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Enhancing Decent Employment Opportunities for Women and Youth in the West Bank

Policy Brief

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Introduction: A Labor Market Under Strain

The concept of “Decent Work” was first introduced by ILO in 1999. Since then, it has become central to Sustainable Development Goal (SDG) No. 8, which emphasizes productive, fairly compensated, secure, and rights-based employment. Despite the existence of legal frameworks in Palestine, the labor market in the West Bank continues to face significant challenges in affording decent work for women and youth.

Israeli restrictions, political instability, financial crises, and the repercussions of the October 2023 war in the Gaza Strip have severely undermined employment structures. In the West Bank, unemployment surged to 31% in 2024, up from 18% the previous year, while the majority of women and youth remain systematically excluded from fair employment. The war’s impact extended to the West Bank economy, which was under extreme strain. These deteriorations are evident in market disruptions and deepened structural weaknesses across sectors. Job losses have been most severe in construction, services, and manufacturing, further compounded by the Israeli ban on Palestinian laborers crossing into Israel.

The key pillars of decent employment (employment opportunities, rights at work, social dialogue, and social protection) have all been analyzed within the creative industries, particularly in the furniture, handicrafts, and footwear and leather sectors. These sectors are characterized by high levels of informal employment, which in turn undermines the quality and availability of decent work opportunities.

This policy brief highlights the critical challenges women and youth face in accessing decent work in the West Bank. It outlines integrated policy solutions across legal, institutional, and programmatic domains. Special attention is given to the creative industries, which offer opportunities for inclusive growth but remain under-leveraged due to limited policy support.

A Disproportionate Burden on Women and Youth

The Palestinian labor market has historically marginalized women and young people, while recent socio-political and economic shocks have further exacerbated these vulnerabilities. According to the Palestinian Central Bureau of Statistics (PCBS, 2024), youth unemployment reached 47% overall, with 61% for young women specifically. Female labor force participation remains among the lowest in the world, at just 15.5%. Women often work in jobs that offer low wages, informal arrangements, and limited protection.

The causes are multi-dimensional: social norms, a scarcity of suitable jobs, lack of childcare facilities, safety concerns (especially regarding travel to work), and domestic responsibilities. Notably, **93% of unemployed women have completed at least 13 years of schooling**, yet many are forced to accept jobs far below their qualifications or remain unemployed for extended periods of time, averaging twice as long as their male counterparts.

Meanwhile, nearly **half of all youth in the West Bank aged 18–29** are not employed, not in Education, Employment, or Training (NEET), representing a significant policy failure in engaging youth and developing their skills. This disengagement is further compounded by the belief among youth that their education does not lead to meaningful employment opportunities.

Labor Law No. 7 of 2000 guarantees a minimum wage, paid leave, and protection against discrimination, but enforcement remains limited. Only 33.7% of private-sector workers have formal contracts, and even fewer receive benefits such as sick leave, end-of-service payments, or maternity coverage. Women are particularly disadvantaged, with half of all salaried female workers earning below the legal minimum wage, compared to 38% of men.

Labor inspections are severely inadequate, with only 105 inspectors across the West Bank and Gaza overseeing tens of thousands of workplaces. Additionally, the penalties outlined in the labor law are insufficient to compel non-compliant employers or ensure widespread access to social protection benefits.

Social Protection: A System on Hold

A major obstacle to decent work is the **absence of a functioning social security system** for private-sector workers. While public sector employees have access to government pensions and health insurance, private-sector workers remain excluded from such programs. The **2016 Social Security Law**, designed to establish a contributory system covering pensions, unemployment benefits, and maternity protections, is still suspended due to public opposition and governance concerns.

As of 2024, only **38.5% of private-sector employees** receive contributions toward their pensions or severance. The rest rely on informal end-of-service gratuities, which are often unpaid when businesses close or operate informally. This situation leaves women and young workers particularly vulnerable to socio-economic shocks.

Recent positive steps include the introduction of **individual, rights-based allowances** for the disabled and the elderly without pensions. While promising, these programs remain limited in scale and do not address the fundamental issue of contributory protection for the working population.

Creative Industries: Potential Trapped in Informality

A closer look at the creative industries, including the handicrafts, furniture, and leather and footwear sectors, reveals both challenges and opportunities. These sectors employ thousands of people and offer potential for inclusive growth, but are dominated by informal work arrangements. In the handicrafts sector, most workers are self-employed or unpaid family members with no access to labor protection. Furniture workshops, while more formalized, still struggle with low pay, safety risks, and a lack of social insurance. The footwear and leather industry, once a thriving hub in Hebron, has collapsed over the past two decades. The number of firms has dropped from over 1,000 to fewer than 300, and employment has fallen by more than 90%. Most remaining workshops are small, lack modern equipment, and offer poor wages with no legal safeguards. Youth are increasingly disinterested in entering the sector due to its instability and low income.

Policy Pathways for Reform

To bridge the gap between current labor market conditions and the decent work agenda, a coordinated and sustained reform effort is urgently needed. This effort must begin with a critical review and revision of the Palestinian Labor Law. While the current framework outlines key protections, including a minimum wage and occupational safety, it excludes several categories of workers, particularly domestic workers and unpaid family laborers, many of whom are women. At the same time, the **enforcement of labor rights** must be strengthened by equipping the Ministry of Labor with more inspectors, better training, and stronger mechanisms to hold violators accountable.

Beyond labor law, a major structural gap exists in the absence of a functioning social security system for private-sector workers. The **Social Security Law** is now an urgent necessity. Significant emphasis should be placed on designing a new, transparent, and fiscally sound framework that takes into consideration the extension of coverage to informal and precarious workers, providing real protection against income shocks, disability, and old-age poverty. A truly inclusive system must be built on public trust, robust governance, and equitable financing.

Equally important is the creation of a **more gender-responsive work environment**. Women's participation in the labor market will not rise without serious policy attention to the barriers they face. Workplace discrimination must be addressed, and affordable childcare services for working mothers need to be expanded. Additionally, incentives (such as tax relief) should be introduced to encourage employers to formalize jobs and comply with labor law provisions. Without such interventions, structural inequalities will persist and deepen.

On the supply side, **mismatches between education and employment** continue to hinder youth access to jobs. The current training and education systems are often not aligned with the evolving needs of the labor market. Therefore, it is essential to modernize vocational and technical education by integrating digital, entrepreneurial, and green economy skills into training curricula. The National TVET Commission, established in 2021, must be empowered to lead this transformation in close collaboration with employers and training institutions to ensure that Palestinian youth are prepared for future jobs.

Finally, none of these reforms can succeed without revitalizing social dialogue. While institutional structures exist to bring together the government, employers, and workers, they often lack the effectiveness and inclusiveness needed to drive meaningful change. A long-overdue Trade Union Law must be passed to modernize labor representation and ensure that all voices, especially those of informal workers, young people, and women, are heard in decision-making processes. Trade unions themselves must be strengthened to play a more active role in advocating for rights and negotiating better working conditions.

In essence, achieving decent work in the West Bank is not a matter of isolated interventions. It requires a labor-enabling environment rooted in equity, inclusion, and economic resilience.