

**Israeli Industrial Relations Research Association (IIRRA)**



## **Working World on the Move - a Blessing? עולם העבודה בתנועה – ברכה?**

**14<sup>th</sup> November 2018 , Tel Aviv,  
"Industry House"**

**Follow up Report Conference 2018**

**דו"ח סיכום של הכנס הבינלאומי**

**של האגודה הישראלית לחקר יחסי עבודה**

**בשיתוף עם ארגון העבודה הבינלאומי וקרן פרידריך אברט בישראל**

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## **Introduction**

During the conference, the Association addressed current issues with full cooperation by the International Labour Organization and Friedrich Ebert Stiftung Israel.

The Association encourages research of various fields in the labor world by providing research grants to post graduate students. Along with the academic angle provided by the research world, the tripartism elements – workers' and employers' organizations, which constitute the social partners, in collaboration with the government representatives, contribute the Association with practical aspects of the dynamic labor relations system in Israel. According to the Chairman of the Association approach, the unique collaboration between research and academia and those engaged in practice – the tripartism structure is wonderful.

The experts invited by the Labour Organization presented the international position regarding the aspects discussed during the conference and the implications on local economy, employment rates and working relations.

The topics discussed during the conference were agreed upon with the conference partners and handled by the steering committee, accompanying and planning the conference. These material and relevant issues regard diverse populations in various sectors – immigrants, Palestinians and the occurrence of human capital outflow.

At the opening and during the conference the Chairman of the Association, Adv. Orly Bitty emphasized the relevance of the discussed topics and the courageous collaboration with the International Labour Organization and Friedrich Ebert Stiftung Israel in organizing the annual conference. We must keep in mind that Israel is a country of immigrants and that the Jewish people history requires us to learn the lessons of the past and apply those on the present and the future. Economic prosperity must go hand in hand with social justice.

The Friedrich Ebert Stiftung Israel representative, Mr. Micky Drill, discussed the importance of issues addressed during the conference as well. He emphasized the annual

conference importance and its significance as Friedrich Ebert Stiftung Israel main activity.

Quotes from the Declaration of Philadelphia, 1944 – fundamental principles consisting the basis of the International Labour Organization constitution and activities:

labour is not a commodity

freedom of expression and of association are essential to sustained progress

poverty anywhere constitutes a danger to prosperity everywhere

This year the conference focused on three population groups:

- Palestinian workers within the borders of Israel and the territories
- Immigrants, migrants and asylum seekers
- A fundamentally different population – Israeli human capital outflow and possible return, though this is a known global phenomenon related to professionals with occupations in demand.

### **General**

The International Conference deals this year mainly with dramatic global changes during the recent years. These changes are characterized by massive populations migration in scopes and due to reasons, we have not previously seen. This movement varies in scope and essence from other globalization processes however, it occurred repeatedly with various intensity during human race history.

The unprecedented migrating population scope is caused by various factors. Migrants leave their origin countries due to, among others: severe drought, difficult living conditions, military coups depriving human rights and civil wars focused mainly in the Middle East region and its periphery. Previously known concepts, such as foreign workers and work immigrants are changing due to massive migration from Asia and Africa to European countries. The new concepts are migrants, asylum seekers, refugees, etc. Such migration causes demographic changes and leads the destination countries to enact limitations and entry restrictions on refugees / asylum seekers trying to enter. European political views are affected by these migrations partially since political parties opposing intaking migrants staying at the European borders are getting stronger and their views become more radical, following citizens and old and new type politicians' concerns regarding the migration and its scope.

Essentially, most migrating populations, at times families, reaching European shores who escape dangerous situations do not seek employment as priority, unlike work migrants. However, afterwards and with no regard to migration motivating factors, they

aspire to integrate local population in employment, demographic and social aspects. This component, though not yet examined practically and by research, requires concentrate attention while examining practical solutions provided by intaking countries, and simultaneous change in economic development reality in their countries of origin.

Following a short adjustment period those who desire to be integrated become interested in employment and assimilation within the local population, therefore the discussion is refocused on labor markets, employment, social state and standard of living improvement. These subjects are familiar to those dealing with labor and labor relations markets, both on local and international levels.

**Comment regarding the International Labour Organization senior working group examining the variety of issues related to future working world prior to the 2019 Organization conference:**

Even if it is customary to say migration due to climate changes, political problems, persecutions and desire to improve living standards, are human characteristics continued throughout history, the scope of migrating populations and the need to update legal and citizenship status definitions, create new circles various institutions, including the International Labour Organization, must deal with. The new work value concept perception should be addressed as well – new occupations’ mapping and the communication revolution. It seems the need to formulate a new and comprehensive social treaty which grants new concepts to labor world, work value, structural change in employee-employer relations and increase in freelancers and other components, is growing. A completely new reality of material and structural changes significantly influencing workers organizations, social partners structures – professional associations, employers’ organizations and government acts, is forming in front of us.

