



ETF COUNTRY INFORMATION FICHE

PALESTINE

BASIC COUNTRY DATA

Total Population:

4,485,459

(last available year: 2013, Palestinian Central Bureau of Statistics)

Youth dependency ratio:

70.43%

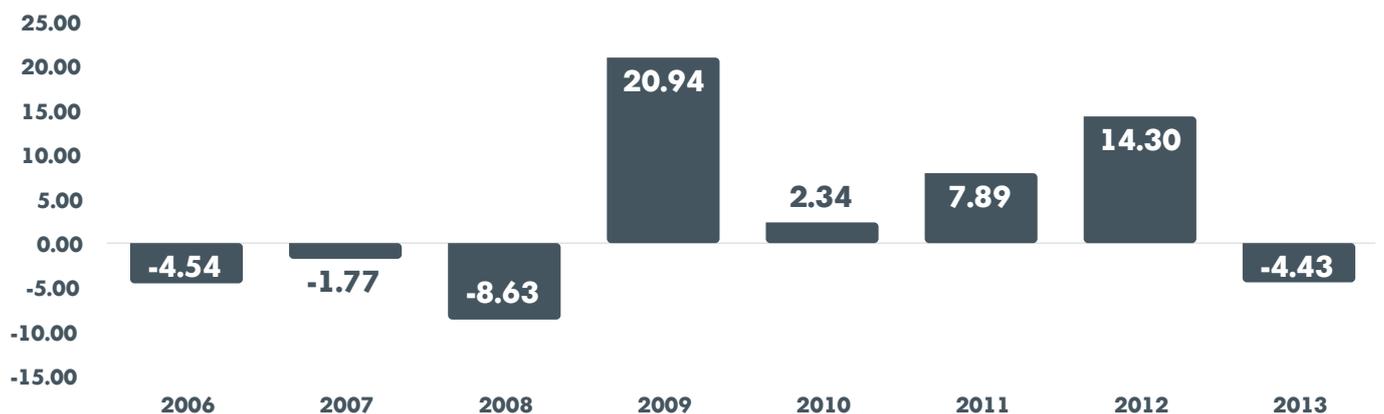
(last available year: 2013, World Bank)

Public expenditure on education as share of GDP:

data missing

xxx

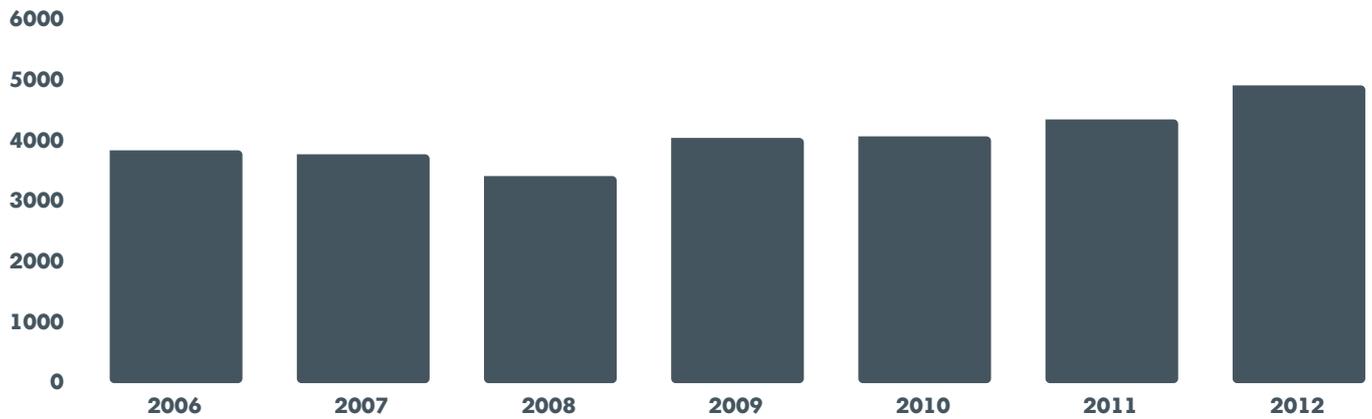
GDP ANNUAL GROWTH RATE (%)



