

KEY POLICY DEVELOPMENTS IN EDUCATION, TRAINING AND EMPLOYMENT – PALESTINE* 2022

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EXECUTIVE SUMMARY

The National Policy Agenda 2017–2022 recognises the importance of education for economic growth and sustainable development. It identifies quality education for all as a national priority, building on Palestine's longstanding commitment to quality and equality in education. With universal education almost achieved in Palestine, the focus now is on enhancing the relevance and quality of education.

As in many countries, the COVID-19 outbreak has pushed the relevant ministries, schools, teachers and students to move ahead with digital online learning. Especially in the context of Palestine, where there is limited mobility for individuals within and between the different geographical areas, distance learning needs to become a priority and more efforts are still needed to further develop digital education.

In the last couple of years, technical and vocational education and training (TVET) has been moved up the political agenda and enrolment rates for TVET students are slowly increasing. One of the main challenges of the TVET system in Palestine is that it is not sufficiently responsive to the needs of the labour market. Measures are put in place to improve the relevance of the system and new programmes started with a stronger involvement of the private sector to make the training offer more flexible and adapted to the needs of the employers. In addition, continuous reform efforts should be put in a lifelong learning perspective, looking not only at youth but also adults, workers, unemployed people and fresh graduates. Continuous Vocational Training is getting more and more attention. While in the past continuous training was mainly provided by public and private higher education institutions, nowadays the VET centres managed by the Ministry of Labour are actively engaged in upskilling and reskilling of the workforce.

The establishment of the new national TVET Commission was finally approved by the President in February 2021 and it is now operating with its own budget and management structure. However, the staff from the different line ministries as well as the TVET schools and centres still need to be moved under the umbrella of the national TVET Commission. This will hopefully bring an end to the weak governance structure which has been hindering the development of a comprehensive and effective VET system for many years. The new TVET Commission will need to generate evidence on skills in demand, track VET graduates and contribute to building up a comprehensive labour market and skills information system, together with all the key partners working in the areas of employment and statistics.

The socio-economic conditions of Palestine are getting worse and food insecurity is increasing because of the global rise in energy and food prices and Russia's aggression against Ukraine. Unemployment remains high, especially for young people and females, and over one-third of the households are living below the poverty line. The labour market and trade are highly dependent on Israel and factors such as limitations on movement of goods and people, lack of control over borders, volatile customs agreements and unpredictable tariffs make it unattractive for foreign investors to invest in the Palestinian economy.

The majority of future jobs for Palestinians will need to come from the private sector. There is a need for further investment in business development services and promotion of entrepreneurship among young people. This includes access to finance and investments, in particular in priority sectors, with the aim of restructuring the Palestinian economy and revitalise the agriculture, industry and tourism sectors.

1. KEY POLITICAL, DEMOGRAPHIC, ECONOMIC AND SOCIAL CHARACTERISTICS

Political developments

Palestine continues to be characterised by its fragile political situation due to the continuing Palestinian-Israeli conflict which is generating a segmented and structurally distorted economy with limited potential for economic growth. The ongoing escalations of violence and restrictions imposed by Israel on trade, movement of people and goods, and access to resources as well as tax revenues are making it difficult for Palestine to build a sustainable state. The constraints imposed under the Israeli occupation on the different regions (West Bank including East Jerusalem and the Gaza Strip), including a decade-long blockade on the Gaza Strip, have resulted in varying jurisdiction of the Palestinian Authority within disconnected regions. In addition, Palestine is also suffering from the lack of a unified political system; this is dominated in the West Bank by Mahmoud Abbas with the Fatah party and in Gaza by Hamas. In July 2022, during his visit to Palestine, US President Joe Biden called for a 'reinvigorated' peace process between Israelis and Palestinians.

Demographics

As in the last few decades, annual population growth rate continues to be high. It was 2.5 % in 2021. The average woman in Palestine gives birth to four children and life expectancy in 2020 was 74 years (World Bank data).

According to the latest data of Palestinian Central Bureau of Statistics (PCBS), in mid-2022, there were about 14.3 million Palestinians in the world, of whom about 5.35 million live in Palestine (3.19 million in the West Bank and 2.17 million in Gaza). The percentage of the youth population (18-29 years) in Palestine was about 22 % of the total population in the same period (22.2 % in the West Bank and 21.5 % in Gaza Strip).

Key economic developments

In 2020, GDP growth fell drastically by 11.5 %. This resulted in negative economic growth due both to the effects of the pandemic and Israeli occupation measures in withholding the tax clearance revenues that Israel collects on behalf of the Palestinian Authority. In 2021, the Palestinian economy recovered from the low levels of 2020 with GDP growth of 7 % (World Bank). Despite this positive trend, the country has not yet fully recovered from the crisis in 2020.

Palestine is also still coping with a financial crisis because of the decline in international aid and exhaustion of domestic sources of borrowing. Apart from occupation, fiscal management remains the greatest challenge faced by the Palestinian government because of its impact on the ability to carry out basic state functions and meet obligations to pay civil servants, provide essential public goods and services and develop physical and institutional infrastructure (UNCTAD, 2022).

GDP growth is expected to be in the range of 3 % in the medium term, barely enough to keep up with a growing population and implying weak labour markets and per capita GDP stagnation (UNCTAD, 2022).

With the recent global rise in energy and food prices, there is a risk of greater inflationary pressures and food insecurity in 2022, particularly as most of the wheat consumed in the Occupied Palestinian Territory is imported from the Russian Federation and Ukraine, either directly or indirectly via Israel (UNCTAD, 2022).