To emphasize, there is a balance between the need to deal with arriving immigrants/migrants’ basic human rights situation and social and labor world related rights aspects.

## **In Israel**

The situation is intensified due to complex demographic and security issues. This complexity stems of existential problems in a region full of wars and confrontations. On one hand, the need to preserve the country as the sole state and refuge of the Jewish people, and on the other, the desire to establish and sustain a democratic state while preserving residents' civil rights and humanitarian human rights recognition for populations residing in Israel with recognized and un-recognized statuses. Due to security situation, sensitive demographic balance and state character, Israel has not adopted open immigration policies in the past and has tightened and reduced the criteria for absorption and granting recognized statuses in present.

The Arab citizens in Israel constitute approximately 20% of the population. Israel consistently opposes the “state of all its residents” definition and declares it is a “Jewish and democratic” state while emphasizing the unique rights granted to Jews who are absorbed based on the collective-national context and, on the other hand, granting full personal and democratic rights to all its recognized citizens, such as fair and equal legal proceedings, the right to vote and be elected, freedom of religion and holy places recognition, freedom of speech and protest, including – the rights to demonstrate, go on strike, etc. Israel has an outstanding tradition of free judicial institutions adopting international standards and ensuring its citizens, residents and populations without a defined legal status basic right.

## **Palestinian workers who work within the Israeli borders and the territories**

There are approximately 375,000 non-local workers in Israel – foreign workers, migrants and Palestinians, who constitute less than 10% of the work force.

Despite decades long ongoing conflict between Israel and the Palestinians, and despite terror attacks carried out by organizations and individuals, Israel adheres the need to allow Palestinian workers, subject to security restrictions, enter state borders and industrial zones in the territories. This, in order to sustain economy and reasonable living standards for residents of Judea, Samaria (the West Bank controlled by the Palestinian Authority) and Gaza Strip, and meet employment demands of various industries within Israel.

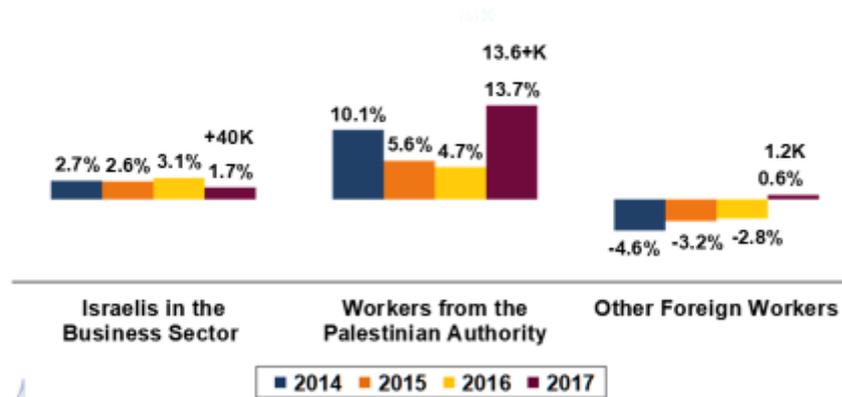
These workers amount gradually increased after the Six-Day War in 1967, following a government decision. At the time, the number of workers entering and exiting Israel daily for work purposes reached approximately 150,000. These workers were employed mainly in construction, agriculture and, to some extent, industry. The mentioned government decision established an equal labor cost principle for both Palestinian and Israeli workers. Sectorial collective agreements applicable to all workers in Israel working in the said industries grant employees with equal labor rights, directly or by extension orders (regardless of workers being organized in a professional union or not). Workers who work in the West Bank territories – the legislation was partially adopted by the military governor, who is the legislative authority for the territories, as applicable to Palestinian workers in industrial and settlement areas there.

With security incidents and harming of Jews increase, both employers and employees, within the Israeli borders, work permits granted to said workers were reduced in accordance with criteria related to age, family status, absence of past with security importance, etc. Currently, about 136,000 Palestinian workers with and without permits are employed within Israel and in the territories.

# Israelis & Palestinian Employees

Incl. workers without permit

Rate of Change in the Number of Employees



Source: Bank of Israel & Economic Research Department, M.A.I.

Presented by Mr. Dan Catarivas, Manufacturers Association of Israel

During 2017 Palestinian employees' number increased by 11%, in comparison to the previous year.

