

Subject: Evaluation of Israel's accession to membership in the OECD

To: Trade Union Advisory Committee to the OECD

Dear Sir/Madame,

We are writing in response to the TUAC 2008 position paper regarding the accession of Israel to the OECD. (See: TUAC position paper on the OECD enlargement of membership and enhanced engagement with non members, May 30, 2008, http://www.tuac.org/en/public/e-docs/00/00/02/75/telecharger.phtml?cle_doc_attach=839)

We are dismayed at the TUAC statement, which espouses an uncritical acceptance of Israel's accession process and completely bypasses the basic rules and requirements for accession of new members to the OECD – most of which are not respected by Israel. We would like to point out that article 17, referring to how to become a member of OECD ("a general procedure for future accessions"), and also articles 4 and 5 of the specific "road map" for accession that Mr Gurría sent to the Israeli authorities require "the commitment to pluralist democracy based on the rule of law and the respect of human rights" as well as a commitment to sustainable development as well in non-member states:

"4. The Council reaffirms that OECD Membership is committed to fundamental values, which candidate countries are expected to share. These fundamental values serve as the foundation of the like-mindedness of OECD Members and have been expressed in various OECD Ministerial Communiqués. Accepting these values, along with the established body of OECD instruments, standards and benchmarks, is a requirement for membership.

5. These fundamental values include a commitment to pluralist democracy based on the rule of law and the respect of human rights, adherence to open and transparent market economy principles and a shared goal of sustainable development. "

This is the fundamental framework within which Israel's accession to the OECD and its record on workers rights have to be analyzed. Israel clearly fails to meet these set standards.

Furthermore, entering into the merits of the TUAC statement itself, it is inconceivable to us how the TUAC simply lauds both the freedom of "Israeli workers" as well as the Histadrut, brushing aside the plight of Palestinian workers with Israeli citizenship and those who live under Israeli military occupation. It fails to hold Israel accountable and instead shelves the rights of Palestinian workers until a "comprehensive peace settlement" is reached. This response displays both a superficial understanding of the situation in Palestine in general and Palestinian workers in particular as well as a lack of serious consultation with organizations representing the rights of Palestinian workers. As the representative of workers' rights and interests within the OECD, TUAC cannot disregard that:

- Palestinian citizens of Israel ('48 Palestinians) face systematic racial discrimination, denying them full access to the workplace and guaranteeing them a lower socioeconomic status based solely on their ethnicity. Furthermore, they cannot own, rent or live on 93% of the land of the State of Israel which is reserved only for Jewish citizens of the State. A state that adopts and practices such blatant laws of racial discrimination cannot be considered a "pluralist democracy" by any international standard.
- Palestinians from the occupied West Bank (including East Jerusalem) and Gaza Strip are used as cheap labour in industrial zones, settlements and inside Israel. They face poor treatment in the workplace, low wages, no job security and lack the ability to legally organize themselves. The systematic denial of work opportunities to Palestinians is used either as collective punishment (as in the case of Gaza) or as a tool for displacement (as in the case of the West Bank, including Jerusalem). Palestinian workers, as all other Palestinians, in the Occupied Palestinian Territory face oppressive Israeli measures of occupation, colonization, siege and other violations of their basic rights and of international humanitarian law.
- The Histadrut, which itself played a key role in colonizing indigenous Palestinian land, has turned a blind eye to the workers plight on both sides of the Green Line, preferring instead to support the systematic discrimination by the Israeli state against all its "non-Jewish" citizens, including workers.

Framework of Israel's OECD accession process

A rights-based analysis of Israel cannot be pertinent if it does not take into consideration the root cause and systemic nature of rights violations by the Israeli government, its institutions and economy.