Services is the most important sector, employing the largest number of people. Its gross value added increased over the last decade from 57.7 % in 2010 to 60.6 % in 2020. Services was the first sector to be hit hard by the COVID-19 pandemic in 2020, in particular the tourism sector. The industry sector had a gross value added of 17 % and has declined with 1.4 % since 2019. In the last decade, the

gross value added of the agricultural sector has seen a decline. It was at 9 % in 2010 but only 7.1 % in 2020 (World Bank).

The informal economy and informal employment play a significant role in the Palestinian labour market. Various sources (including the ILO and World Bank) indicate that more than half of workers in Palestine are hired informally. Informal employment primarily affects the most vulnerable. It is exceptionally high for young workers, and workers with a semi-skilled or low-skilled profile have a high chance of being employed informally.

Remittance inflows to Palestine are an important source of foreign currency. According to the latest figures from the World Bank, in 2020 Palestine received USD 2 650 million in remittances, which was slightly less than the figures in 2019 where there was a remittance inflow of USD 2 860 million.

Key social issues

In Palestine, there are many social issues due to the ongoing occupation by Israel. Several reports from international organisations describe the difficult situation of every daily life of the Palestinians. In general, children, young people and women are most affected by the problematic socio-economic situation.

Many Palestinians live in poverty, and this is especially the case in Gaza due to its high population density, degrading infrastructure and poor living conditions. Estimates based on GDP per capita growth suggest that in 2020 the poverty rate reached 29.7 %, an increase of nearly 8 % from 2016. As the impact of the pandemic receded, the poverty rate is estimated to have declined to 27.3 % in 2021 (World Bank).

According to the Humanitarian Response Plan 2021, 2.25 million Palestinians needed some form of humanitarian assistance in 2021, the majority in Gaza. The types of humanitarian needs can be grouped in three categories: 1) needs related to lack of protection and displacement due to the eviction of Palestinian families from their homes and many becoming refugees); 2) needs of people with limited access to essential services (health, food, education, electricity, sanitation, water, etc.); and 3) needs of people affected by reduced resilience to cope with various shocks. Trauma is prevalent across Palestinian society and among all vulnerable groups, particularly women, children, and youth. They require additional assistance for mental health and psychosocial support (United Nations, 2021).

Regarding education, the problem of children and their teachers having safe access to their school remains a major concern. In addition, schools are also under threat of demolition. Following the UN's Education Cluster strategy, children with disabilities are the most affected by the deteriorating situation, as many of them lack the basic assistive devices to facilitate their learning in the classroom, as well as adequate means of transport, adapted school facilities and staff able to accommodate their needs. Some 27 % of children with disabilities (6-17 years) were not enrolled in education (32 % in the West Bank, compared to 24 % in Gaza), while those enrolled in education remain at a high risk of dropout for the above-mentioned reasons (United Nations, 2020, page 8).

2. EDUCATION AND TRAINING

2.1 Trends and challenges

Education strategy and legal framework for education

The National Policy Agenda 2017–2022 recognises the importance of education for economic growth and sustainable development. It identifies quality education for all as a national priority. Sectoral strategies have been developed within the Agenda. The Education Sector Strategic Plan 2017–2022 comprises three strategic goals: 1) ensuring safe, inclusive and equitable access to quality education at all levels of the system; 2) developing a student-centred teaching and learning pedagogy and environment; and 3) enhancing accountability and results-based leadership, governance and management. A lot of effort is being made by the national government as well as by the numerous international donors and organisations that are present in the country to achieve the strategic goals and improve the whole education system.

International financial support for the VET sector is declining; the main donors remain the EU, Germany (through the GIZ) and Belgium (through Enabel). The Norwegian Agency for Development Cooperation (NORAD) has also allocated a budget to the GIZ for the implementation of the DO TVET Programme).

A new European Joint Strategy 2021-2024 is being developed entitled 'Towards a democratic, accountable and sustainable Palestinian State'. The third pillar of the strategy is about providing sustainable service delivery which includes three sectors: education, health and social protection. European development partners are working together with the Ministry of Education and UNRWA (United Nations Relief and Works Agency for Palestine Refugees in the Near East) to offer safe, gender-responsive, inclusive and equitable access to high-quality education for all boys and girls in the West Bank, including East Jerusalem, and in the Gaza Strip. It would include support from early childhood education until higher education, including vocation education and training.

The Ministry of Higher Education and Scientific Research (MOHESR) has issued a new strategic plan covering the period 2020- 2023 and they are now developing a monitoring and evaluation system taking into consideration the following objectives of the strategic plan:

- improving the quality of higher education outcomes;
- providing safe, comprehensive and fair enrolment;
- raising the level of scientific research;
- improving technical education in quantity and quality;
- developing administrative procedures and financial sustainability.

The Ministry of Education, which is in charge of general education, is building its strategic decisions on the Education Sector Strategic Plan 2017-2022 and they issue annual monitoring and evaluation reports.

In 2017, the first Palestinian Law on Education and Higher Education was ratified. It aimed to modernise the education system and improve its quality and relevance.

The Palestinian education system is comprised of pre-school education, basic education, secondary education, higher education and non-formal education (UNICEF, 2018) as described below.

- Pre-school education (ages 0-5; not mandatory) lasts for 2 years. Pre-school education is primarily delivered by for-profit or non-profit private providers. Not all private providers of pre-school education are registered with the Ministry of Education.