Policy set by the government was greatly influenced by security incidents – for example, the reaction to the recent murder incident in Barkan industrial zone, was imposing restrictions based on age, family status, etc., on the Palestinian workers. On the other hand, the perception that a reasonable economic situation can be achieved by providing employment to these workers and the demand for workers in the said industries, created a changing reality in permits granting to the said workers. However, it is clear in terms of demographic and social aspects, the Palestinian workers' employment ease and cost are far superior than increased foreign workers' employment. In practice, employers do not have to worry about the accommodations and living arrangements of workers, whose daily journey between their home and workplace is relatively short. In a number of meetings with the annual Labour Organization delegation, arriving to examine working conditions of Palestinian workers from the territories, employers' organizations representatives and others expressed their preference to employ Palestinian workers over foreign workers. These foreign employees may change the demographic structure

of the local population and their arrival creates difficulties derived from their tendency to segregate in dense population areas and create isolated neighborhoods where they lead their lives in the tradition they adopted from their countries of origin. These demographical changes leads to conflicts and confrontations with the local population, mainly the lower income population who tends to reside in areas with high concentration of immigrants.

According to a study conducted by Macro, the Center for Political Economics, external workers employment, in this case, Palestinians, in industries and professions not occupied by Israelis, meets economy demands. According to the study, these workers do not compete with Israelis for jobs in which Israelis are interested, and said employment contributes to economy growth<sup>1</sup>.

Several NGOs have specialized in providing consulting and legal representation in Labor Courts services (for a basic consideration) for Palestinian workers and work immigrants, and they are the go to places with complaints related to salaries and social benefits<sup>2</sup>.

Since the late 70s, an annual Labour Organization delegation arrives to Israel to examine the state and working conditions of Palestinian workers. The delegation authorized to examine these matters formulates a summarizing report, following a decision by the Labour Organization Plenary that tasked the D.G of the Organization with this duty. During the years this report has been expanded, against the Israeli position, to political and security aspects while also addressing exploitation of resources in the territories for settlements there, road conditions, construction and security closures. Nevertheless, these reports indicate solutions and suggestions for improving the socio-economic state of these workers as well as accessibility, training and occupational safety improvements.

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<sup>1</sup> Article and review - <http://www.macro.org.il/images/upload/items/16423344100905.pdf>  
<http://www.macro.org.il/images/upload/items/47922424014604.pdf>

<sup>2</sup> [www.kavlaoved.org.il](http://www.kavlaoved.org.il) areas of activity / workers - Palestinian [www.ovdim.org.il](http://www.ovdim.org.il) employees' rights

Several suggestions have been adopted and implemented, as shall be detailed in this report.

**Workers from Gaza** – in light of the security situation and the fact Hamas is the ruler in the Gaza Strip, work permits are not granted to workers from Gaza, though in the past their amount at peaks reached about 100,000 Gaza workers, working mainly in the southern regions and some were permitted to sleep within Israeli borders.

However, recently, during discussions regarding the need to even slightly improve the economic conditions in the Strip in order to prevent humanitarian deterioration, the possibility to grant work permits to about 5,000 workers from Gaza was addressed. It seems that the current volatile security situation at the border prevents the implementation of the plan, subject to truce agreements and their practical application.

**Last developments concerning employees from the West Bank:**

Due to shortage of around 10,000 software employees, Israeli employers turn to software workers from the West Bank<sup>3</sup>.

Another recent development – following pressure applied by business owners from the restaurant and bar industry, the Government approved the employment of 1,500 workers from the West Bank by these businesses.

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<sup>3</sup> The Wall Street Journal, 11/11/18.

*Presentation made by Ms. Catelene Passchier of the main points from the 2018 report of the Director General of the International Labour Organization, and responses by Mr. Itzhak Moyal and Dr. Roby Nathanson*

*During the session, Ms. Catelene Passchier, who serves as the Chairperson of the Worker's Group in the International Labour Organization, raised several specific problems and flaws related to working conditions of Palestinian workers in the territories, employed mainly in Israel and the settlements. These flaws are based on the annual report prepared by the International Labour Organization high level mission visiting the area, in accordance with a resolution approved during the early 1980s by the annual ILO conference. These flaws were addressed mainly by Mr. Itzhak Moyal, Chairman of the Construction and Wood Workers Union, the new Histadrut*

*Response summary*

*Dr. Robi Nathanson and Mr. Dan Catarivas made a methodical comment that combining economic data regarding the West Bank with the one in respect of Gaza distorts the actual situation, hence there is a significant difference between the two economies. Therefore, such data must be examined separately.*

*In response to this, Catelene Passchier explained that the ILO report does indeed make a clear difference in its analyses and descriptions between Gaza and the Westbank, and that she in her presentation had focused on the Westbank.*

