

SPECIAL FEATURE

Labor as a Colonial Apparatus: Exclusion, Exploitation, and Discipline in Palestine

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Abstract

The suspension of Palestinian work permits after October 7, 2023, exposed the long-standing fragility of Palestinian labor in Israel and illuminated the political purposes this labor regime serves. This article situates Palestinian workers within a historical continuum of exclusion and conditional incorporation that has structured Zionist and Israeli labor policy since the Mandate period. Drawing on archival, historical, and contemporary sources, we show that Palestinian labor has functioned not as a neutral economic exchange but as a central instrument of colonial governance.

We argue that Israeli labor policy toward Palestinians combines three interlocking logics—elimination, exploitation, and discipline—through which workers are rendered simultaneously indispensable to key sectors and permanently vulnerable to surveillance, disposability, and political sanction. The permit regime, tolerated informality, and externalized social reproduction constitute a technology of control that manages mobility while fragmenting collective agency.

By analyzing Palestinian labor as a colonial apparatus, the article contributes to wider debates on the coloniality of labor and demonstrates how labor regimes can be mobilized to restructure dependent economies and pacify subordinated populations.

Keywords: Palestinian labor; settler colonialism; labor mobility; colonial governance; political economy of occupation; exploitation and precarity

Following October 7, 2023, the Israeli military administration suspended nearly all work permits granted to Palestinians employed in the Israeli economy. Over 160,000 workers in the West Bank – approximately 20 percent of the employed labor force – as well as around fifty thousand undocumented workers were abruptly stripped of their employment, alongside some twenty thousand workers from the Gaza Strip.¹ This revocation sent shockwaves not only through these workers and their families,

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but also through the Palestinian economy – already severely impacted by mass killings, large-scale destruction, and increasingly severe restrictions on the movement of people, capital, and goods. Israel announced its intention to replace these workers with foreign labor, mainly from Asia.

Yet hastily launched recruitment campaigns – particularly in India – have struggled to substitute for a workforce deeply familiar with Israeli circuits. Beyond logistical obstacles, this difficulty also reflects a structural preference for Palestinian workers, who speak Hebrew, require no housing, and are easily mobilized from nearby. By early 2024, the Israeli parliament was already debating the terms of a possible rehiring. This debate pits a far-right camp, opposed to any return on grounds that economic engagement undermines their goal of Palestinian removal – rejecting the traditional security doctrine of using limited economic stability to ensure political quiet – against pragmatists who, citing the higher costs, logistical hurdles, and lower productivity of foreign labor, favor a conditional return under tighter controls. On the Palestinian side, many anticipated a gradual return to employment, as had occurred after the two Intifadas. Indeed, an estimated twenty to thirty thousand workers were selectively reinstated just a few months after the suspension. This paradox of integration through exclusion invites us to interrogate the underlying logics of the colonial labor regime in Palestine.

The Paris Protocol (1994), which formally regulates this relationship, frames the movement of workers as a flow of labor between two neighboring economies. This neoliberal framing, echoed by international institutions, presents “mobility” as a means of optimal resource allocation and individual advancement. In practice, this mobility produces a tightly constrained form of employment characterized by administrative precarity, extreme dependence on employers, and social invisibilization.² Israel has never recognized the Palestinian Authority’s effective role in managing labor. Its permit regime bypasses the signed agreements and maintains unilateral sovereignty over movement and legal status.

Far from exemplifying a mere relation of interdependence, the position assigned to Palestinian workers within the Israeli economy constitutes a cornerstone of Israel’s colonial architecture. Their economic integration is not the opposite of their political elimination, but its complement. The Palestinian worker is mobilized as a productive force under conditions of extreme dependency, while remaining legally, spatially, and politically distanced.³ The labor regime thus operates as a technology of discipline: permits function as tools of filtering and pacification,⁴ within a differential regime of governance that segments, hierarchizes, and deters resistance. This mode of labor governance is also embedded in forms of tolerated informality and structural invisibilization, which reinforce both economic capture and vulnerability.⁵

This contribution offers a critical reading of Palestinian labor, not as a mere mode of economic exchange, but as a colonial technology of governance, combining three interwoven logics: elimination (through the exclusion of producers and the destruction of economic autonomy), exploitation (of a cheap and disposable workforce), and discipline (through sorting, permits, and surveillance). Labor mobility thus functions as an instrument of social sorting, economic capture, and differentiated pacification. This analysis situates the regulation of Palestinian labor within broader debates on the coloniality of labor⁶ and contemporary forms of social engineering through the economy,⁷

showing how labor management is mobilized as a tool of control and sovereignty over a colonized population.