- Basic education (ages 6-14; mandatory) includes grades 1-10 and consists of two levels: preparatory stage (1st-4th grades) and empowerment stage (5th-10th grades). Basic education is provided by three types of schools: (1) public schools managed by the Ministry of Education; (2) schools managed by UNRWA; and (3) private schools managed by for-profit and non-profit entities that are registered and monitored by the Ministry of Education.
- Secondary education (ages 15-17; non-mandatory) includes academic and vocational education for 11th and 12th grades. There are currently three tracks available for students in secondary vocational education: ordinary track, certificate of professional competence track, and the apprenticeship track. Secondary education is provided by public schools managed by the Ministry of Education, as well as private schools managed by for-profit and non-profit entities which are registered with and monitored by the Ministry of Education. Secondary school students have to pass the 'Tawjih' (the general secondary school certificate exam) in order to be admitted to higher education.
- Higher Education (ages 17+, non-mandatory) provides a whole range of educational programmes. The most popular programme is Education, followed by Arts & Humanities, Social Science, Business, and Science (PCBS). The Higher Education Law (Law No 6 of 2018) defines three different types of higher education institutions, namely governmental, public, private and UNRWA, and most of the higher education institutions are public institutions.
- Non-formal education (ages 14+, non-mandatory) consists of parallel education programmes and literacy programmes provided in non-formal education centres run by the Ministry of Education. In addition, non-formal education also includes other programmes provided in vocational training centres run by the Ministry of Social Development (MOSD) or the Ministry of Social Affairs (MOSA), the Ministry of Labour (MOL), UNRWA, or for-profit and non-profit non-governmental actors.

Education expenditure

In 2018, 5.3 % of GDP was allocated to financing the education sector (World Bank), while it was 5.14 % in 2019 (Ministry of Education, 2019). There is no increase in the budget allocation for the education sector and funding of education is still heavily reliant on foreign aid. The United Nations Relief and Works Agency for Palestine Refugees (UNWRA) is an important donor supporting the education sector for Palestinian refugees. Palestine has faced a funding crisis as a result of cuts in foreign aid which had a negative effect on the education sector as a whole. During his visit in July 2022, US President Joe Biden announced more than USD 300 million of financial aid to Palestine to make up for the serious cuts made by the Trump administration.

In 2017, the overall education budget represented 21 % of the total budget of the Palestinian Authority. The education budget fell by 1 % in 2018 (Ministry of Education, 2018). The reasons for this small decline are not explained in the Monitoring and Evaluation report 2018, which is the latest report available at the moment of writing. The target for 2022 is to increase the education budget to 27 % of the total budget.

Access, participation and early school leaving

For years Palestine has been known as a literate country with a literacy rate of 97.4 % in 2020 for people of 15 years old and above (PCBS).

According to the PCBS, in 2021, 55.1 % of the total population (aged 15+) had only attained a low level of education, 21.6 % a medium level of education and 23.3 % a tertiary level of education. There is a positive trend in the attainment rate (from the total population aged 15+) for tertiary level education. Over the last 6 years, more young people (from the total population aged 15 +) have attained a higher-level education degree (18.5 % in 2015, compared to 23.3 % in 2021). Although higher educational attainments correspond to higher unemployment rates, young Palestinians do continue to prioritise higher education. Especially females are attracted to tertiary education, with an enrolment rate of 53.5 % for females compared to 32.5 % for males in 2021 (UNESCO). Creating decent jobs for those young highly educated people is a great challenge.

Although enrolment rates in vocation education and training are still low, there is also a positive trend in students enrolling in vocational programmes. In 2017, only 2.6 % of the total upper secondary students (ISCED level 3) enrolled in vocational programmes. By 2021, the enrolment rate had increased to 3.8 % (ISCED level 3) (UNESCO). This increase is partly due to government efforts, which include diversifying the types of programmes available. In recent years, the Ministry of Education has made efforts to increase enrolment in VET and to lower the barrier between VET and general education by introducing vocational units and a technology track in general education (ETF, 2021 c).

The percentage of early school leavers among young people aged 18–24 continues dropping (from 35.4 % in 2010 to 30.3 % in 2020 and 29.5 % in 2021). The drop is due to female students, who have reduced their early school leaving rate by 10 percentage points, resulting in fewer than one out of five young women (17.9 %) leaving school early in 2021 (PCBS). The early school leaving rate for men is more than double of that of women.

PISA results

For the first time, Palestine participated in the Programme for International Student Assessment (PISA) in 2022 and results of the survey are expected in mid-2023. Commitments have been made by the Ministry of Education to participate in the 2025 PISA cycle.

Young people not in employment, education or training (NEET)

In 2021, 31.5 % of young Palestinians aged 15–24 were not in employment, education or training (NEETs); with lower shares among young males (26.6 %) compared to females (36.8 %) (PCBS). NEET levels were stable, but high, over time, with one-third of the youth being NEETs. A larger share of NEET youth between 15 and 29 was found among inactive individuals than unemployed ones. Most NEETs with intermediate qualifications have VET qualifications (ETF, 2022).

The EU-funded programme 'Youth Economic Empowerment in Palestine' targets young people not in employment or education to help accessing decent employment opportunities to enhance their contribution to economic, social and public life. This new programme has been operational since 2022.

The World Bank is implementing a project with a set of activities that are targeting the improvement of life skills for employability under 'Finance for Jobs'.

2.2 Initial VET and adult learning

Strategic and legal framework for initial VET and adult learning

The first TVET1 strategy dates from 1999 and was revised in 2008 and 2010. Even though the current strategy has sound objectives and a detailed action plan that addresses legislation, financing, the relevance of skills to labour market needs, stakeholder engagement and qualifications frameworks, it has never been fully implemented. One of the reasons given is the lack of a single governing entity for VET.