*Another comment regarded the need to balance flaws included in the report and completed or improving operations subject to complex circumstances, in order to present the situation as a "cup half full" and raise hopes among the parties*

*On this, Ms. Passchier said that she fully understood the need for the ILO to report both about negative as well as positive developments, and that indeed the ILO report, although overall seeing unfortunately not a lot of improvement, was more hopeful about increasing cooperation between social partners on both sides of the border to address urgent social needs*

*Another comment concerned the need not to settle merely for the stated during the meetings and present a draft of the findings, providing the relevant parties with an opportunity to submit their written responses prior to final version of report publication*

*Ms. Passchier explained that these remarks were based on a misunderstanding of the nature of the ILO report and how it came about. The ILO mission has been speaking to all sides and actors on both the Israeli and Palestinian side, and has tried to give an honest reflection of its findings and the opinions of the various sides. The report was then put before the ILO general assembly in June for comments. She referred to the ILO website for the full report, and recommended to the audience to read it. .*

*Mission findings presented by Catelene Passchier and conference speakers' responses*

*At the beginning the speaker mentioned the initiated improvement processes stated in the report, including: the recent activity by the Histadrut to reach an agreement regarding implementing necessary steps to increase workplace safety, particularly in the construction sector.*

*A few days prior to the IIRRA conference, a collective agreement has been signed between the Construction Workers Union and the employers in the construction sector. This agreement determines guidelines for providing the workers with construction site safety training, enforcing measures upon workers who shall not comply with safety instructions and the establishment of a national level Parity Safety Committee which shall be adjoined by an external safety expert. The Histadrut declared a general labor dispute which reached the verge of a general economy strike as a lever for reaching the agreement. The strike was intended to pressure the Government to promote establishment of current standards and the enforcement of said standards over essential safety issues in the industry. This agreement has been formulated is implemented in stages.*

*Another positive development is the beginning of a dialogue between relevant Israeli and Palestinian parties to analyze handling of flaws related to Palestinian workers employment conditions, in accordance with priorities agreed upon within this framework.*

*The mission report mentions as one of the big problems: About half of the Palestinian workers with work permits have to rely on work intermediaries (both Israeli and Palestinian) to sort out necessary paperwork. The average cost of this service is approximately one third of their monthly salary. Furthermore, there are a lot of abuses reported about the system of intermediaries. .*

*Response: During 2017 Israeli representatives reported a reform made in order to reduce the power of said mediators, salaries were transferred using electronic means and steps to ensure workers mobility have been taken.*

*Response: Ms. Passchier: the 2018 mission nevertheless did not see a lot of progress in practice.*

*Problem: most employment is occasional, seasonal, with no job security and without any written or oral employment agreement. Therefore, the employee is denied all social benefits. Although collective agreements are applicable, in practice, there is a difference between work conditions of the Israeli and the Palestinian workers.*

*Response: In sectors concentrating workers from the territories the work is primarily seasonal (such as agriculture) or by project (construction). Collective agreements, mainly in the construction sector, apply to all sector employees and determine starting salaries significantly higher than in other private sector industries (provided it is enforced). Salaries increase is subject to principles of supply and demand and based on specialization criteria. Israeli law does not require existence of written employment agreements for most economy employees.*

*Problem: In accordance with the Paris agreements of 1994, Israel undertook the obligation to transfer social security contributions in respect of the relevant*

*Palestinian workers to a social security institute which shall be established in the Authority. During 2017 and 2018 the institute has been established, yet until now the contributions were not transferred.*

*Response: In accordance with the Israeli Ministries of Finance and Justice position, procedures and requirements regarding establishing the said authority have not been completed.*

*Problem: Exposure to work related accidents – a significant portion of these accidents occur in the construction sector. Israeli construction sites have the highest rate of work related accidents in the OECD. The big majority of workers that are victim to these accidents are Palestinian workers. Supervision and safety measures should be increased, as well as penalties .*

*Response: About 10 days ago the economy was facing a general strike regarding this matter. The Histadrut never before went on strike in respect of an issue which is not related to wages or social benefits. The strike was prevented as most Histadrut demands were accepted, both regarding advanced scaffolding and supervision standards existence, increase in number of supervisors and increased penalties, including personal punishment, of those responsible for work safety failures.*

*Response Ms. Passcier: this strike and its negotiated results are certainly an important step forward..*

*Problem: Roadblocks and crossings significantly (from 3 to 5 hours per day) delaying workers during their daily journey from home to and from their workplace .*

*Response: The number of crossings increased from 5 to 9. The physical conditions at the crossings improved and arrangements have been made to ease the queues and shorten waiting times*