Source: World Bank

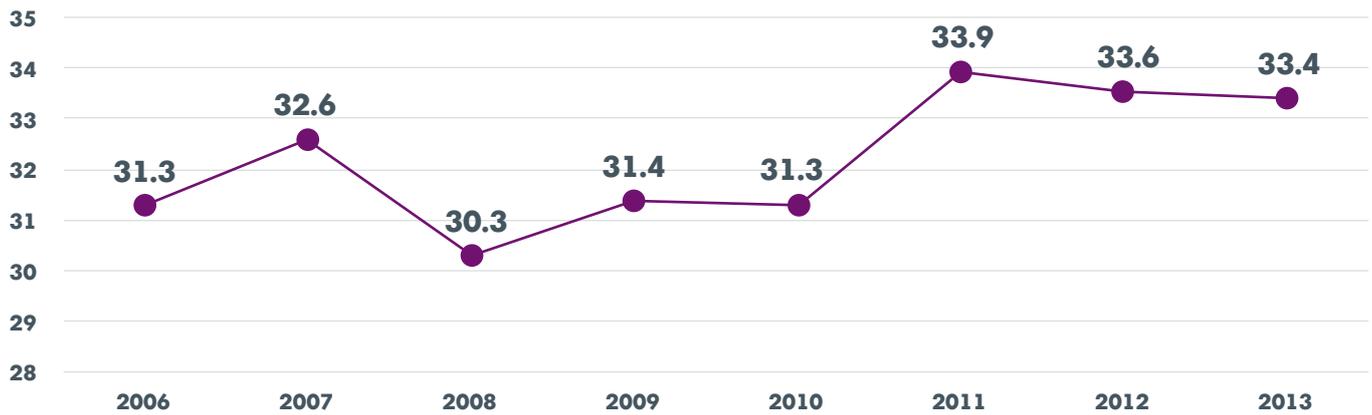


GDP PER CAPITA (CURRENT INTERNATIONAL \$)



Source: World Bank

EMPLOYMENT RATE 15+ (%)



Source: ETF calculation based on Palestinian Central Bureau of Statistics, LFS.

UNEMPLOYMENT RATE (%)



Source: Palestinian Central Bureau of Statistics, LFS.
Data for youth unemployment rate provided by the country.



Palestine has a population of 4.42 million living in the West Bank and the Gaza Strip, 1.4 million living inside Israel, and 5.6 million living in exile (mid 2013). It has the highest rates of population growth (2.66% in 2012) and fertility (4.4 children per woman) in the region, although the population growth rate has declined from 3.3% in the last decade¹. The share of the population under 14 years of age ranks amongst the highest not only in the region but also in the world, at 40.1% in 2013. This puts enormous pressure on the current social services (schools, health and housing). When this is combined with the increasing population share of the 15–29 age group (29%), the share of population under 30 years amounts to almost 72% of the total. The need for jobs in the future is therefore expected to increase further with the increasing pressure of young entrants to the labour market.

GDP growth is severely affected by political instability and difficulties in the progress of the peace process. The economy grows significantly during periods of peace, due among other factors to massive international support, and contracts during periods of instability. During quiet years the annual growth rate of GDP improved to around 6%, from 2003 to 2005, and after a decline, it rose again to 9.3% in 2010 and 9.9% in 2011. In the worst years of the crisis, the average income per capita dropped to the poverty line, leaving about 63% of households living below the poverty line. The distribution of employment by economic activity reveals that the services sector dominates employment, employing 63.1% of workers in 2012. In that year construction employed 15.3% of workers, manufacturing, quarrying and mining employed 11.3%, and agriculture 10.3%². The share of services (including trade and tourism) in the economy and employment is constantly increasing.

The labour force participation rate has remained relatively stable at around 40% over the past decade. Historically, the West Bank's participation rate has been higher than that of the Gaza Strip. In 2012 the West Bank rate was 45.5% compared with 40.1% in Gaza. There are major differences in the rate for females and males, at both regional and national levels. At the national level, the male rate reached 69.1% in 2012, while the female rate was only 17.4% (18.9% in West Bank and 14.7% in the Gaza Strip)³.

Along with very low economic activity rates Palestine has high levels of unemployment. The unemployment rate has been increasing in the most recent years and reached 23.4% (35.0% for females) in 2013⁴. Unemployment hits young people particularly hard (43.9% unemployment rate). Young females have a much higher unemployment rate, at 62.1%, than young males, at 39.4%. Disaggregating unemployment by education level shows that young, educated people are more affected. The overall unemployment rate for people with a higher education degree is 24.5%, a higher rate than for those with a secondary diploma (20.4%).