From expropriated producer to subaltern worker: conditional incorporation

Until 1948, economic conquest constituted a decisive lever of colonial implantation for the Zionist movement. The creation of exclusively Jewish enclaves relied on the systematic exclusion of Arab workers, in line with the “Jewish Labor” slogan promoted by Zionist institutions. Zionist agricultural settlements, Jewish employers, and even some British authorities were encouraged to reserve jobs for Jewish settlers only.⁸ The Histadrut, a Jewish trade union founded in 1920, played a central role in this policy. It established “labor guards” tasked with pressuring employers and enforcing the replacement of Arab workers with Jewish laborers.⁹

This logic of economic exclusion was constitutive of settler colonialism: it created the conditions for the replacement of the Indigenous population by an immigrant one.¹⁰ Nevertheless, it did not preclude a selective and utilitarian use of Palestinian labor, which was lower paid and mobilized primarily when Jewish labor was lacking. This was represented as beneficial for the “Arab economy” – a narrative that persists in contemporary Israeli discourse. But this narrative concealed dispossession via the appropriation of resources by the Mandate authorities and Zionist institutions, along with the growing confiscation of land, gradually transformed Palestinian producers – particularly in agriculture – into precarious workers, dispossessed of their means of subsistence.¹¹

This process intensified after 1948. The Nakba resulted in the expulsion of hundreds of thousands of Palestinians and the destruction of their economic structures. Those who remained within the newly declared State of Israel were placed under military rule until 1966, deprived of political rights and systematically marginalized in the economy.¹² Severed from their ties to the Arab world, they were incorporated into the Israeli economy as a peripheral workforce. To this day, Arab workers remain overrepresented in the most precarious sectors, particularly agriculture and construction, where their participation rates far exceed those of Jewish workers.¹³

From 1967 onward, this regime extended to the occupied territories of the West Bank and Gaza Strip. Colonization, land confiscation, and strict control over the movement of goods and people disarticulated the Palestinian economy. Measures imposed by the occupying power aimed to prevent any productive autonomy. Material dispossession gave rise to a rights-less form of integration: workers were incorporated into the Israeli economy while remaining excluded from the political body. In turn, the Palestinian economy became a subaltern reservoir: dependent, unprotected, and vulnerable, structured by territorial fragmentation, legal asymmetry, and the absence of sovereignty.¹⁴

A subaltern workforce, conditionally incorporated

The employment of Palestinian workers is designed to compensate for a chronic labor shortage in undervalued sectors: construction, agriculture, cleaning, and hospitality. Israeli reliance on Palestinian labor in these sectors is not circumstantial, but structural.

Until 1987, Israel allowed relatively free movement of people between the West Bank, Gaza Strip, and Israel. The Israeli Ministry of Labor even opened “employment offices” in major cities of the newly occupied territories, actively facilitating recruitment. This led to a mass exodus of Palestinian workers toward the Israeli labor market. By the mid-1970s, between 30 percent and 40 percent of the Palestinian labor force was employed in Israel. During the Israeli recession of 1973–76, however, their numbers dropped sharply while Israeli unemployment remained stable: Palestinian labor thus functioned as an adjustment variable, revealing its disposability.¹⁵

The First Intifada (1987–1993) marked a turning point. In response to strikes, boycotts, and popular uprisings, Israel intensified its policy of partial substitution by importing migrant workers from Asia, Eastern Europe, and Africa. Yet this substitution remained limited: foreign workers required housing and supervision, and entailed long-term costs. Six months before the signing of the Oslo Accords, Israel introduced the “permit regime,” requiring Palestinian workers to obtain individual work permits. This led to a temporary decline in Palestinian labor flows – particularly from Gaza – during 1994–1995. However, numbers rose again, reaching a historical peak by 1999.