*Response Ms.Passchier: the 2018 mission has not seen a lot of progress made in practice.*

*Problem: Difficulty in exercising labor related rights in Labor Courts for Palestinian workers who are afraid to lose their job when they complain, and salary gaps in practice between Palestinian workers and Israeli workers in Israel even although officially Israeli labour law and collective agreements apply. There are even more problems with the rights of Palestinian workers in the settlements because of the unclear legal situation.*

*Response: Labor Courts proceedings and applications are relatively simple and organized in user friendly forms. The Histadrut and the NGOs aid those who struggle with filling claim related forms. A few years ago, construction industry employers in collaboration with the Construction Union established a Parity Committee. During last year the committee held 1,500 cases , most of which were resolved to the satisfaction of both the employee and the employer. This system was established and approved by the labor courts. The quick and informal proceedings are accelerated by the committee, and thus, summaries are reached alongside labor courts. As for salaries in the settlements courts implement the Supreme Court's ruling. As for the fear of losing jobs when approaching the labour courts – it is a common problem for all workers.*

*Problem: Palestinian women employment – there is a significant gap and gender discrimination, both within the territories but also expressed by non-employment of Palestinian women from the territories in Israel. Palestinian women do work however in agriculture and domestic work, including in the settlements, in which they are not properly protected.*

*Response: Most of the problem is rooted in the local culture and traditions, which prevent women from leaving their community for work purposes. This fact is evident among Arab population within Israel as well, and a part of the solution lies in creating jobs within their communities. It is hard to presume women could be*

*integrated in the construction industry, particularly difficult construction stages during which Palestinian workers are employed.*

*Problem: There are signs of cooperation and improvement systems being formed, however the dialogue and its' implementation are fragile and not reflected in improvement on the ground.*

*Response: A joint desk was set-up to address and discuss all substantive issues. This desk is shared by Israeli employers' organizations, employees' representatives and relevant parties from the Palestinian Authority. This framework was recently established, and the study presented by Macro, the Center for Political Economics, has been accepted by the joint desk participants as a common platform reflecting reality.*

*Ms. Passchier asked to give precedence to acute problems regarding following issues: work intermediaries, social security payments and transferring said payments to the Palestinian workers and social security organization, considerable time spent at crossings and multiple work accidents due to non-compliance with health and safety obligations.*

Ms. Passchier asked to give precedence to acute problems regarding following issues: work mediators, social security payments and transferring said payments to the Palestinian organization, considerable time spent at crossings and multiple work accidents due to non-compliance with safety instructions.

## **Insights and recommendations**

- **Increasing joint committee activity while accelerating processes in Israeli administration, particularly, agreed safety platform implementation, improving crossings effectivity by increased use of personal electronic cards and advanced technology, implementing measures to reduce employment mediators' involvement and settling the issue by governmental bodies in the Palestinian Authority and the State of Israel.**
- **Providing legal aid to Palestinian workers, including information about employment related rights and legal aid organizations assisting in labor court proceedings, and the parity committee in the construction industry, as an effective mean for resolving disputes.**
- **Applying pressure on military governor responsible for legislation in the territories to add more components from Israeli legislation by means of decrees benefiting Palestinians working in industrial zones at that regions.**
- **Operating and increasing supervision over working hours, compensations and work hours reflecting pay slips and focused treatment of delayed salary payments, as stipulated by Israeli legislation.**
- **Improving automatic equipment used in construction works, mainly by receiving governmental assistance and training workers to operate this equipment. This process would imminently reduce work related accidents, improve physical work conditions and advance workers in their professions.**

### **Foreign workers, migrants, asylum seekers, refugees**

International aspects – There is no doubt increased migration to Europe caused media, economic and political shock. Several countries, primarily in Central Europe have closed their doors or agreed to serve as a corridor to Western European countries, such as Germany. Germany expressed a less hesitant consent to intake some of these migrants. An additional significant shock is the right-wing swing of public opinion in several countries, reflected in protests by local population opposing immigration and strengthening seclusion and migrating population deportation promoting parties. In view of said reservations and increased border control, several tragic drownings occurred after trying to reach European shores in unsafe and over-crowded vessels, filled with families, including of children.

According to the International Organization for Migration – the IOM - the total number of migrants amounts 258 million, of which about 150 million are work migrants.

The International Labour Organization opinion was not widely expressed in the global media. It is possible migration is not considered by the Organization a part of its operations and expertise leaving the initial migration regulation task to other organizations, such as the IOM, volunteers' organizations and organizations dealing with refugees, medical aid or deportation to third countries.

