LABOUR MARKET BRIEFING
GAZA STRIP | SECOND-HALF 2010

SUMMARY

The Gaza labour market in second-half 2010 (H2 2010) showed growth in employment and unemployment relative to H2 2009. Comparing first-half 2010 (H1 2010) and H2 2010, however, suggests the return of negative trends, with job losses, higher levels of unemployment and higher unemployment rates. This was in the context of declining labour force participation among refugees in particular. Despite employment gains, nominal and real wages continued to deteriorate under the weight of persistently high unemployment rates.

Despite marginal easing of the Israeli blockade, most employment growth between H2 2009 and H2 2010 was generated by the public sector. After declining in H2 2009, as thousands of temporary hires for the post-Gaza war relief effort were released, the public sector resumed hiring. Construction employment was the main source of job generation in the private sector, with agriculture and transport also contributing to job growth. Job losses were greatest in private services (which include UN and NGO employment) but also significant in commerce and manufacturing.

Refugee labour force participation continued to decline while that of non-refugees rose in the year-on-year comparison. Refugee employment declined while that of non-refugees surged. Refugee unemployment increased while that for non-refugees declined. Unemployment rates for refugees rose while those for non-refugees fell. Average wages continued to fall, but refugee wages remained substantially above those of non-refugees. At 45.2 percent, the broad unemployment rate in Gaza remained among the highest in the world in H2 2010. The combination of persistently high unemployment and the continuing deterioration of the real wages of working people underlie significant levels of poverty

Details on these trends for the entire Gaza Strip labour force, and for refugees and non-refugees separately, appear below. Section 1 provides overall findings regarding labour force participation, employment by sector and activity, unemployment and wages in Gaza. Section 2 presents results for refugees, and Section 3 outlines findings for non-refugees. All data come from the Palestinian Central Bureau of Statistics (PCBS).

The reference period is H2 2010. *Sequential changes* compare H2 2010 with H1 2010 and are subject to seasonal fluctuations. In tables, sequential changes appear under the column "+/- (Seq.)". *Parallel changes* compare H2 2010 with H2 2009. This comparison mostly eliminates seasonal fluctuations in the data and in tables appears under the column "+/- (Par.)". Sequential and parallel changes in rates of labour force participation and unemployment are relative – not absolute – changes.

LABOUR MARKET CONDITIONS

This section describes general labour market conditions in Gaza, including for refugees and non-refugees.

POPULATION AND LABOUR FORCE

The estimated average working-age population (15 years of age or older) in the Gaza Strip is estimated to have grown by 2 percent in H2 2010 relative to H1 2010.[1]

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The proportion of that population that was employed, actively sought employment or were willing to work during this interval—i.e. the broad labour force participation rate—rose by about 0.5 percentage points to 40.3 percent.[2] The resulting labour force increased by some 2.6 percent to an roughly 347,540 persons. Employment declined by about 5,900 jobs in H2 2010, or 2.9 percent, to 190,365. The broad unemployment rate jumped to 45.2 percent from 42 percent as the number of unemployed rose by 10.3 percent to an estimated 157,175.[3]

In the parallel period comparison, the labour force grew by 3.1 percent, or about 10,700 persons. Employment grew by about 7,600 persons, while unemployment increased by about 3,100 in H2 2010 relative to H2 2009. The average broad unemployment rate in H2 2010 was 0.5 percentage points below that for H2 2009. (See Table 1 below).

EMPLOYMENT BY SECTOR

The private sector accounted for all job losses in H2 2010 relative to H1 2010, shedding 8,400 positions.[4] In proportional terms, private sector employment declined by 7.7 percent in the sequential period comparison. Employment in the public sector, however, expanded by 2,560 jobs, or 2.9 percent. (See Table 2 below.)

In the parallel period comparison, both sectors expanded employment, with the public sector growing at nearly three times the rate of the private sector. Public sector employment accounted for about 70 percent of gains, adding 5,375 jobs on average, or 6.3 percent more jobs in H2 2010 relative to H2 2009. The private sector added about 2,215 more jobs, growing 2.2 percent as compared to the parallel period. Growth in public sector employment countered the decline in such employment in H2 2009 versus H1 2009. It is notable that following the marginal easing of the Israeli blockade, the private sector employment growth rate was less than half that of the public sector.