During the Second Intifada (2000–2007), Israel imposed strict closures on the West Bank and Gaza, alongside the construction of the “separation barrier.” Movement restrictions sharply reduced the number of Palestinian workers, once again confirming their disposability. Yet over the past fifteen years, the employment of Palestinian labor by Israel has steadily increased – including from Gaza after 2021, despite the blockade.¹⁶

The conditional incorporation of Palestinian labor relies on a complete externalization of social reproduction. Palestinian workers speak Hebrew, know Israeli standards, but return each evening – or each week – to the occupied territories. Israel does not provide housing, healthcare, or education for their children. Wages, often paid in cash, are largely spent within the Palestinian territories, themselves structurally dependent on the Israeli economy. This model maximizes the exploitation of a vulnerable labor force while minimizing social costs.¹⁷

Meanwhile, the collapse of the Palestinian productive base and mass unemployment – 13 percent in the West Bank and 46 percent in Gaza in 2022¹⁸ have turned the occupied territories into a dependable reservoir of cheap labor for the Israeli economy. Palestinian workers earn between 50 percent and 75 percent of the average Israeli wage and are concentrated in the most dangerous and least protected jobs.¹⁹ This incorporation into the Israeli economy has further reinforced Palestinian dispossession.²⁰ Integration as a subaltern workforce has deepened dependency while undermining local productive capacities, as the extraction of Palestinian labor power substitutes for the development of autonomous economic structures.

The Palestinian economy has thus been shaped negatively to be dependent on fluctuating Israeli wage flows, exposed to arbitrary policies, and deprived of its productive foundations. This economic subordination grants Israel dual leverage: to exploit cheap labor while simultaneously neutralizing the material bases of any alternative economic project. Labor thereby functions as a central tool of political control and fragmentation.

Governing through labor: subordination, sorting, and discipline

In the Israeli regime governing Palestinian labor, economic exploitation is inseparable from the objective of political control. Far from being a mere legal framework or a response to market needs, the permit system functions as a governmental technology in its own right. It combines the management of labor flows with a broader colonial pacification strategy.

From the early years of the occupation, access to employment has been shaped by Israel's evolving economic and security imperatives. The "mobility" of Palestinian labor relies on a dense network of control infrastructures – checkpoints, segregated roads, military zones – combined with technological devices (biometrics, video surveillance, databases) and restrictive administrative procedures. Together, these tools form an architecture of sorting, where access to work functions as a mechanism of surveillance, selection, and social discipline.²¹

To be eligible for a work permit, Palestinians must meet a set of arbitrary and shifting requirements: age (alternating between twenty-two, twenty-seven, or forty), marital status, and above all, maintaining a "clean" security record as defined by Israeli authorities. The procedure itself is opaque: applications begin with the Israeli Ministry of Interior's Department of Population and Immigration, but final approval rests with the Coordinator of Government Activities in the Territories (COGAT), under the Ministry of Defence.

A turning point came in 2016 with the launch of the digital platform al-Munasiq ("the Coordinator"), which centralizes and digitizes all these procedures. Each worker's profile is linked to a biometric database and subjected to security and employer-based filters. Permits are granted – or revoked unilaterally – at the discretion of Israeli authorities, without explanation or possibility of appeal.²²

This strict management of the workers' always-temporary presence is precisely what makes this labor force both available and compliant. Yet the discipline imposed on these workers extends far beyond the workplace itself. Any form of union, associative, or political activity – including a simple social media post – can result in the loss of a permit. The threat is not merely individual: it extends to families, community networks, and collective behaviors. Work thus becomes a conditional reward, granted only to those deemed "secure." The result is a system of generalized profiling, where political conformity becomes an economic requirement.

The labor economy here follows a logic of diffuse counterinsurgency. Work is no longer just a job: it becomes a governmental technique for administering an occupied population through selective access to vital resources. In a Palestinian economy that is underdeveloped and deprived of productive autonomy, the sudden revocation of such access – as occurred after October 2023 – is enough to trigger a major social crisis. Dependency is thereby perpetuated, and economic sovereignty rendered impossible.