Other factors that were identified as main challenges in achieving a more efficient and better-quality VET system are the following (MOEHE, 2017):

- absence from the private sector and civil society in contributing to the management of the sector;
- low quality of TVET programmes, the lack of harmony with market needs, and the high unemployment rate among graduates;
- contradiction and selectivity of funders' policies;
- low turnout for vocational and technical education and training;
- low societal value for vocational and technical education;
- limited professional and technical specialisations related to the needs of the labour market;
- weakness of the existing infrastructure (curricula, staff, equipment, systems, buildings, etc.).

One of the priority tasks of the new National TVET Commission is the finalisation of the TVET law and the preparation of a final draft for adoption of the law. In addition, the 2022 workplan of the National TVET Commission includes revising the TVET strategy. The National Strategy for Adult learning dates from 2013 and there is little information available that shows any new developments in this area at institutional level.

VET governance and financing arrangements

For decades, VET policymaking was in the hands of three main actors: the Ministry of Education, the Ministry of Higher Education and Scientific Research, and the Ministry of Labour. Many attempts have been made in the past to address the fragmented governance and different models were proposed and implemented (e.g. the Higher Council for TVET and Development Centre 2017). Finally, in February 2021 the establishment of the National TVET Commission was approved by the President (Presidential Law No 4) and this should end the fragmented approach towards VET. An executive director and a board of directors have been appointed and office space is now available. This is can be seen as a major achievement. The Commission is currently working on the basis of their 2022 workplan and they have an operational budget. Regulations and guidelines for transferring the Director-Generals from the various ministries and the TVET institutions have been produced but are still waiting for a decision on implementation from the board of the National TVET Commission.

The National TVET Commission consists of representatives of the following ministries: Ministry of Education, Ministry of Higher Education and Scientific Research, Ministry of Labour, Ministry of Social Affairs, and Ministry of Transport. In addition, high-level representatives from the Chambers of Commerce, Trade Union association and the Nablus TVET University are members of the Commission.

¹ In Palestine, the term 'technical and vocational education and training' (TVET) is used, while the ETF prefers to use vocational education and training (VET). Throughout paper the term VET will be used unless referring to a specific unit, document or quote from Palestine that makes reference to TVET.

The Education Sector Working Group is the main platform for donor coordination. It has the following seven thematic sub-working groups: (1) Life Skills and Wellbeing; (2) Inclusive Education; (3) Quality Education; (4) Early Childhood Education; (5) Education in Emergencies; (6) Infrastructure and Safe Environment; and (7) Jerusalem.

The Ministry of Finance covers the expenses like salaries, running costs and development expenditure. VET providers have little autonomy over budgets and income. Resources are scarce, so funding is not used to incentivise reform at institutional level. However, international stakeholders and donors support the VET system and reform through large-scale aid.

To date, there has been no costing analysis of the VET system as a whole. It has always been a challenge to gain a complete picture of the system with administrative data such as enrolment figures. Calculations and data gathering carried out in 2019 in the framework of the national Torino Process assessment show a positive trend in enrolment with a rise of roughly 15% of students in the upper-secondary age cohort (aged 16–18) enrolling in all forms of formal and non-formal VET training programmes provided by different ministries. Overall, it can be concluded that enrolment figures are positive for all the VET tracks (ETF, 2021b).

In 2021, under the umbrella of Enabel's project 'Skilled Young Palestine', a blueprint was drafted to establish a new Skills Development Fund and a piloting of the new funding mechanism took place in 2021/2022 using solely Enabel funds. In the future, the Skills Development Fund will become the primary financial pillar providing sustainable financing and technical support for skills development for the whole country.

Qualifications, validation and recognition

A National Qualification Framework (NQF) working group developed a draft NQF in 2010 but it has not been approved by the Cabinet. No law on a Palestinian NQF has been adopted yet. Experts and officials have been guided in NQF development by drawing on the Arab Standard Classification of Occupations system, which classifies occupations by the categories of Specialist, Technician, Craftsman, Skilled worker, and Semi-skilled worker (ETF, 2021 c).

Establishing a system for validation and recognition of non-formal and informal learning is one element in the NQF plan and further work in this field will be undertaken in the near future.

In September 2022, the Palestinian Council of Ministers decided to form a technical committee to review the current NQF and come up with a final version that will be issued for approval. The Ministry of Higher Education and Scientific Research is leading the technical committee. Other members are the Ministry of Education, the Ministry of Labour and the National TVET Commission.

Quality and quality assurance

The revised TVET strategy of 2010 addressed the issue of quality assurance and quality management. The quality assurance system includes various measures such as the competency centre standards that are benchmarked against ISO standards and quality standards for teachers. However, there is still no national quality assurance authority to develop the quality system of the VET sector as a whole.

VET needs a comprehensive system of accreditation, quality assurance, and accompanying systems in line with the proposed strategy and the proposed law. The current quality assurance approach mainly refers to inspection of inputs with little autonomy for VET providers. (ETF, 2020). Monitoring and evaluation of the implementation of VET is done by each ministry that is accountable for their part of the system. In the future, the National TVET Commission will be in charge of monitoring and evaluation of the entire VET system. An integrated TVET management information system is needed, including the development of a full set of indicators for monitoring the efficiency and reform of the entire TVET sector.

Regarding accreditation, it is the Accreditation and Quality Assurance Committee that licenses higher education institutions and colleges and accredits their programmes. For VET institutions, the Ministries

of Education and Labour are in charge of accrediting and licensing VET institutions and the adoption of their programmes.

Work-based learning arrangements

The Ministries of Education and Labour are convinced of the importance and impact that work-based learning (WBL) has on the employability of young people. In recent years, the GIZ, Enabel and the World Bank have been supporting the country to integrate WBL at different levels of education. A national WBL strategy was developed in 2018 which outlines the different definitions and models that are in place for the education system. With regard to secondary level VET, practical learning at the workplace is taking place, mainly through informal arrangements between schools, teachers, students, parents and the local businesses. Until recently, it has been rather straightforward to collaborate with the private sector and find workplaces for students because of the low number of VET students.