PRIVATE SECTOR EMPLOYMENT

Retrenchment in the private sector in H2 2010 relative to H1 2010 entailed job losses in four of six main economic activities. Two activities – construction/transportation and communication – experienced job gains of about 5,260 jobs combined. The bulk of the gains were in construction, where employment more than doubled relative to the first half of the year.[5] Employment in the other four activities dropped by about 13,650 jobs, with agriculture and private services accounting for 81 percent of the losses. Agriculture employment fell by 28.6 percent, perhaps a seasonal effect. Private service employment fell nearly 20 percent. (See Table 3 on next page.)

Relative to H2 2009, private sector employment grew 2.27 percent, adding some 2,210 jobs. There were employment gains in agriculture, construction, and transportation and communications, totalling 8,885 jobs. There were losses in manufacturing, commerce and private services that summed to 6,670. The growth in agri-

In the second half of 2010, only 40.3% of working-age Gazans were in the labour force

Unemployment in Gaza stood at 45.2% in the second half of 2010 – over 3 percentage points higher than H1

Private sector employment in the H2 2010 dropped nearly 8% over H1

TABLE 1 BROAD LABOUR MARKET AGGREGATES (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Working-age people (#)	827,454	844,394	862,004	2.09%	4.18%
Labour force (%)	40.7%	40.1%	40.3%	0.54%	-0.96%
Labour force (#)	336,838	338,614	347,541	2.64%	3.18%
Employed (#)	182,773	196,206	190,367	-2.98%	4.15%
Unemployed (#)	154,065	142,408	157,175	10.37%	2.02%
Unemployed (%)	45.7%	42.0%	45.2%	7.61%	-1.09%

TABLE 2 EMPLOYMENT BY SECTOR (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Public sector	85,090	87,905	90,465	2.91%	6.32%
Private sector	97,683	108,301	99,901	-7.76%	2.27%
Israel and settlements	0	0	0	--	--
TOTAL	182,773	196,206	190,367	-2.98%	4.15%

Of six private sector activities, two showed employment gains in the second half of 2010

culture may be related to rehabilitation of significant damages caused by Israeli military activities in early 2009. The surge in construction jobs may be due to marginally greater availability of building materials in 2010.

The private services category includes NGOs and UNRWA, but also private education, private health services, and business and personal services.[6] This category tends to track trends in the larger private sector. Infusions of material assistance to the Gazan population from donor governments, UN agencies and the Hamas government tend to indirectly boost private service employment. The fact that there was private employment contraction in the most recent period (the sequential period) suggests retrogression in economic conditions.[7] (See Table 3 below.)

Employment in construction more than doubled in H2 2010 compared to H1 2010

WAGE RATES AND MONTHLY WAGES

Nominal and real wages rose in the sequential period. The average nominal daily wage rose about 2.3 percent to NIS 58.8 (USD 15.8) in H2 2010 relative to H1 2010. The average number of work days per month for the employed in Gaza declined slightly to 23.5 days. Higher daily wages and increased work days produced a 2.6 percent increase in the average monthly wage to NIS 1,380 (about USD 372.3). Consumer price inflation of about 1 percent cut into the nominal increase such that the purchasing power of the average monthly wage rose only 1.6 percent in the sequential period. (See Table 4 below.)

In the parallel period, the nominal daily wage fell 5.4 percent, while average days worked per month fell 1.3 percent. The result was a 6.7 percent decline in the average monthly nominal wage. Along with the fall in average nominal wages, consumer inflation of 1.3 percent compounded contributed to an average 7.9 percent reduction in the purchasing power of the monthly wage relative to H2 2009. The erosion of the real wage of working people, despite 4.1 percent growth in employment in the parallel period, is attributable to the persistence of high levels of unemployment. The average real monthly wage in Gaza overall has fallen in every half-year period, with a cumulative decline of 34.5 percent since H1 2006. Deterioration in real wage incomes of working people and the very large number of unemployed persons have had significant impacts on poverty levels.

REFUGEE LABOUR MARKET IN THE GAZA STRIP

This section describes labour market conditions facing refugees in the Gaza Strip in H2 2010. It provides sequential and parallel comparisons with H1 2010 and H2 2009. Specifically, it describes trends in the refugee population, labour force, employment and wages.

