as stated, many employers aren't actively employing the workers, and are just mediating and taking a commission, so this practice and the security rationale behind it isn't being realized anyway.

We call on the government to grant work permits based on trade, or sector, with no tie to a specific employer, and to allow Palestinians with permits to work for the employer of their choice. By doing so, the government can remove the long bureaucratic process that is holding back Israeli employers who want to hire Palestinian workers. It can also prevent the corruption that has become rampant

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as part of these outdated and misconceived guidelines. The same conclusions were reached by the State Comptroller in his report for 2014.

- **Health Insurance**

Payments for health insurance for workers from Palestinian Authority (PA)-held territories are collected directly from the worker's salary by the Population, Immigration and Borders Authority's (PIBA) Payments Department. The insurance provides coverage in the PA only, and when any emergency care is needed for either work-related accidents or any other problem while in Israel, Palestinians can be reimbursed by the Israel's National Insurance Institute. However, the reimbursement process is only retroactive, and is valid only if the medical event is recognized officially as being work related. In non-work related medical events, the PA is supposed to cover expenses.

The workers themselves are tasked with contacting the NII or the PA to be reimbursed, whereas Israeli workers and non-Palestinian migrant workers who are covered by Israel's national health insurance get automatic coverage and don't need to pay out-of-pocket.

We call on the Israeli government to mandate that employers insure their workers with Israel health insurance. Alternatively, we request that some of the funds that are docked by employers for sick days (which are rarely used) be turned over to insuring workers who require medical treatments while in Israel.

- **Workers denied work permits**

Many workers are denied work permits, for security reasons, due to police bans

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(generally applicable to workers caught illegally staying in Israel,) or due to outstanding debts or fines.

Reports published by Machsom Watch indicate that denying a person a work permit for security reasons very often has nothing to do with the applicant being a security concern. Rather, they are denied permits to uphold the occupation: to draft informers or to keep a level of uncertainty in the population, or to deter social cohesiveness. The fact remains that many Palestinians who are denied a permit for security reasons can have the ban lifted with a relatively simple legal process, often without even requiring a hearing.

Those denied a permit due to police restrictions can rarely have the ban lifted. These workers, often with no criminal record, were caught entering or staying in Israel with no valid permit, and as a result had a ban imposed on future entry. This ban is based on criteria that are not published anywhere (despite a High Court injunction seeking to uncover the directives.) The ban time is often doubled or tripled, and affected workers are denied permits for periods reaching 5 or 10 years. There is a supposed appeals mechanism, but according to Machsom Watch, success rates are practically zero.

We call on the government to review the mechanism for denying permits for security reasons, and to consider changing the criteria for denying permits due to illegal entry into Israel, so that more workers can legally enter Israel and work without having to risk their own wellbeing in order to support their families.

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- **PIBA Payments Department**

From January to August 2013, the sum of funds collected by the payment department from employers of Palestinian workers (in the form of various taxes and social welfare payments) reached more than NIS 1 billion. But most of this money never reaches the Palestinian workers, not as cash and not in the form of social benefits. The reason lies in the department's conduct, which was referenced in the State Comptroller's report form 2014. The report said the department "failed in its role to protect the rights of Palestinian workers by not ensuring that Palestinians enjoyed the same rights and benefits enjoyed by their Israeli counterparts, as mandated by law." The report added that the government should examine the department's role and its continued operations pertaining to this matter.

A lack of transparency is prevalent in all aspects of the conditions of Palestinian laborers in Israel. They are unaware of their rights; they are receiving no periodic reports pertaining to funds accumulated in their pension funds, as practiced in Israel. In addition, the payments department denies workers who lost ability to work due to illness or accident, their right to receive a monthly stipend, which is an integral part of the pension fund payments that are docked from their salaries. Kav LaOved petitioned the High Court concerning the unfulfilled pension agreements on February 11, 2015.

We reiterate the comptrollers call on the government to review the role of the payments department and its continued operations in the future.

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- **No Supervisions of Labor Conditions**

The number of workers inured in killed in work-related accidents in construction sites grows every year. On average, two workers suffer serious injuries daily, mainly falling from great height. During 2014, 569 workers were seriously injured, a 20% increase from 2011. Every week or two a worker is killed, and the annual death toll for construction workers stands at 30. During March of this year, 26 accidents that resulted in death or injury were reported. More than half of construction workers in Israel are Palestinians.

Kav LaOved, as part of the Coalition for the Struggle against Construction Accidents calls on the government to take drastic steps to supervise construction sites effectively, so that contractors have a serious deterrent from being lax on safety on their sites.

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