Focusing on Middle Eastern countries shows that wars in Iraq, and recently in Syria, created a wave of migration not only to Europe. The Jordanian Kingdom, which is not multi-populated and whose economy is not among the best, has accepted the challenge and took in about 1 million refugees from the civil war in Syria. This is not an easy burden on the economic situation there. Turkey has reached absorption agreements with EU countries and is expanding the number of people staying mainly at its border with Syria. The question therefore, is whether this is a temporary arrangement which shall be followed by a reasonable solution or would these camps be perpetuated in the future and the socio-economic solution may take a long time to implement.

In the recent days it was reported Uganda is prepared to intake refugees and views migration in a practical and positive manner.

A model developed by Prof. Paul Krugman with the participation of Prof. Alice Brezis shows the current and focused conflict is not between capital and labor, but rather between qualified and relevant employees and non-qualified ones. The occupations of the latter are due to disappear following the technology revolution, opposed to the growth of demand for qualified, and especially, technology-oriented workers. Best immigrant absorption in destination countries, occupation wise, occurs when immigrants arrive at a young age and take advantage of high levels of education provided there.

The Labour Organization aspiration, including migration treaties and “Decent Work” principles, is creating voluntary migration and implementing the “Migration is a Choice” principle. This is an ideological aspiration, yet it seems in view of the difficult circumstances it is far from reality and is much more relevant to a human capital outflow situation both from the migrants’ and the absorbing countries’ points of view.

### **In Israel**

- A report published by the **Metzilah Center** a few years ago stated Israel has no immigration policy. It seems the situation is similar today. The authorities move between desire to preserve the character of the state and the demographic ratio, economic needs, and the demand for working hands in various industries, mainly – caregiving, construction and agriculture. The largest group of workers arriving from overseas in accordance with regulated permits, is the population employed by the caregiving sector which provides in kind aid financed by the Social Security Institute in the homes of citizens who have been recognized as requiring nursing care.

Contrast to regulated workers, migrants, asylum seekers and refugees arrived Israeli borders using uncharted paths – they crossed borders, mainly from Egypt or entered as tourists using the usual way and continued their stay. Due to a reinforcement and the physical restrictions that were put in place – a construction of a barrier at the Egyptian

border, the migration from that direction nearly ceased. Currently, there are over 30,000 migrants in Israel. The disturbing social problem is they are segregated in southern Tel Aviv, where they arrived without any means or prepared infrastructures, yet they find occupation in this area. There is a constant conflict with longtime local population. Solutions, such as deporting the migrants to third countries, in accordance with international agreements, and dispersing them to other regions of the country, are encountering procrastination and face judicial and other difficulties. So is the attempted housing in an open detention center with proper services subject to legislation which was not implemented due to judicial difficulties and legal system delays. Certificates granting recognized refugee status are given sparingly and very slowly. The criteria for said status approval are very strict. On the other hand, any change in their countries of origin regarding the alleged political situation or military regime improvement in respect of enlisting conditions, is accepted as a non-disputable reality by the immigration authorities, and there is instant pressure to deport those populations to their countries of origin.

During last year an attempt was made to reach an agreement with the United Nation High Commission for Refugees (UNHCR) to deport about half migrant's population staying in Israel to third countries, with a certain compensation paid as they leave, while the other half would remain in Israel and will be dispersed to different regions of the country. This plan was halted by various organizations' opposition and due to political pressures.

The described strict procedures implemented by the authorities regarding migrants living conditions and status, and lack of civil and occupational status recognition reduce the number of migrants residing in Israel. Some migrants are suffering from severe mental state and post-traumatic effects due to difficulties they encountered during the transition and long journey from their country of origin to Israel. The medical aid provided for treating said problems is partial, at best.

**In the recent days, prior to writing this report, it was published that the A.S.F – the Association for Assistance to Refugees and Asylum Seekers in Israel, submitted a**

**petition with the Supreme Court regarding providing social aid by the State to the migrants residing in Israel, via welfare offices subordinated to the Ministry of Labor and Welfare.**

*An inter-ministerial team recently recommended provision of assistance by the said welfare offices however, the matter is subject to Ministries of Finance and Welfare delays due to funding related arguments. It can be expected the matter would be resolved and treatment would be provided in accordance with lenient criteria so that a larger migrants population portion could receive the said treatment.*

*There is no consistent government policy regarding migrants and therefore their employment has a temporary nature while employers do not know the rules of what is permitted or prohibited. Officially, received visas are valid for a period of three months. These visas forbid them to work yet many are employed and earning a living and are dependent on changes and fluctuations in enforcement measures.*

*A few years ago, a Foreign Workers Employment Rights Commissioner was appointed. This governmental framework is intended for inquiries and complaints submissions. The Commissioner produces explanatory materials regarding foreign workers rights and responses to inquiries/ the addresses to turn to when a problem occurs<sup>4</sup>.*

Recent developments – Approximately 1,500 of the 6,000 hotel workers employed in Tel Aviv currently are migrants.