TABLE 3 PRIVATE SECTOR EMPLOYMENT (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Agriculture, fishing	11,204	17,371	12,390	-28.67%	10.58%
Manufacturing, mining	10,730	9,765	8,908	-8.78%	-16.98%
Construction	1,724	3,741	7,663	104.82%	344.48%
Commerce, tourism	34,807	34,319	32,588	-5.04%	-6.37%
Transport, communic'n	11,734	12,159	13,497	11.00%	15.02%
Private services	27,485	30,946	24,856	-19.68%	-9.56%
TOTAL	97,683	108,301	99,901	-7.76%	2.27%

Average real monthly wages in Gaza have declined every half-year period – dropping over 34% since H1 2006.

TABLE 4 GAZA STRIP AVERAGE WAGES (IN NIS)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Daily wage	62.2	57.5	58.8	2.30%	-5.43%
Monthly days	23.8	23.4	23.5	0.33%	-1.37%
Monthly wage	1,480	1,345	1,380	2.64%	-6.72%
Deflator (2004=1.00)	1.31	1.31	1.32	1.00%	1.32%
Real monthly wage	1,132	1,025	1,042	1.62%	-7.93%

REFUGEE POPULATION AND LABOUR FORCE

The estimated average Gaza refugee working-age population is estimated at 575,900 persons in H2 2010.[8] The broad refugee labour force participation rate decreased slightly, to 37.1 percent in H2 2010 relative to H1 2010. The size of the refugee labour force in this interval increased by about 1,600, to 213,565 persons. Employment declined by about 8,000 positions, or 6.3 percent in the sequential period comparison. The number of unemployed rose by about 9,600 or 11 percent. The average broad refugee unemployment rate grew by about 4.3 percentage points to 45.3 percent. (See Table 5 below.)

Comparing H2 2010 with H2 2009 indicates a somewhat steeper decline in the refugee labour force participation rate. However, due to robust population growth, a 3,300-person increase in the size of the refugee labour force, about 1.5 percent, was recorded. This was manifested as a 1,900-person decline in employment (1.6 percent) and a 5,200-person increase in the number of unemployed (5.6 percent). Thus, there were employment losses and growth in the number of refugees searching for work relative to the parallel period in 2009.

The result was a 2.8 percent increase in the unemployment rate. That the fall in employment and the rise in unemployment were more rapid in the sequential period comparison suggests deterioration for refugees in the labour market. Such a trend, however, must be understood in the context of continuing reductions in refugee labour force participation rates.

REFUGEE EMPLOYMENT BY SECTOR

The sector distribution of refugee employment in H2 2010, given in the Table 6 below, indicates a sharp decline in private sector employment (14.6 percent, or some 9,450 persons), combined with a 2.4 percent increase in public sector employment. All growth in refugee employment was thus in the public sector in this period. This reversed the trend of the previous sequential period that saw significant growth in private sector employment with little change in public sector jobs (See Gaza labour market briefing for first-half 2010). As a result, the public sector accounted for 53 percent of all refugee employment in Gaza in H2 2010.[9] (See Table 6 below.)

Comparing H2 2010 and H2 2009 confirms the downward trend in private sector employment, with only modest increases in public employment for refugees. Employment in the private sector in 2009 was driven by significant amounts of assistance in a post-Gaza war environment in which there were significant infusions of external assistance funnelled through UN agencies (particularly UNRWA) and NGOs for the purpose of clearing rubble, rehabilitating destroyed infrastructure and housing, and assisting people affected by the destruction. This created a surge in

Only 37% of working-age refugees in Gaza were part of the labour force in second-half 2010

Employment among refugees dropped over 6% in H2 2010 over H1 levels

Refugee employment in the private sector declined by almost 15% in H2 2010 over H1 levels

TABLE 5 REFUGEE BROAD LABOUR MARKET AGGREGATES (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Working-age people (#)	552,904	564,223	575,990	2.09%	4.18%
Labour force (%)	38.0%	37.6%	37.1%	-1.27%	-2.51%
Labour force (#)	210,288	211,894	213,566	0.79%	1.56%
Employment (#)	118,776	124,811	116,863	-6.37%	-1.61%
Unemployment (#)	91,512	87,083	96,702	11.05%	5.67%
Unemployment (%)	43.5%	41.0%	45.3%	10.30%	4.07%

TABLE 6 REFUGEE EMPLOYMENT BY SECTOR (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Public sector	60,773	60,458	61,962	2.49%	1.96%
Private sector	58,002	64,353	54,901	-14.69%	-5.35%
Israel and settlements	0	0	0	--	--
TOTAL	118,776	124,811	116,863	-6.37%	-1.61%

Roughly 53% of all employed refugees work in the public sector

Over 75% of refugee job losses in the private sector occurred in commerce and private services

Refugees' real monthly wages in H2 2010 were 6.41% higher than in H1, but 4.08% lower than in H2 2009

private sector employment, particularly in emergency employment programmes operated by UN agencies, NGOs and the Hamas government. It also created secondary demand for goods and services produced in the private sector. The end of such programmes seems to have dampened private sector employment. In the year-on-year period, there were some 1,200 more refugees employed in the public sector and about 3,100 fewer in the private sector. This has resulted in a net loss of about 1,900 jobs.