Different models of WBL are being implemented, depending on the different tracks provided by the secondary vocational schools: 1) the ordinary track, 2) the certificate of professional competence track or project-based learning track, and 3) the apprenticeship track. More efforts are needed to further streamline and implement WBL across the whole VET system in order to differentiate VET graduates from academic ones. VET students should learn the technical skills and competences that are required in the labour market and therefore have better chances in finding a job (Samara, 2021).

WBL is expensive and it is clear that additional funding is needed to further implement and fine tune the WBL model. The national Skills Development Fund that is currently being developed could provide support in this respect. Based on an internal GIZ report on WBL, one of the main constraints is the limited number of medium-sized enterprises that are well placed to implement WBL. Many micro and small companies will need to come on board through the provision of incentives and extra support.

The WBL legal framework need to be reviewed, based on the TVET law and new governance structure. In addition, they should be compatible with the higher education bylaws.

Digital education and skills

According to the PCBS, during the first quarter of 2022, around 91 % of households stated that they had access to internet service at home (91 % in the West Bank and 90 % in the Gaza Strip). The percentage of individuals (10 years and above) who owned a smartphone was 71 % (82 % in the West Bank and 56 % in the Gaza Strip). There is therefore a strong need for a digital skills strategy, especially in Palestine where student mobility is difficult due to the Israeli occupation and where face-to-face teaching can be interrupted because of military escalation, as was the case last year (May 2021) in Gaza and East Jerusalem.

A lot of effort is being made to digitalise the education sector, especially after the COVID-19 outbreak in 2020. Within the framework of the UN's Education Cluster, a 'Distance Learning Taskforce', led by UNESCO and the Ministry of Education, is working on the development of innovative distance learning solutions to ensure inclusive and equitable high-quality education.

There are several donor initiatives that support the creation of digital learning platforms to make learning content available online. For example, the UNRWA Digital Learning Platform, launched in 2021, provides remote learning resources to more than 550 000 Palestine refugee students. 'Equip Palestine with E-Learning: Building Policies, Capacity and Research in Blended and Online Learning (E-Pal)' is a new initiative to strengthen digital teaching approaches in the Palestinian higher education sector. The project is run by the Palestine Polytechnic University and funded by the Norwegian Agency for Development Cooperation.

Statistics on education and training

The PCBS is collecting data on education and training. In cooperation with ETF, the PCBS has been successfully involved in the calculation of skills mismatch indicators using the Labour Force Survey, demonstrating the continuous improvement in evidence and dataset availability.

It has always been challenging to collect data on the TVET system as a whole because of the fragmentation in its governance. As mentioned above, there is no VET Management Information System but this may change in the future with the new TVET Commission becoming fully operational.

Tracer studies are mainly carried out by the donor community but this is not yet integrated as a systematic monitoring and evaluation tool. In 2018, the ETF, the GIZ and Enabel carried out a joint tracer study to better understand the transition of TVET graduates from school to work.

The share of students in initial VET in Palestine has long been considered marginal. For many years, VET enrolment figures, which include only the number of students enrolled in the 11th grade of formal secondary vocational education (industrial, agricultural, hotel management, household economy), have hovered around 2 % to 3 %. According to the Annual Monitoring and Evaluation Report from the Ministry of Education, the latest available figures for 2018 point to a share of 3.9 % of students in formal initial VET (secondary cycle, grade 11) and find a sharp gender divide (6.9 % for boys and merely 1.5 % for girls). This is an increase in secondary vocational education (grade 11) of 1 % compared to 2017 (Ministry of Education, 2018). It is expected that this positive trend will continue thanks to the efforts made to make VET more attractive.

3. LABOUR MARKET AND EMPLOYMENT

3.1 Trends and challenges

Labour market characteristics

The Palestinian labour market is characterised by its high segmentation, not only by age and gender, but also geographically and administratively. The geographic and administrative separation between the West Bank and Gaza Strip is very pronounced and creates a major obstacle to growth. Each area operates with its own labour market characteristics, labour demand and wage levels.

The labour force survey is clear: inactivity is predominant in Palestine, with only 43.4 % of the population aged 15 years or above actively participating in 2021, which is back to the levels before the COVID-19 pandemic and the years before that (PCBS, 2022). There is, however, a huge discrepancy by gender. The labour force participation rate (population aged 15+) for men stands at 68.9 %, but it is only 17.2 % for women, which is low even by regional standards. Major structural obstacles hinder women's entry into the formal labour force. These include a lack of policies that promote the hiring of women, a weak manufacturing sector, high unemployment rates for men, negative cultural attitudes and unfavourable societal views regarding women working outside the home, limited childcare opportunities and traditional gender divisions of labour (ETF, 2021 a).

In 2021, the overall unemployment rate for Palestine (for the population aged 15+) stood at 26.4 % which is higher compared to the 25.9 % in 2020. This shows that the country has not yet fully recovered from the COVID-19 pandemic in terms of job creation. The 2021 unemployment figures vary significantly when broken down further: there are large discrepancies by gender (22.4 % for men and 42.9 % for women), by region (15.5 % in the West Bank and 46.6 % in Gaza) and by age (41.7 % in the 15-24 age group compared to 24.6 % in the 25-49 age group). A major challenge for Palestine is the fight against the high youth unemployment and especially that for young women where there was an unemployment rate of 64.5 % in 2021. However, although the overall unemployment rate for the population aged 15+ has increased compared to 2020, the unemployment rate for young women fell from 70 % in 2020 to 64.5 % in 2021 (PCBS Labour Force Survey 2022). The most recent available data shows that the situation in the Gaza Strip is particularly worrying, with a youth unemployment rate (aged 15–24 years) of 68.9 % (65 % for young men and 86.8 % for young women) in 2021. This means that in Gaza, two-thirds of young people have no income and almost all young women are unemployed. In the West Bank, the youth unemployment rate (aged 15–24 years) is remarkably low compared to Gaza with an unemployment rate (age 15-24 years) of 27.8 %, or 23.5 % for men and 51.4 % for women (PCBS Labour Force Survey 2021).