The TVET system enrolls about 6% of the total number of students in the secondary cycle⁵, well below the needs of the economy. Enrolment rates for women are quite modest and are mostly in traditionally female sectors. Among other problems, the system is not attractive and has a limited offer of quite traditional qualifications. In part, the negative perception of the TVET sector springs from the scant relevance of its provision for the labour market, as a result of inefficiencies and low quality.

VET and employment policy: Progress since 2012

The process of reform of the TVET sector is driven by the revised TVET Strategy, a document approved in 2009 by all key stakeholders in the sector.

Several big achievements have been reached, with new core processes (e.g. curriculum development, human resources development) and systems (e.g. Labour Market Information System, Centre of Competences).

¹ All macroeconomic and demographic data are taken from the World Bank and the Palestinian Central Bureau of Statistics. The only exception is the population by age group, which is an ETF calculation from the United Nations Population Division (*World population prospects: The 2010 revision*).

² ETF (2013), Palestine country note, draft.

³ ETF, *Labour market and employment policies in Palestine*, 2013.

⁴ All labour market data come from the Palestinian Central Bureau of Statistics, LFS 2012.

⁵ ETF, Torino Process report 2010; ETF, *Regional employability review*, 2012.



High-level governance of the system remains an unresolved issue. In 2014 an attempt to establish a TVET agency (National Agency for Vocational Education Training, NAVET) was led by the TVET stakeholders in the Ministry of Labour (MoL) and the Ministry of Education and Higher Education (MoEHE). The cabinet has put the decision on the establishment of NAVET on hold. The key stakeholders are taking steps to revitalise the higher council for TVET, where the MoEHE and the MoL take strategic policy decisions for the sector.

Donors and TVET stakeholders have achieved a high degree of cooperation. This has reduced the incidence of overlapping initiatives and has facilitated the creation of complementarity among the different reform initiatives. In several cases key international actors have established active cooperation in the framework of specific initiatives, for example ETF, German International Cooperation (GIZ), and Belgian Technical Cooperation (BTC) on establishing a monitoring and evaluation function for the TVET sector.

Country priorities for VET and employment reforms

Continuing the process of establishing a monitoring and evaluation (M&E) system in the TVET sector;

Addressing the lack of coordinated high-level governance for the TVET system;

Continuing the process of establishing a competence-based model for developing, delivering, and assessing qualifications.

ETF interventions

The ETF is working on two main initiatives in structured cooperation with other donors.

Establishing a monitoring and evaluation function for the TVET system: Together with BTC and GIZ, the ETF is supporting key TVET stakeholders (MoEHE, MoL, Palestinian Central Bureau of Statistics, Federation of Chambers of Commerce) in establishing a M&E system to provide policy makers with strong evidence-based recommendations for shaping policies in the TVET sector.

Development of competence-based qualifications in continuing vocational training (CVT): Together with GIZ the ETF is developing a model for competence-based CVT qualifications using the modules of revised curricula in initial vocational training. This initiative serves as a bridge towards the new TVET support programme funded by the EU, which should allow the model to scale up at system level.

Palestine participates in the regional EU-funded GEMM (Governance for Employability in the Mediterranean) project and in the Torino Process.

Support to the EU Delegation

In 2014 the ETF carried out the design of a new TVET support programme (EUR 8 million), which is planned to start in 2015.

Key donors in VET

BMZ, Germany (implemented by GIZ): Labour market reform support programme – continuation of the current programme but with a stronger focus on the private sector. Size not confirmed yet but likely several millions;

BTC, Belgium: new programme launched in 2014 to support the establishment of system-wide WBL (work-based learning) mechanisms. Total of EUR 4 million;

SDC Switzerland (implemented by GIZ): new programme to support the development of the Centre of Competences. This is the continuation of the old programme which has established a sectoral centre of competence providing TVET at all sectors and serving as a hub of excellence for all TVET providers in the same sector.



Key publications

- ETF, *Torino Process 2014: Palestine*:
www.etf.europa.eu/web.nsf/pages/TRP_2014_Palestine_EN
- ETF, *Torino Process 2012: Palestine*:
www.etf.europa.eu/web.nsf/pages/TRP_2012_Palestine
- ETF, *Mapping VET governance in Palestine*:
www.etf.europa.eu/web.nsf/pages/GEMM_Mapping_VET_Governance_Palestine
- ETF, *Labour market and employment policies in Palestine*:
www.etf.europa.eu/web.nsf/pages/Employment_policies_Palestine

ETF Country Desk
Filippo Del Ninno
Tel.: +39 011 630 2383
Ee-mail: fdn@etf.europa.eu