**Breaking News** – Several days after the conference, Israeli government announced its withdrawal from the voluntary UN agreement – the Global Compact for Refugees and Migrant Workers. The announcement followed several countries reluctance to join the stated in the agreement, led by the United States. The document adopted by the UN General Assembly in 2016 is designed to ensure the rights, livelihood and personal safety

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<sup>4</sup> <http://employment.molsa.gov.il/About/Units/Pages/ForeignWorkersRightsAtWork.aspx>

of work migrants and work migrating refugees. As quoted from the document introduction:

...“Though their treatment is governed by separate legal frameworks, refugees and migrants have the same universal human rights and fundamental freedoms. They also face many common challenges and have similar vulnerabilities, including in the context of large movements.”

## **Insights and recommendations**

**In light of processes reducing the number of migrants, there is no current threat to the labor market and Israeli society. Therefore, there is a need to:**

- **Clarify and sustain government policy in order to create a stable situation for both migrants and employers.**
- **Address various workers population segments in order to reduce cultural conflicts and confrontations at and outside the workplace.**
- **Encourage bilateral agreements with countries of origin to regulate the workers passage and employment conditions, while increasing supervision over workers' rights enforcement at the workplaces.**
- **Examine workers qualification for future occupations and, at times, supplementing these skills by suitable training. Providing workers with skills to assist them in a world where occupations which do not require skilled workers are disappearing, is of great importance.**
- **Build infrastructures to disperse migrants' populations by employing them at the periphery (towns and other settlement types such as a moshav - a collective type of settlements - or a kibutz) and facilitate accessibility to workplaces located farther away by providing organized transportation to and from said workplaces in order to reduce pressure of the local southern Tel Aviv population. There seems to be a willingness to accept the migrants in various regions.**
- **Cancel levy deposit collection threat (approximately 20% of the employee's salary), although such charge is in effect since mid 2017 it has never been properly enforced in practice.**
- **Increase supervision and enforcement, together with cancellation of said levy regarding salaries in accordance with the law and collective agreements applicable to these workers, including social benefits.**

- **Hence the migrants' population did not enter Israel as work immigrants, they should be provided with basic training suitable to labor market needs.**
- **Involve social partners and other relevant parties substantially in consultations regarding policy formulation and implementation.**

## **Human capital outflow as global and Israeli phenomena**

Contrary to restrictions and activities against immigration reflected in aggressive legislation, borders' closure and absorption restrictions and prevention of status recognition for those entering Western countries as refugees, there is a completely different phenomena and positive policy in respect of populations defined as professionals, in the developed countries. The said population are doctors, hi-tech professionals, scientists, in-demand lecturers and others, who are willingly absorbed by these countries. They are offered attractive absorption terms in the target countries. The information and tendencies conveyed by international media, and the need and desire to progress professionally and achieve successful careers, lack of position standards and budgets in countries of origin, lead this population segment to migrate to the intaking countries.

In accordance with the accepted definition of this phenomenon – “human capital flows from one country to another, usually from a less to a more developed one”.

The issue requires attention since the main innovation and economy driving resource in Israel is the human resource. Outflow of human capital in in-demand fields – computer science, mathematics, medicine and scientists, is a significant damage to economic progress and competitiveness of Israeli economy. However, it must be noted Israel accepts immigration, mainly of Jews, whether from Western countries in the advanced fields of hi-tech and during the 1990s a massive immigration wave from the former Soviet Union, which was expressed in fields of engineering and technology. This wave of immigration, many of whom were absorbed in the industry, greatly assisted the economy and filled in the gaps in the said fields.

Hi-tech is considered the engine and the leading factor of the economy growth.

An additional well known in Israel phenomenon is the “exit” phenomenon, when a large global corporation acquires and “absorbs” a relatively small start-up company while closing the acquired entity or merging it into the corporation and physically transferring entrepreneurs and professionals overseas to purchasing corporation development

centers. Recently we have witnessed acquisitions and mergers which include clauses stipulating the project in respect of which the “exit” was carried out, shall remain in Israel for a period of at least several years and could not be transferred to other countries.

In accordance with data of the Labour Organization, the human capital outflow rate from Israel is not high however is increasing, and therefore should be monitored while actions should be taken to reduce it as much as possible.