REFUGEE PRIVATE SECTOR EMPLOYMENT

Within the private sector, there was an employment gain in construction activity of about 1,300 in H2 2010 relative to H1 2010, a 67.4 percent increase. A small increase in transport and communications was also recorded. Beyond this, refugee employment declined in all other private sector activities in the sequential period comparison. About 43.4 percent of refugee job losses were accounted for by private services—some 4,750 positions. This was followed by declines in commerce, which shed 3,450 positions and accounted for 31.5 percent of job losses in the sequential period. Agriculture lost about 2,700 positions, accounting for almost one-quarter of employment losses.

In the parallel period, there were nearly twice as many job losses as gains for refugees in the private sector. Agriculture, construction and transport added about 3,550 jobs, while manufacturing, commerce and private services shed about 6,660 positions. Construction accounted for two-thirds of the gains, while commerce was responsible for nearly 60 percent of the losses. Beyond construction, agriculture and transport augmented employment. On the negative side, manufacturing accounted for 23 percent of losses, with private services responsible for 17.5 percent of the job declines. (See Table 7 below.)

REFUGEE WAGE RATES AND MONTHLY WAGES

Average daily wages for refugees rose 4.7 percent to NIS 63.7 (USD 17.2) in H2 2010 relative to H1 2010, well above the NIS 51.0 (USD 13.7) average for non-refugees (see below). The average number of work days per month for employed refugees rose 2.5 percent to 24. Higher wages and work effort translated into a 7.4 percent increase in the average monthly wage to NIS 1,531 (USD 413), as compared to NIS 1,152 for non-refugees. When consumer inflation of 1 percent in the sequential period is considered, average refugee monthly wages grew 6.4 percent in purchasing power terms. (See Table 8 below.)

Relative to H2 2009, refugee average nominal daily wages were 2.6 percent lower in H2 2010. That the wage did not fall more rapidly

TABLE 7 REFUGEE PRIVATE SECTOR EMPLOYMENT (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Agriculture, fishing	4,281	7,697	4,980	-35.29%	16.32%
Manufacturing, mining	7,127	5,612	5,595	-0.30%	-21.49%
Construction	875	1,947	3,260	67.46%	272.76%
Commerce, tourism	19,311	18,808	15,353	-18.37%	-20.49%
Transport, communic'n	6,548	6,845	7,021	2.57%	7.21%
Private services	19,860	23,445	18,692	-20.27%	-5.88%
TOTAL	58,002	64,353	54,901	-14.69%	-5.35%

TABLE 8 GAZA STRIP REFUGEES AVERAGE WAGES (IN NIS)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Daily wage	65.5	60.8	63.7	4.78%	-2.64%
Monthly days	24.1	23.4	24.0	2.56%	-0.18%
Monthly wage	1,575	1,425	1,531	7.47%	-2.82%
Deflator (2004=1.00)	1.31	1.31	1.32	1.00%	1.32%
Real monthly wage	1,205	1,086	1,156	6.41%	-4.08%

is probably because most job losses were in the relatively low-wage private sector. Monthly days worked receded slightly, which in combination with a falling wage rate resulted in a 2.8 percent decline in the value of average monthly wages. Consumer price inflation of 1.3 percent between the parallel periods compounded the fall in nominal wages, producing a 4 percent decline in the purchasing power of the average monthly wage of Gaza refugees. (See Table 8 above.)

NON-REFUGEE LABOUR MARKET

This section will examine labour market conditions facing non-refugees in Gaza during H2 2010. It provides sequential comparisons with H1 2010 and parallel comparisons with H2 2009, as well as describes trends in the non-refugee population, labour force, employment and wages.

NON-REFUGEE POPULATION AND LABOUR FORCE

The broad non-refugee, working-age population is estimated to have grown by 2 percent in H2 2010, to some 286,000 persons. The broad non-refugee labour force participation rate rose by 1.5 percent to 46.8 percent—about 9.7 percent higher than refugees in the same period (the refugee rate declined). The non-refugee labour force therefore grew by 5.7 percent to an estimated 133,975 persons. (See Table 9 below.)

