



# THE POLITICIZATION OF PUBLIC SECTOR EMPLOYMENT AND SALARIES IN THE WEST BANK AND GAZA

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The Palestinian Authority (PA) remains unable to meet the needs of its public sector employees. Indeed, the issue of salaries in the West Bank and Gaza has received [considerable media attention](#) recently. This policy brief highlights the PA's politicization of employment and salaries in the Palestinian public sector, and how both are exploited as a political tradeoff rather than a natural right of employees. Furthermore, the brief argues that the drastic gap in salary distribution among public sector employees represents a critical source of inequality in Palestinian society.

Notwithstanding the Israeli regime's strategies for manipulating the PA's sources of funding, such as [clearance revenues](#) and [financial leakage](#), as well as the [economic impacts](#) of the COVID-19 pandemic, the brief focuses on identifying the PA's internal mechanisms for distributing financial resources in the form of jobs and salaries as a way to serve the dominant elite's agenda. The brief ends with recommendations for how to remedy this situation and bring about substantive economic equality.

The PA was founded in 1994 with an enlarged public sector on both the civil and security levels. That is, in 1994, the number of employees in the public sector [amounted to 39,000](#), and by 2003, that number rose to [124,000](#). Appointments in the PA were premised on factional loyalty and nepotism, which resulted in the employment of [many unqualified persons](#) in high-ranking positions. Indeed, the PA chairman has been [empowered to appoint](#) undersecretaries, directors, governors, and heads of public agencies and non-ministerial institutions, the majority of whom are Fatah members.

The inability of the PA to meet the most basic of its economic obligations to the Palestinian people has led it to beg for aid from international donor agencies, and consequently, to comply with their increasingly restrictive conditions. This has included the imposition of [security coordination ties](#) between the PA, Israel, and the United States, which has further delayed the payment of public sector salaries.

The situation worsened after the political division in Palestinian leadership following Hamas's victory in the 2006 elections. In response, Israel refrained from transferring clearance revenues to Palestinians, while international aid and grants to the Palestinian government ceased almost completely. Then, in 2008, former Prime Minister Salam Fayyad implemented [neoliberal policies](#) which imposed an austerity-oriented approach to recruitment in the public sector. However, the plan failed to change the inflated reality of employment in the PA's bureaucracy, or the appointment patterns which continued to [hinge on political loyalties](#), clientelism, and favoritism.

In 2017, the PA imposed a series of sanctions on the de facto government in Gaza. The sanctions appeared in several forms, the most prominent of which was withholding public sector salaries, which has had a significant impact on all sectors of Gaza's economy. Other penalties, including referring a number of employees to early retirement, continued to apply.

The sanctions continued throughout the first half of 2018 as 32,000 employees in Gaza only received 50-70% of their salaries.

Moreover, the Palestinian public sector suffers from economic disparity and inequality. More than half of public sector employees earn 2,200 shekels (\$664) or less, whereas some directors of public institutions receive more than [\\$10,000 per month](#). The gap is even wider, by [around 15%](#), in favor of security personnel over their civilian counterparts in the public sector.

The PA seeks to mitigate its economic pressures and diminishing foreign aid by passing the burden down to the people. It does this by reducing welfare allocations to limited-income Palestinians, discontinuing payments to Gaza-based civil servants, and increasing taxes on [farmers and small merchants](#). Meanwhile, it fails to devise strategic plans to cut the salaries of senior employees and redistribute the resulting funds more equitably.

The PA's politicization of public sector employment and salaries represents a clear abuse of power. To remedy this situation, the following measures must be taken:

- The government should rebuild representative structures and abolish the policy of one-party rule.
- The independence of the judiciary must be strengthened, including in appointing judges according to merit and professionalism.
- The government must approve job description cards.
- The government should commit to abide by standards that guarantee the right of Palestinians to work in the public sector.
- The government must establish criteria for determining the salaries and bonuses of heads of public institutions.
- Independent trade unions must be revived to represent workers and employees in a democratic and transparent fashion far from the influences of political elites and security threats.
- Civil society institutions must support unionist movements. These grassroots movements must be part of a serious and radical review of the structure of power, taking into account the broader role of re-building the national movement and its representative institutions.