Since the establishment of Israel in 1948, the Palestinian people have suffered a policy of colonization, forcible displacement (“ethnic cleansing”) and racial discrimination as well as the systematic destruction of their economy. The uprooting of the majority of the indigenous Palestinian population - 750,000 to 900,000 Palestinians were forcibly displaced and some 500 Palestinian communities depopulated by Zionist militias from 1947-1949 – has been the necessary pre-condition for the establishment of a “Jewish and democratic” state, i.e. a state with a Jewish majority, on 78% of historic Palestine. Since 1948, Israeli legislators and governments, in conjunction with the Zionist organizations and their subsidiaries, have established and developed a regime of institutionalized racial discrimination that caters to the political and economic interest and advantage of the Jewish population and maintains the inferior status of the indigenous Palestinian people and oppresses them systematically.

Unlike other colonial enterprises which pursued the exploitation of indigenous labour, the policy of the state of Israel has been to reduce the need for the indigenous Palestinians and to “transfer” or marginalize them. Most of the expelled Palestinian labour force had to settle in refugee camps while the Palestinians remaining under Israeli rule had lost their economy: The society of largely farming communities saw their lands confiscated; social and economic activity was paralysed due to military rule in the Galilee and other Arab population centres until 1966. Israeli state institutions, laws and regulations have ensured that Palestinians with Israeli citizenship are unable, until now, to obtain their economic, social and labour rights in their homeland.

With the 1967 occupation of the West Bank and the Gaza Strip, the creation of a dependent Palestinian working class in these areas began. Continuous land theft and, especially after the signing of the Oslo agreement in 1993, the closure of the West Bank and Gaza made agriculture as well as commerce increasingly impossible. With the outbreak of the second intifada, Israel has completely destroyed the economic infrastructure in the West Bank and Gaza and has used artificially created unemployment as collective punishment (as in the case of Gaza) or as a tool for displacement (as in the case of the West Bank, including Jerusalem).

All these policies are carried out in clear violation of international law and human rights and opposed by hundreds of UN resolutions.

Israel, therefore, is in blatant violation of the OECD's core principles, namely:

- **the demonstration of a respect for human rights.**
- **adherence to the principles of the OECD as outlined in its Convention, including a commitment to the purposes of the UN, including the right to self-determination, equality and respect for human rights and international law**
- **understanding that countries have a responsibility to use their economic strength to establish peaceful relations and to support the economic development of member and non-member states.**

The restrictions or denial of labour rights for non-Jewish workers are only one phenomena of the fundamental Israeli policies of racial discrimination, colonization and belligerent occupation. The failure by the TUAC to take this context into consideration has been the basis for TUAC's clear misunderstanding of Israeli policies and its rights system.

TUAC statements – a response

I. Palestinian workers holding Israeli citizenship

According to the TUAC response, ***“Israel has ratified all eight ILO core Conventions. Israeli workers are free to join and establish trade unions and have the right to organize and bargain collectively.”*** We believe it is important to analyse both statements:

1. **Israel is in systematic and structural violation of at least one of the eight ILO core Conventions, namely ILO C111 Discrimination (Employment and Occupation) Convention, 1958.**

The use of the term, ***“Israeli workers”*** serves to obscure the fact that there exists **structural discrimination between the position of Palestinian/non-Jewish and Jewish workers** in regards to job options, union protection and the like. The Israeli working class is divided along ethnic lines, with Jewish workers receiving the lion's share of privilege, opportunities and protections, while the non-Jewish indigenous population is relegated to a sub-standard position. This system is reprehensive in and of itself and runs contrary to ILO C111 Discrimination (Employment and Occupation) Convention, 1958.

This situation began with the destruction of the Palestinian economy in 1948. The Israeli state supported Jewish population centers while ignoring their Palestinian counterparts, ensuring they would slip further and further into poverty. With the exception of the Bedouin townships, no new Palestinian towns or villages were founded after 1948. Existing ones have become surrounded by Jewish settlements and bypass roads. There are no industrial zones located in Palestinian towns and hardly any trade union activity. These policies have resulted in the **growth of a two-tier system of a Jewish well-developed economy and a Palestinian under-developed economy**, largely engaged in informal economic activity.