## Positive effects

- Provides rewarding opportunities to educated workers not available at home.
- Inflow of remittances and foreign exchange
- Induced stimulus to investment in domestic education and individual human capital investments
- Return of skilled persons increases local human capital,
- transfer of skills and links to foreign networks
- Technology transfer, investments and venture capital by diasporas
- Circulation of brains promotes integration into global markets (India, Taiwan, (China)).
- Short term movements of service providers (GATS Mode 4) generate benefits for both receiving and sending countries.
- ICT allows countries to benefit from diasporas.

## Negative effects

- Net decrease in human capital stock, especially those with valuable professional experience
- Reduced growth and productivity because of the lower stock of human capital
- Fiscal loss of heavy investments in subsidized education
- Remittances from skilled migration may taper off after some time.
- Reduced quality of essential services of health and education
- Students educated at government expense or own
- Resources in foreign countries imply further drain
- Opportunities for short-term movement of natural persons is seriously constrained by immigration policies of developed countries.
- Causes increasing disparities in incomes in country of origin.

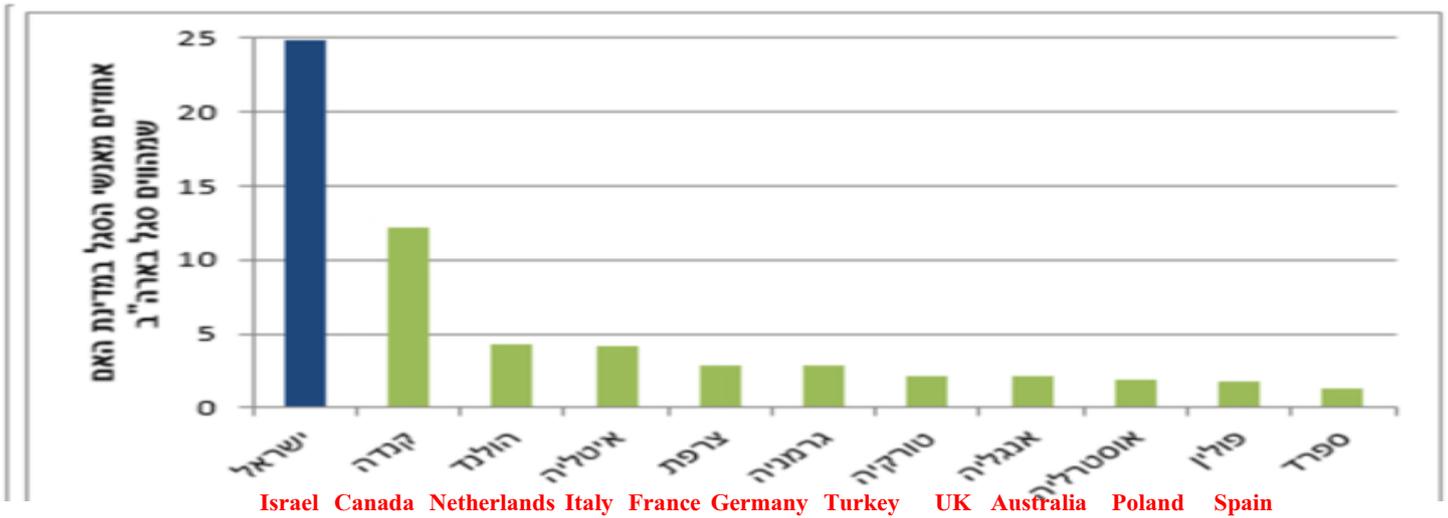


The percentage of Israeli faculty members who moved from Israel to universities in the US is considerable and disturbing. This rate indicates the high number of Israeli university graduates attempting to enroll in higher education institutions in Israel and the lack of budgets and position standards to absorb them. In addition, prestigious and well respected academic institutions in the US, attract Israelis mainly by the possibility to advance their researches and academic careers. Many of these researchers do not return to Israel, even if initially they did not intend to settle overseas.

## Rate of Academicians Working in U.S Universities

As a Percentage of Academic staff at Home Countries

שיעור אנשי סגל אקדמי ממדינות זרות אשר עובדים באוניברסיטאות בארה"ב  
(מקור: בן דוד, 2008)



Presented by Prof. Itzhak Harpaz

## **Insights and recommendations**

- **Monitoring the tendency by a joint entity, together with the representing bodies – representatives of academia, employers and employees org' and examining activities efficiency – benefits provided to those returning compared to those who do not return**
- **Creating teaching and research positions in academic institutions**
- **Examine possibilities of keeping human capital outflow potential in Israel while using the exact technologies invented and dealt with by that public. These technologies create a situation in which the physical distance does not necessarily influence the outcomes and is less relevant due to the communications revolution.**
- **To encourage similar clauses inclusion in exit agreements in order to keep the important human resource in Israel.**

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**The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung.**