While refugee employment fell 6.3 percent in H2 2010, non-refugee employment rose 2.9 percent—about 2,100 jobs in absolute terms. Non-refugee unemployment grew 9.3 percent in absolute terms, an estimated 5,150 persons as compared to an 11 percent increase for refugees. The non-refugee unemployment rate rose 1.5 percent to 45.2 percent—nearly identical to that of refugees in the same period. Thus, non-refugees gained employment while refugees lost employment in the sequential periods interval. At the same time, non-refugee unemployment growth was slower than that of refugees.

Relative to H2 2009, the non-refugee labour force grew by 5.8 percent, or about 7,425 persons. Non-refugee employment rose by 14.8 percent, or about 9,500 persons, while unemployment fell 3.3 percent, or about 2,080 persons. This contrasted with employment losses and increased unemployment for refugees in the same interval. The average broad unemployment rate among non-refugees in H2 2010 was estimated at 45.2 percent, compared to 45.3 percent for refugees.

NON-REFUGEE EMPLOYMENT BY SECTOR

Both refugees and non-refugees gained jobs in the public sector in H2 2010 relative to H1. But unlike refugees, who lost some 9,450 private sector jobs, non-refugees gained more than 1,000 jobs in that sector, an increase of 2.4 percent.

Consumer price inflation of 1.3% contributed to a 4% drop in refugees' real wages between H2 2009 and H2 2010

Unemployment among non-refugees rose to 45.2% in H2 2010

Nearly 40% of employed non-refugees in Gaza work in the public sector

TABLE 9 NON-REFUGEE BROAD LABOUR MARKET AGGREGATES (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Working-age people (#)	274,550	280,171	286,014	2.09%	4.18%
Labour force (%)	46.1%	45.2%	46.8%	3.57%	1.62%
Labour force (#)	126,550	126,720	133,976	5.73%	5.87%
Employment (#)	63,997	71,395	73,503	2.95%	14.85%
Unemployment (#)	62,553	55,324	60,472	9.31%	-3.33%
Unemployment (%)	49.5%	43.7%	45.2%	3.45%	-8.69%

TABLE 10 NON-REFUGEE EMPLOYMENT BY SECTOR (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Public sector	24,316	27,448	28,503	3.85%	17.22%
Private sector	39,681	43,948	45,000	2.40%	13.40%
Israel and settlements	0	0	0	--	--
TOTAL	63,997	71,395	73,503	2.95%	14.85%

The private sector lost jobs overall, but non-refugee private sector employment increased by 2.4% in H2

In the year-on-year comparison, non-refugee public sector employment was up by 17.2 percent for an average gain of 4,200 jobs. By contrast, refugee employment in the public sector grew by only 1.9 percent. Private sector employment gains were equally significant for non-refugees, about 5,320 jobs, or a gain of 13.4 percent, while refugees lost about 3,100 private sector jobs in the same interval. (See Table 10 on prior page.)

NON-REFUGEE PRIVATE EMPLOYMENT

While the private sector shed jobs on a net basis in H1 2010, non-refugee employment grew by some 2.4 percent relative to H1 2010, adding about 1,050 jobs. There were new jobs in construction (47.4 percent of all gains), in commerce (31.3 percent of gains), and transport and communications (21.1 percent of job growth). At the same time, there were losses in agriculture (50.9 percent of losses), manufacturing (18.9 percent of losses), and private services (30 percent of losses).

Compared to H2 2009, private sector employment for non-refugees rose by 13.4% in H2 2010

In the parallel period comparison, there were about 5,320 more non-refugees employed in the private sector, an increase of 13.4 percent. More than half of job growth was in construction, with about one-quarter in commerce, 18.2 percent in transportation and communications, and about 7 percent in agriculture. Private services accounted for 83.4 percent of job losses, with manufacturing accounting for the remainder of employment reductions among non-refugees in the year-on-year period. Construction accounted for the bulk of gains for refugees and non-refugees, while private services were responsible for most losses for both groups. The growth in agricultural employment for both refugees and non-refugees suggests some degree of rehabilitation and reconstruction in a sector badly damaged by Israeli military activity in 2009. (See Table 11 below.)