Primary sector:

Agriculture has historically been the main employment sector for Palestinian society. However, today 13% of land in Israel is controlled directly by the Jewish National Fund, which administers lands for Jewish people only. Most of this land is seized from Palestinians and transferred to the JNF after May 1948. In total, the **JNF and Israeli Lands Administration control, through a joint committee, 93% of the land in Israel.** The ongoing Israeli policies of land theft and racist administrative arrangements make it impossible for the large majority of '48 Palestinians to gain their living from agriculture.

Secondary and Tertiary sector workers:

Denied equal educational opportunities, most '48 Palestinians are not equipped to enter higher paying positions and are predominately consigned to low-wage, manual labor. In the skilled jobs market, '48 Palestinians face a number of barriers resulting solely from their ethnicity. Even those with proper degrees and training are effectively barred from working in a number of high-level technology jobs, government authorities and public services for 'security concerns'. Palestinians with Israeli citizenship make up not more than 5.5% in the civil service and a mere 0.8% in government owned companies. Even this small fraction of '48 Palestinians that are employed in civil service are unable to advance into higher ranking positions, regardless of their skills.

As a result of these **discriminatory policies in the labour market**, over 50% of the '48 Palestinians live below the poverty line, while only 16% of Jews live in the same conditions. Almost half of the '48 Palestinian employees work in the low-wage sectors manufacturing, construction and retail trade. The unemployment rate of '48 Palestinians is over 2% higher than the one for Jewish workers. High poverty rates and un(der)employment of Palestinians with Israeli citizenship are a direct consequence of ongoing, systematic discrimination by the state and general public.

2. The question the TUAC is to address does not regard only Israeli workers but workers under Israeli regulations. **A large part of the workers under Israeli regulations are not free to join and**

establish trade unions and their rights to organize and bargain collectively are compromised. This applies to all non-Jewish workers.

There is no real freedom of trade unionism. The Histadrut holds a clear monopoly of trade unionism. This leaves no room for free choice of trade union affiliation and establishment of alternative trade unions.

Palestinian workers from the West Bank and Gaza Strip working under Israeli regulations have no right to join or establish trade unions representing them in front of their employers. Agreements between the PGFTU and the Histadrut for legal representation of Palestinian workers from the West Bank and Gaza Strip only underline the fact that they are deprived of all trade union rights. Further, there is clear evidence that legal representation by the Histadrut has only been implemented as a form of tokenism.

Foreign workers are not allowed to join the Histadrut or establish trade unions to represent them. Furthermore, a huge number of migrant workers become victims of debt bondage, fraud concerning the existence or terms of promised jobs, and/or forced labour and slavery. The vast majority of migrants are paid well below the statutory minimum. These workers are bound to their employer or job broker; if they attempt to leave their visa becomes invalid, putting them at risk of arrest and deportation. In 2006, Israel was downgraded to the Tier Two Watch List in the US State Department's Trafficking in Persons report for inaction regarding trafficking for labour.

Palestinian workers with Israeli citizenship have been barred from trade union rights until 1965. Since then, Palestinian workers with Israeli citizenship nominally can join the Histadrut. In reality, as we will see below in detail, they **have been systematically underrepresented or not represented at all.** Attempts to establish independent trade unions have been thwarted and labour activists are criminalized.

II. The Histadrut

The TUAC states that the Histadrut **"has traditionally been a strong and active union both nationally and internationally."** This statement points at a fundamental misunderstanding of the Histadrut, its history, and its policies.

1. The Histadrut is traditionally not a union.

It was rather an arm of the Israeli state and part of its Jewish para-statal institutions, actively promoting economic, political and social spheres of Jewish life in Palestine. It was the owner of bank Hapoalim, companies and the health care system. It was only in 1995 that the "New Histadrut" started to sell its company assets and delinked the right to health care from union membership. The Histadrut, which is built upon the ideology of Labour Zionism, continues to serve as a vehicle to promote the interests of Jewish workers. This discrimination, which is endemic in the very organizational structure of the union, translates into action that fails to defend the rights of '48 Palestinian workers and members of the Histadrut itself.