Palestine is suffering from a skills mismatching situation in the labour market. A recent ETF study shows that one out of three employees with higher education level worked in jobs not corresponding to their field of study (horizontal mismatch), while almost 20 % of total employees with upper secondary education worked in jobs below their level of education. Similarly, around 22 % of employees with tertiary education were employed in jobs below their level of education (vertical mismatch). Young employees are more exposed to mismatched situation in employment. The mismatch calculation refers to 2019 datasets (ETF, 2022).

When addressing the labour market situation in Palestine, one should not forget the growing number of Palestinians working in Israel and the settlements, mainly in the construction sector. Some of them work illegally, informally or using illegally-purchased work permits. The lack of jobs in Palestine and the higher salaries in Israel are the main reasons for such a high outflow. In addition, the high level of informal employment remains significant in Palestine, accounting for three-quarters of the employment increase. Almost half of the wage employees in the Palestinian private sector were hired without a written contract in 2021, while less than one in three wage employees contributed to a pension fund and only half of women wage employees benefited from paid maternity leave (ILO, 2022).

Statistics on and labour market and employment

A Labour Market Information System is available and managed by the Ministry of Labour. However the system is not sufficiently and systematically used for analysis, for matchmaking data or to feed into employment policies. It is mainly the PCBS that disseminates labour market and labour force information through the Labour Force Surveys carried out every quarter. In 2021, the PCBS has made several changes in the definition of unemployed and underemployment in line with ILO's international standards on labour statistics. These changes in the definitions led to lower estimated unemployment and labour force participation rates, and higher inactivity particularly in Gaza Strip where long unemployment spells drive many jobseekers outside the labour force (i.e. discouraged jobseekers) (PCBS, 2022, page 128).

The capacity of PCBS staff can be considered high, the website is well structured and they issue relevant and up-to date publications on the labour force situation in Palestine.

A skills mismatch study has been carried out by ETF in 2019, in close cooperation with PCBS. Also UNESCO, under the Youth Employment in the Mediterranean project, developed a Skills Forecasting Model in 2018 with the aim of informing employment policies. The ILO issues a report every year on the situation of workers of the occupied Arab territories describing the situation of the West Bank, including East Jerusalem, as well as Gaza, Israel and the occupied Syrian Golan.

The employment offices in the different governorates collect and disseminate administrative data on registration of jobseekers, their participation in counselling, activation and employment programmes.

3.2 Employment policy and institutional settings

Strategy and legal framework in the employment policy field

Palestine has the following strategies in place in the area of labour market and employment:

Labour Sector Strategy 2021-2023 'The road to decent work and employment opportunities improvement'. The strategy specifies five goals that are very relevant for the skills and employment development of the Palestinians, such as: promoting self-employment, skilling and upskilling people in line with the needs of the labour market, improving the tri-partite relationships regarding decent work and social protection of workers and supporting networking amongst organisations.

National Employment Strategy 2021-2025 to achieve full, productive and freely chosen employment for jobseekers, particularly youth and women. The strategy places employment at the heart of socioeconomic development, viewing employment and decent work as a key focus to achieve stability, address the adverse consequences of the COVID-19 pandemic on the Palestinian labour market, and respond to threats posed by the ongoing Israeli occupation.

National Strategy for Entrepreneurship and Empowerment Sector 2020-2022, including all individual and collective initiatives that are based on commercial foundations and seek to achieve economic growth or societal development. The strategy aims to support development and establishment of SMEs and start-ups in priority sectors, focusing on agriculture, industry and tourism.

The second Palestinian Decent Work Programme 2018-2022, which provides a framework of collaboration between the Palestinian government and social partners on various aspects related to the three pillars of the Decent Work Agenda and the ILO Declaration on Fundamental Principles and Rights at Work with technical and financial assistance from the ILO.

Initiatives to boost employment

A wide range of initiatives available to boost employment and active labour market policies is put in place by the Ministry of Labour. The Palestinian Fund for Employment and Social Protection (PFESP) is the national umbrella institution for all employment, job creation and entrepreneurship development programmes implemented in Palestine. Although, most employment-support programmes are dependent on donor support.

On the local level, the employment offices, trade and industry chambers, Palestinian universities, non-governmental organisations (such as the Welfare Association, the Sharek Youth Forum, the Centre for Youth Economic Empowerment) and private institutions provide services to Palestinian citizens in finding a job. A positive development in the last years has been the inclusion of the career guidance role within the active labour market measures. However, there is still a lack of an adequate and comprehensive employment service system in Palestine and the employment services are facing many challenges.

In terms of employment figures, in 2019, employment offices in the different governorates provided career counselling for 17 800 jobseekers of which 57 % females. Moreover, 928 university students benefited from the services provided by the employment office and the vocational units in the universities. In terms of impact, employment offices integrated 717 jobseekers in the labour market. The employment corners have supported more than 650 jobseekers to enter the labour market of which 65 % were successfully employed. In addition, 12 new companies were established as a result of self-employment consultations provided for women (Ministry of Labour, 2020). These figures do not include the results of donor-driven initiatives in terms employment and business support services and job creation.