NON-REFUGEE WAGE RATES AND MONTHLY WAGES

The daily nominal wage rate for non-refugees declined by 1.8 percent to NIS 51 (USD 13.7) in H2 2010. The average number of days worked per month declined by 3.1 percent, resulting in a 4.9 percent decline in average nominal monthly wages, to NIS 1,152 (USD 310.7), and well below the NIS 1,531 average monthly wage for refugees. In real terms, the average monthly wage of non-refugees declined about 5.9 percent in H2 2010, as compared to a 6.4 percent increase for refugees.

Relative to H2 2009, the average non-refugee daily wage was down 9.4 percent. Average days worked per month declined 3.1 percent, resulting in a 12.3 percent average monthly wage decline in nominal terms. Factoring in inflation, the average real

TABLE 11 NON-REFUGEE PRIVATE SECTOR EMPLOYMENT (GAZA)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Agriculture, fishing	6,923	9,674	7,409	-23.41%	7.03%
Manufacturing, mining	3,603	4,153	3,313	-20.24%	-8.06%
Construction	850	1,795	4,403	145.35%	418.31%
Commerce, tourism	15,495	15,511	17,235	11.11%	11.22%
Transport, communic'n	5,186	5,314	6,476	21.87%	24.88%
Private services	7,625	7,501	6,164	-17.82%	-19.15%
TOTAL	39,681	43,948	45,000	2.40%	13.40%

Non-refugees' real monthly wages in H2 2010 were nearly 6% lower than in the first half

TABLE 12 GAZA STRIP NON-REFUGEE AVERAGE WAGES (IN NIS)

	2009 H2	**2010** H1	**2010** H2	**+ / -** (Seq.)	**+ / -** (Par.)
Daily wage	56.3	51.9	51.0	-1.84%	-9.48%
Monthly days	23.3	23.3	22.6	-3.18%	-3.12%
Monthly wage	1,313	1,212	1,152	-4.95%	-12.30%
Deflator (2004=1.00)	1.31	1.31	1.32	1.00%	1.32%
Real monthly wage	1,005	924	869	-5.90%	-13.44%

monthly wage of employed non-refugees declined some 13.4 percent, as compared to a 4 percent decline for refugees in the same period. (See Table 12 on previous page.)

NOTES

[1] Due to inconsistencies in the PCBS labour force data, the average share of refugees in the working age population for the year 2007—66.8 percent—has been applied to 2009 and 2010. In so doing, estimates of the size of the working-age population for refugees and non-refugees have been "smoothed."

[2] The broad definition of labour force participation used here includes the narrow ILO definition plus an estimate of the proportion of the working-age population that has stopped searching for work due to their belief that no work can be found, i.e. so-called "discouraged workers".

[3] The broad unemployment rate and the broad number of unemployed persons include those looking for work plus discouraged workers.

[4] Employment in UN and NGO job creation programmes is included in the private sector total.

[5] The growth in construction employment comes after a doubling of such employment between second-half 2009 and first-half 2009. Nonetheless, employment in construction in second-half 2010 was less than half its level in 2005.

[6] UNRWA's employment share of the private services employment in Gaza is quite significant. With upwards of 11,000 regular employees in 2010, UNRWA accounted for about 40 percent of private services employment and about 11 percent of all private sector employment in the reporting period. To this must be added the employment effects of the UNRWA JCP which, in 2010, generated an average of about 11,000 full time job equivalents. Thus, excluding UNRWA daily paid and casual workers, UNRWA accounted for nearly 80 percent of employment in the private services category and about 22 percent of total private sector employment in the reporting period.

The JCP is temporary in nature and not expected to generate significant long-term employment. That such a programme was responsible for more than one-tenth of private sector employment in this period underlines the precarious and vulnerable nature of the Gaza labour market. UNRWA regular employment data are from UNRWA in Figures on the agency website.

[7] Apart from seasonal influences, a sequential period employment growth rate less than that of the parallel period suggests deceleration of growth. That is, if the most recent growth results are slower than longer term results, employment growth is slowing (and vice versa in the case of sequential period growth above that of the parallel period).

[8] Estimates of the refugee population—and therefore the non-refugee population—in Gaza are based on the results of the 2007 census. The ratio of refugees in the total population in the years after 2007 is assumed to be the same as that given in the final results of the census—67.9 percent. The population growth rate after 2007 is assumed to be the annual average during the 1997-2007 period—3.85 percent—applied to both refugees and non-refugees.

[9] If UNRWA was included as a public sector entity the proportion of refugees employed by the public sector would be well over half the refugee labour force.

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