Membership within the **Histadrut is nationality-based instead of class-based.** About 50% of the self-employed in Israel are members, while West Bank and Gaza Palestinians employed in Israel are not allowed to join. This means that while owners are allowed to join, a significant proportion of the working class is not. The same standard applies to migrant workers, who cannot become members and as such have no protection or mechanism for collective action.

2. The Histadrut has been active to the benefit of Jewish workers only. It has historically failed to assist Palestinian workers and is not representing their interests. Even before the foundation of the Israeli state in 1948, the Histadrut served in breaking Palestinian strikes and ran picketing campaigns against Jewish businessmen who employed Palestinians. Only in 1959, 11 years after the founding of Israel, were Palestinian citizens allowed to become members of the union. They were forced to wait until 1965 to vote in union elections.

3. The Histadrut, even after it opened nominally the possibility for '48 Palestinians to join the union, has ensured they are not (duly) represented.

To date, no Palestinian has ever held an executive position with the Histadrut Convention, which is the highest governing body. Inside the Histadrut there is a glass ceiling that denies '48 Palestinian workers access to its most powerful Labour Councils. These councils are made up of white-collar workers from the civil service and government companies dealing with electricity and water supply, communication technology, banking, and the port authorities. '48 Palestinians are barred from working in these industries.

Furthermore, '48 Palestinians are vastly underrepresented in the Histadrut, and out of the 280,000 employed in Israel, only an estimated 35,000 are organized. Employed '48 Palestinian women have almost no presence in the Histadrut, apart from a small group of educated middle class women. The historical failure to speak out on behalf of the Palestinian working class, as well as the Histadrut's support of state violence against the Palestinian and Lebanese populations, has proven to '48 Palestinians that the Histadrut does not represent their rights.

It failed to take a serious stance against the spate of racist incidents that confronted Palestinian workers at the outbreak of the first (1987) and the second (2000) intifadas as well as the general discrimination faced by '48 Palestinians in government institutions. It made little attempt to challenge the Israeli state's Wisconsin Plan, a welfare-to-work program that had devastating effects on '48 Palestinians and new immigrants.

Furthermore, the union sides with the government of Israel when the interests of the '48 Palestinian working class run contrary to their policies. During the 1976 Land Day, when Israel confiscated 30,000 dunums (10,000 acres) of land in the Galilee area, thousands of residents took to the streets in protest. While the '48 Palestinian leadership called for a general strike, the Histadrut decided not to back the workers and instead sided with the government position.

Far from being a strong, independent union, the Histadrut has abandoned the Palestinian and any other non-Jewish workers in Israel, remaining instead a vehicle supporting state racism.

III. Palestinian workers from the West Bank and Gaza Strip

In regards to the West Bank and Gaza, the TUAC response reads, **"the resolution of these issues will require broader progress to end violence and establish a just and lasting peace between Israel and Palestine."** However, the abuse of Palestinian workers living in the West Bank and Gaza Strip is not merely a by-product of violence but rather, like the discrimination found inside Israel, a direct result of the Israeli policy and a pillar of the Israeli economy. This policy has revolved around securing land and resources for Jewish use at the expense of local populations and has as its direct effect the displacement of hundreds of thousands of Palestinians, collective punishment and exploitation.

Like the Palestinians who were able to remain after the Nakba, **Palestinians living in the West Bank and Gaza saw their economies devastated by military occupation and colonization.** In 1967, Israel placed the entire Jordan Valley under military control. Since the 1970s, the Israeli state has implemented a settlement project in the West Bank and Gaza (withdrawing settlers from Gaza in 2005 to replace them with an unbearable siege). This involves the expropriation of Palestinian land as well as the expulsion of residents and their replacement with Jewish citizens of Israel.