Entrepreneurship is seen as a possible solution for the high youth unemployment, but it would need an enabling environment and investment to develop entrepreneurial capacities. Self-employment accounted for 27.8 % of total employment in 2021, while it stood at 30.6 % in 2016 (PCBS). There is a need for further investment in business development services and promotion of youth entrepreneurship. This includes access to finance and investments, in particular in priority sectors with the aim of restructuring the Palestinian economy and revitalising the agriculture, industry and tourism sectors (ETF, 2020a).

Initiatives to increase the capacity of the public employment services

As mentioned in the current Labour Sector Strategy, employment services are coping with a lack of adequate planning and administrative capacities which has an impact on the efficient execution of the active labour market programmes that are in place. It is difficult to have a complete overview of all initiatives that are put in place by the government, the donor community and non-governmental organisations. Each initiative has its own objectives, outcomes and indicators to measure the results, and coordination between all initiatives at local and regional levels is challenging.

This and other challenges related to the labour market are addressed by different, mainly donor-driven programmes, of which there are some examples below.

Increasing the capacity of the public employment services is, indirectly an objective of the new 'Youth Economic Empowerment in Palestine (YEP)' action that started this year. One of the expected results is the set-up and implementation of a 'First Employment Facility' that will require a partnership between the Palestinian Fund for Employment and Social Protection (PFESP) and key private sector umbrella organisations.

The 'Programme for Access to Labour Market (PALM)', implemented by the GIZ has invested a lot in strengthening the capacities of local key stakeholders to oversee gender-sensitive employment services, including counselling services for self-employment and entrepreneurship. The PALM project will come to an end in 2022.

The European Joint Strategy in support of Palestine 2021-2024, 'Towards a democratic, accountable and sustainable Palestinian state', aims to support policies to create decent jobs, especially for young people and women, and one of its objectives is improving the quality of employment services.

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STATISTICAL ANNEX PALESTINE

The Annex includes annual data from 2010, 2015, 2019, 2020 and 2021 or the last available year.

	Indicator	2010	2015	2019	2020	2021
1	Total Population (,000) ⁽¹⁾	3786.2	4270.1	4685.3	4803.3	4922.7
2	Relative size of youth population (age group 15-24 and denominator age 15-64, %) ^{(1)C}	39.4	38.1	34.9	34.1	33.5
3	GDP growth rate (%)	5.8	3.7	1.4	-11.3	7.1
4	Gross value added by sector (%)	Agriculture Industry Services	9.0 18.6 57.7	7.4 16.4 61.7	7.1 18.4 61.1	7.1 17.0 60.6
5	Public expenditure on education (as % of GDP)	6.2	4.7	5.3 ⁽⁵⁾	M.D.	M.D.
6	Public expenditure on education (as % of total public expenditure)	17.8	15.5	17.7	M.D.	M.D.
7	Adult Literacy (%) ^C	94.3	96.3	97.2	97.4	M.D.
8	Educational attainment of total population (aged 15+) (%)	Low ⁽²⁾ Medium ⁽³⁾ High ⁽⁴⁾	64.0 20.9 15.1	60.5 21.0 18.5	56.5 21.5 22.0	55.3 21.7 23.0
9	Early leavers from education and training (aged 18-24) (%)	Total Male Female	35.4 41.4 28.1	31.4 39.6 20.8	30.3 40.2 17.8	30.3 39.4 18.4
10	NET enrolment rates in secondary education (ISCED level 2-3) (%)	81.8 ⁽⁶⁾	83.7	88.3	88.7	89.9
11	Share of VET students in upper secondary education (ISCED level 3) (%)	6.1	2.0	3.0	3.9	3.8
12	Low achievement in reading, mathematics and science – PISA (%)	Reading Mathematics Science	N.A. N.A. N.A.	N.A. N.A. N.A.	N.A. N.A. N.A.	N.A. N.A. N.A.
13	Activity rate (aged 15+) (%) ⁽⁸⁾	Total Male Female	41.2 67.1 14.8	44.0 ⁽⁷⁾ 69.6 ⁽⁷⁾ 17.7 ⁽⁷⁾	44.3 69.9 18.1	40.9 65.1 16.1
14	Inactivity rate (aged 15+) (%) ⁽⁸⁾	Total	58.8	56.0 ⁽⁷⁾	55.7	59.1
						56.6