Precarity, abuse, and erasure

Palestinian workers employed in the Israeli economy face structural precarity, multiple forms of discrimination, and repeated abuse. A recent ILO report indicates that Israeli construction sites rank among the most dangerous in the world in terms of

workplace accidents and fatalities.²³ Working conditions are often harsh and hazardous, marked by the absence of social protection and compounded by exhausting commutes, long queues, humiliating searches, and physical or verbal violence at checkpoints.

This precarity is not confined to employment regulated by the official permit system. A parallel market has developed around brokers who sell access to work permits. Prior to October 2023, about half of permit-holders reported paying a broker,²⁴ with monthly fees averaging 2500 ILS (approximately 650 USD) – representing 30 percent of the worker's gross monthly salary.²⁵ In late 2023, average fees spiked to roughly 3618 NIS amid escalating uncertainty.²⁶ This brokerage system, tolerated by Israeli authorities, bypasses formal recruitment processes and entrenches dependence on opaque informal networks, deepening structural vulnerability.

In addition, up to ninety thousand Palestinians are believed to work without permits or formal contracts.²⁷ Excluded from any legal framework, these invisible workers accept lower wages, longer hours, and heightened physical risks. Their irregular status deprives them of any protection: they can be arrested, expelled, or reported at any time, precluding complaints or collective demands. Their tolerated presence serves a clear purpose: enabling maximum exploitation without state responsibility or oversight. Documented risks associated with such informal labor include exposure to toxic substances, lack of protective equipment, physically exhausting tasks, and accelerated bodily deterioration.²⁸ This workforce also includes children – estimated between five hundred and one thousand – working in conditions of extreme exploitation in agricultural settlements in the Jordan Valley.²⁹

These forms of exploitation are neither marginal nor accidental: they are structurally embedded in a system where informality, vulnerability, and abuse operate as instruments of labor governance. By tolerating these practices, Israeli authorities manage a grey zone of legal non-accountability that sustains a compliant, flexible, and disposable workforce.

Yet colonial labor produces more than economic precarity: it also generates lasting political invisibility. Although they represent nearly one-fifth of the employed labor force in the West Bank, Palestinian workers in Israel remain largely absent from political discussions that concern them. Reduced to their economic function, and often viewed with suspicion for serving the occupier's interests, they lack the means to organize collectively or to articulate their own narrative. This figure of the useful yet voiceless worker echoes Abdelmalek Sayad's analysis of migrant workers, excluded both from the political sphere in the host society and from the symbolic sphere in their society of origin.³⁰ In a colonial context, this double invisibilisation – economic and political – becomes a modality of domination.

Conclusion: Colonial labor as an asymmetric relation

The mass suspension of Palestinian work permits after October 7, 2023, offered a stark reminder of an enduring reality: Palestinian livelihoods remain subordinated to Israeli security logics. Yet the partial reinstatement of some workers in the Israeli economy reveals that this labor force – vulnerable, disposable, and revocable at any moment – remains structurally integrated into a colonial order. Neither foreign nor

fully recognized as citizens, Palestinian workers embody the condition of the colonized laborer.

This dependency is not a side effect of conflict, but a core mechanism of colonial governance. The regulation of Palestinian labor mobility operates as part of a broader apparatus of control, demographic management, and territorial domination. What is presented as economic complementarity between the Israeli and Palestinian economies conceals a fundamentally asymmetric relation, in which the Palestinian economy is disarticulated, subordinated, and reconfigured as a functional periphery.

This configuration does not reflect the failure of an equitable integration project, but rather the success of a mode of domination structured through labor. The Israeli regime systematically subordinates Palestinian workers through mechanisms of elimination, exploitation, and discipline. These dynamics expose workers to precarity, abuse, and informality – not as deviations, but as structural features of the system itself.

Palestinian labor is not an anomaly within a fragmented market; it is the product of deliberate colonial engineering, targeting not only the workforce, but Palestinian society as a whole, rendered dependent and vulnerable through economic entanglement. Far from being exceptional, the Palestinian case offers a lens to understand how labor can function as a tool of differential governance. It shows how economic relations can be weaponized as instruments of captivity, where labor mobility becomes a means of pacification, social fragmentation, and extraction.

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