1. Displacement:

The construction of the Wall, declared illegal by the International Court of Justice in 2004, is not only Israel's single most comprehensive tool of land grab but forcibly displaces hundreds of thousands of Palestinians by barring them from access to services, their agricultural land, education and their work places. The slow process of transfer initiated by the Wall is based significantly on the impossibility of families to earn their living. In the last three years the Wall led to the displacement of about 3,880 Palestinian families composed of approximately 28,000 people, while it threatens 266,442 persons in 78 communities with displacement over the coming years.

2. Collective punishment:

The siege on Gaza, now in its second year, has purposefully destroyed Gaza's economic infrastructure, creating an unemployment rate of 45 %, the highest in the world. The siege has led to the suspension of 95% of Gaza's industrial operations. They can access neither the inputs for production nor the crossings to export what they produce. The agriculture sector, which employs nearly 40 000 workers has also been badly hit and 30 000 fishermen are unable to reach their fishing grounds. The clear purpose of the destruction of Palestinian work places and economy is collective punishment.

These two policies have drastically affected the Palestinian economy. With the construction of the Wall, settlers roads and expansion of military areas, checkpoints and settlements, the West Bank economy has further eroded, leaving an unemployed labour pool that has been exploited by Israeli firms. **Palestinians are utilized as cheap labour in industrial zones, settlements and inside the Green Line.**

3. Exploitation of cheap labour

Industrial zones: Joint "border" industrial zones have been approved and are in different stages of implementation in the Jenin, Qalqilya, Hebron and Jericho areas. These projects receive funding from the United States, EU and the World Bank and are seen as solutions to combat the growing unemployment caused by the ongoing occupation. Joint industrial zones take advantage of the occupation of the West Bank to serve elite Palestinian and Israeli interests.

In these projects, the land is near the Wall and classified as Area B. The Israeli military maintains effective control over B areas, and it is unclear if Palestinian labour law would be implemented in these new zones. In previous border zones, for example the Eretz Industrial zone in Gaza, Palestinian workers were in theory covered by Israeli labour law. In practice, however, workers were poorly treated and Israeli labour and environmental regulations were not enforced. In general, pay in these zones is incredibly low; the new Jenin Industrial Estate feasibility study projects wages that are barely above the poverty line and 1/3 of the average income of Israeli labour force.

Israeli firms are in the position to take advantage of these areas, as they will have access to cheap labour without the legal restrictions that are found inside Israel. This idea is encouraged by Israeli political elites, with Olmert stating in 2003 that border industrial sites that will provide cheap labour for Israeli firms would otherwise be relocated to Asian countries.

Settlement industry: Another Israeli business sector in the West Bank ignored by the TUAC is the conditions for Palestinian workers inside of what is collectively termed "settlement industry." This can include working as cheap labour on settlement agribusinesses in the Jordan Valley, in settlement industrial zones or manual labour positions, or as construction workers in settlement building and expansion. In all cases, Palestinian workers have a total lack of job security, low wages in dangerous working conditions and total non-protection by labour laws.

Palestinian workers in Israel: Because of the worsening situation in the West Bank, thousands of Palestinian workers from the West Bank seek employment in Israel. These workers are not members of the Histadrut but still have to pay in unionized work places 1% of their salary to the Histadrut. In theory this is to serve legal services for these workers by the Histadrut. In reality, they are given no relevant support by the union. With the PGFTU powerless, Palestinian workers from the West Bank have no support in cases of labour disputes, discrimination and the like. These workers, who do not have other options for employment, have nowhere else to go.

These mechanisms of displacement, exploitation and discrimination are a vital part of the Israeli economy and the occupation. Instead of disengaging itself from the responsibilities to advocate for Palestinian workers and waiting for peace and an end to violence to be brought about by an unknown other, TUAC is called to demand the immediate end to these violations of workers rights in order to contribute to justice in Palestine.