	Indicator		2010	2015	2019	2020	2021
		Male	32.9	30.4 ⁽⁷⁾	30.1	34.9	31.1
		Female	85.2	82.3 ⁽⁷⁾	81.9	83.9	82.8
15	Employment rate (aged 15+) (%) ⁽⁸⁾	Total	31.4	33.9 ⁽⁷⁾	33.1	30.3	31.9
		Male	51.6	55.5 ⁽⁷⁾	55.0	50.5	35.5
		Female	10.8	11.6 ⁽⁷⁾	10.6	9.7	9.8
16	Employment rate by educational attainment (aged 15+) (%) ⁽⁸⁾	Low ⁽²⁾	36.5	38.6 ⁽⁷⁾	38.4	35.0	38.2
		Medium ⁽³⁾	27.1	30.6 ⁽⁷⁾	29.9	27.6	28.2
		High ⁽⁴⁾	59.8	54.5 ⁽⁷⁾	49.7	46.5	47.2
17	Employment by sector (%) ⁽⁸⁾	Agriculture	11.8	8.7 ⁽⁷⁾	6.1	6.4	6.7
		Industry	24.3	28.1 ⁽⁷⁾	29.7	29.9	31.2
		Services	63.9	63.2 ⁽⁷⁾	64.2	63.8	62.1
18	Incidence of self-employment (%) ^{c, (8)}		32.4	31.4 ⁽⁷⁾	28.6	27.7	27.8
19	Incidence of vulnerable employment (%) ^{c, (8)}		26.0	25.1 ⁽⁷⁾	22.1	21.9	21.7
20	Unemployment rate (aged 15+) (%) ⁽⁸⁾	Total	23.8	23.0 ⁽⁷⁾	25.3	25.9	26.4
		Male	23.1	20.2 ⁽⁷⁾	21.3	22.5	22.4
		Female	26.8	34.3 ⁽⁷⁾	41.2	40.1	42.9
21	Unemployment rate by educational attainment (aged 15+) (%) ⁽⁸⁾	Low ⁽²⁾	24.6	21.4 ⁽⁷⁾	22.5	24.2	23.0
		Medium ⁽³⁾	19.7	17.4 ⁽⁷⁾	20.3	20.1	22.0
		High ⁽⁴⁾	24.1	28.4 ⁽⁷⁾	31.5	30.5	32.6
22	Unemployment rate (aged 15-24) (%) ⁽⁸⁾	Total	39.1	37.4 ⁽⁷⁾	40.1	42.1	41.7
		Male	37.1	33.7 ⁽⁷⁾	34.7	36.6	37.2
		Female	49.8	56.6 ⁽⁷⁾	67.1	70.0	64.5
23	Proportion of people aged 15–24 not in employment, education or training (NEETs) (%) ⁽⁸⁾	Total	29.3	32.2 ⁽⁷⁾	33.4	34.5	31.5
		Male	24.3	26.6 ⁽⁷⁾	26.7	30.0	26.6
		Female	34.5	38.2 ⁽⁷⁾	40.4	39.1	36.8
24	Participation in training / lifelong learning (% aged 25-64)	Total	M.D.	M.D.	M.D.	M.D.	M.D.
		Male	M.D.	M.D.	M.D.	M.D.	M.D.
		Female	M.D.	M.D.	M.D.	M.D.	M.D.

	Indicator	2010	2015	2019	2020	2021
25	Human Development Index	0.684	0.701	0.708	M.D.	M.D.

Last update: .4.10.2022

Sources:

Indicators 1, 2, 3, 4, 5, 6, 7: The World Bank, World Development Indicators database

Indicators 7, 10, 11: UNESCO, Institute for Statistics

Indicators 8, 9, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24: Palestinian central Bureau of Statistics (PCBS)

Indicator 12 - OECD PISA 2018 Results (Volume I) Annex B1

Indicator 25 – UNDP

Notes:

⁽¹⁾ Estimation.

⁽²⁾ Low – ISCED 0-2

⁽³⁾ Medium – ISCED 3-4

⁽⁴⁾ High – ISCED 5-8

⁽⁵⁾ Applies to 2018

⁽⁶⁾ Applies to 2012

⁽⁷⁾ Breaks in series due to the adaptation to the new definition of employment (adaptation to the 19th resolution of the International Conference of Labour Statisticians)

⁽⁸⁾ Data from 2010 revised according to the results from population, housing and establishments census, 2017.

Legend:

C = ETF calculations

N.A. = Not Applicable

M.D. = Missing Data

KEY DONOR PROJECTS IN EDUCATION, TRAINING AND EMPLOYMENT

This is an overview of the main interventions in the field of education, training and employment. This list is not exhaustive.

Project	Donor	Implemented by	Summary/Areas of work
Youth Economic Empowerment in Palestine (YPE)	Belgium & EU	Enabel	YPE aims to address the lack of economic prospects for Palestinian youths, including vulnerable youth and young women, by empowering them to access decent employment opportunities.
Skilled Young Palestine	Belgium	Enabel	Improve the transition of youth to employment and self-employment through improved skills and competences
Youth Employment in the Mediterranean (YEM)	UNESCO & EU	UNEVOC	Skills Forecasting & Assessment, digital skills development, Work-based learning, regional cooperation
Programme for Access to the Labour Market (PALM)	BMZ	GIZ	Improve labour market policy to meet the needs of jobseekers and companies
UFM Hub for Jobs, Trade and Investment	BMZ	UFM	Foster regional cooperation in employment, trade and investment within the framework of the UFM.
More job opportunities for Palestinian youth II	BMZ	MOHESR	Improve the quality of and access to labour market-oriented university education.
Demand-Oriented TVET (DO TVET)	BMZ and Norway	National TVET Commission	Align VET with the needs of the private sector and foster employability of young people.
More job opportunities for Palestinian youth	BMZ	MOL	Increase employment opportunities for Palestinian young people thanks to training that meets the needs of the labour market.
Finance for Jobs (F4J)	World Bank	Implementing agency	Support skills development and job creation for the youth.

ABBREVIATIONS

Enabel	Belgian Development Agency
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GDP	Gross Domestic Product
ILO	International Labour Organization
LFS	Labour Force Survey
LMIS	Labour Market Information System
MAS	Palestinian Economic Policy Research Institute
MOE	Ministry of Education
MOEHE	Ministry of Education and Higher Education
MOHESR	Ministry of Higher Education and Scientific Research
MOL	Ministry of Labour
MOSA	Ministry of Social Affairs
MOSD	Ministry of Social Development
NEET	Not in Employment, Education or Training
NZF	National Qualification Framework
PCBS	Palestinian Central Bureau of Statistics
PFESP	Palestinian Fund for Employment and Social Protection for Workers
TVET	Technical Vocational Education and Training
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWRA	United Nations Relief and Works Agency for Palestine Refugees
VET	Vocational Education and Training
WBL	Work-Based Learning
YEP	Youth Economic Empowerment in Palestine

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