Conclusions and Recommendations

All the above mentioned violations of workers rights are completely ignored by the TUAC in their statement regarding Israel's membership in the OECD. This is partially due to the fact that the TUAC does not take up a critical point, namely **the implications stemming from Israel's identification as a Jewish state**. Historically, the creation of a Jewish state in Palestine required the expulsion of the majority of the indigenous population for the benefit of the Jewish settlers. It has also **necessitated the creation of a legal, social and political system that is, at its very core, discriminatory**.

This system guarantees that Palestinians across historical Palestine are treated in apartheid-like conditions as second class, whether or not they are citizens of Israel. In Israel, this translates into preferential educational, economic and social treatment of the Jewish majority. In the West Bank, with the construction of the Wall, Israel has effectively created a complex Bantustan system that facilitates ongoing colonization at the expense of Palestinian communities. Gazans are subjected to a seemingly endless siege, leading to the shutdown of 98% of Gaza's industrial operations and poverty rate of 79%.

The failure of the TUAC to account for these violations is as well due to TUAC's decision to exempt Israel from compliance with the most fundamental principles of the OECD. The international trade union movement has a long history in highlighting that the struggle for workers rights cannot be separated from the attainment of basic human rights, plural democracy and the purposes of the United Nations.

Given this situation, **the TUAC must reassess its position vis-à-vis Israel and the Histadrut**. The TUAC must act as a fair intermediary between the OECD and the trade union movement, and cannot responsibly do so by ignoring the racial discrimination, colonization and belligerent occupation faced by the Palestinian workers.

The TUAC must pressure the OECD to reexamine the accession of Israel in the light of the systematic discrimination that is practiced against workers by Israel and the Histadrut. Allowing Israel to join a body such as the OECD legitimizes these practices.

The TUAC must point to the OECD that beyond the workers rights, Israel clearly violates human rights, international law and the purposes of the UN and lacks a plural democracy. It hence **clearly violates the charter of the OECD and the fundamental conditions for membership in the OECD**. (For more see: Briefing for Campaigners: No to Israel in the OECD, Anti-Apartheid Wall Campaign, <http://www.stophewall.org/downloads/pdf/briefing.pdf>)

The TUAC should also directly confront the Histadrut over the issues of discrimination. Conducting business as usual with the union suggests that this behavior is acceptable.

Palestinian grassroots Anti-Apartheid Wall Campaign – www.stophewall.org

Endorsed by:

Steering committee of the BNC (Palestinian Boycott, divestment and Sanctions National Committee)*

** The Palestinian Boycott, Divestment and Sanctions National Committee (BNC) is a wide coalition of the largest Palestinian mass organizations, trade unions, networks and organizations. Its member organizations are:*

- Council of National and Islamic Forces in Palestine (including all Palestinian political parties)
- Global Palestine Right of Return Coalition (12 member organizations)
- General Union of Palestinian Workers
- Palestinian General Federation of Trade Unions (PGFTU)
- General Union of Palestinian Women (GUPW)
- Palestinian Non-Governmental Organizations Network (PNGO, 132 Member organizations)
- Ittijah: Union of Arab Community Based Associations (74 member organizations)
- Independent Federation of Unions – Palestine (IFU)
- Palestinian Farmers Union (PFU)

- Occupied Palestine and Golan Heights Advocacy Initiative (OPGAI, 16 member organizations)
- Grassroots Palestinian Anti-Apartheid Wall Campaign (Stop the Wall, 13 organizations and 50 popular committees)
- Palestinian Campaign for the Academic and Cultural Boycott of Israel (PACBI)
- National Committee for the Commemoration of the Nakba (20 member organizations and networks)
- Civil Coalition for Defending the Palestinians' Rights in Jerusalem (CCDPRJ, 18 member organizations)
- Coalition for Jerusalem
- Union of Palestinian Charitable Organizations
- Palestinian Economic Monitor